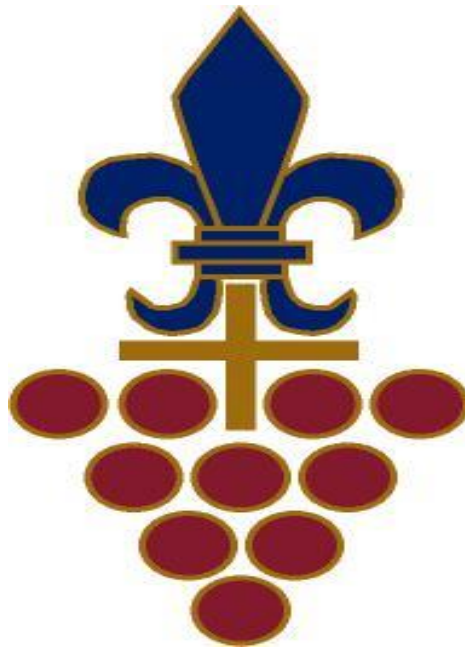


APPENDIX 1

STELLENBOSCH MUNICIPALITY



MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL PERIOD 2019/2020 TO 2021/2022

We describe the vision of where we want to be as a municipality and the Greater Stellenbosch area as:

“VALLEY OF OPPORTUNITY AND INNOVATION”

Mission:

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

Our Values

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

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

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

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

TABLE OF CONTENTS

PART 1

A:	Resolutions	1
B:	Executive Summary	2
C:	High Level Budget Summary	21
D:	Annual Budget Tables (Budget and Reporting Regulations – Schedule A)	22

PART 2

A:	Overview of Stellenbosch Municipality	35
B:	Legislative environment	63
C:	Overview of annual budget process	65
D:	Overview of alignment of annual budget with the Integrated Development Plan (IDP)	66
E:	Overview of municipal by-laws and budget related policies	70
F:	Overview of key budget assumptions	78
G:	High level budget overview	80
H:	Overview of budget funding	86
I:	Expenditure on allocation and grant programmes	87
J:	Allocations and grants made by the municipality	88
K:	Councillor and board member allowances and employee benefits	112
L:	Monthly targets for revenue, expenditure and cash flow	114
M:	Contracts having future budgetary implications	115
N:	Detail Capital Budget 2019 – 2022	116
O:	Legislation Compliance	132
P:	Other Supporting Documents	133
Q:	Quality Certificate	205

PART 1

A: RESOLUTIONS

It is recommended to Council,

- (a) that the High Level Budget Summary, as set out in **APPENDIX 1 – PART 1 – SECTION C**; be approved;
- (b) that the Annual Budget Tables as prescribed by the Budgeting and Reporting Regulations, as set out in **APPENDIX 1 – PART 1 – SECTION D**, be approved;
- (c) that the proposed Grants-In-Aid allocations as set out in **APPENDIX 1 – PART 2 – SECTION J**, be approved;
- (d) that the three year Capital Budget for 2019/2020, 2020/2021 and 2021/2022, as set out in **APPENDIX 1 – PART 2 – SECTION N**, be approved;
- (e) that in terms of MFMA Section 19 and Municipal Budget Reporting (MBRR) Regulations 13, projects above a prescribed value set at R50 million, as set in **APPENDIX 1- PART 1- SECTION B**; be individually approved;
- (f) that the proposed rates on properties in WC024, tariffs, tariff structures and service charges for water, electricity, refuse, sewerage and other municipal services, as set out in **APPENDIX 3** , be approved;
- (g) that the proposed amendments to existing budget related policies and other policies as set out in **APPENDICES 4 - 30**, be approved;
- (h) that Council specifically note and consider the need to take up an external loan, needed for investment in income generating infrastructure to the amount of R380 million of which R160 million will be required in year 1 and R 120 million in year 2 and R100 million in year 3 (refer to Section G: High Level Budget Overview and Table A1 Budget Summary) and confirm approval of same;
- (i) that Council specifically take note of the fact that the proposed electricity charges and tariff structure is subject to NERSA approval that could change materially;
- (j) that Council takes note of MFMA circulars 93 and 94 that was published to guide the MTREF for 2019/2020 to 2021/2022 as set out in **APPENDICES 31 – 32**; and
- (k) that Council takes note that the public comments and submissions were taken into account in the compilation of the final budget.

B: EXECUTIVE SUMMARY

The 2018 Medium Term Budget Policy Statement (MTBPS) by the Minister of Finance highlighted the difficult choices both fiscal and economic, which will be confronting the government over the next several years. The Minister further stated that given the current economic climate faced by the country, the government will be confronted with the above mentioned choices over the medium term as well. This undoubtedly reiterates the sentiments expressed in 2016's annual budget circular, which stated clearly that the South African economic outlook is bleak.

South Africa continues to confront an economic environment that are challenging as a result of slow global growth and trade tensions mounting. The focus must be to choose a path which will lead to economic growth that will be faster and more inclusive, which will also strengthen public and private sector investment. The projected Gross Domestic Product (GDP) growth forecasted during 2018 for 2019 has been revised downwards from 1.7 per cent to 1.5 per cent. This is due to a fragile recovery in employment and investment, and a less supportive global trade environment. However growth is expected to gradually recover and improve to over 2 per cent by 2021, as confidence returns and investments gathers pace. This will be achieved through the government's efforts to reform state-owned companies and the launch of the infrastructure fund that are expected to increase growth and investment in the years ahead. To achieve higher and more inclusive growth improved state capacity as well as a comprehensive structural reform are needed to address unemployment and poverty.

The 2019 Budget review also notes that the government's budget priorities is as follow; narrow the budget deficit and stabilise the national debt-to-GDP ratio, support restructuring of the electricity sector, and reduce the immediate risks Eskom poses to the economy and the public finances and renew economic growth by strengthening private-sector investment, improving the planning and implementation of infrastructure projects, and rebuilding state institutions.

The President announced the implementation of an economic stimulus and recovery plan during September 2018 and during the 2018 MTBPS he announced the steps to implement the economic and recovery plan. The initiative will focus on the following five interventions:

- Implementing growth-enhancing economic reforms;
- Reprioritising public spending to support economic growth and job creation;
- Establishing an infrastructure funds;
- Addressing urgent matters in education and health; and
- Investing in municipal social infrastructure improvement.

The economic recovery process over the medium term will focus on increased investment in social and economic infrastructure. This will require a more increased role for the private sector and improved implementation of government's existing plans. Government has begun to implement growth enhancing reforms in line with the afore-mentioned economic stimulus and recovery plan. It was noted in the State of the Nation Address on 7th February 2019 that faster economic growth is required to expand employment and raise the revenue needed to support social development. To bolster confidence and encourage private-sector investments additional steps are required to strengthen policy certainty, improve the effectiveness of infrastructure spending and rebuild public institutions.

In his budget speech on 20 February 2019, the Minister of Finance emphasised the importance of using the budget as a mechanism to accelerate economic transformation and the importance of ensuring that the budget is utilised as a platform for renewal, inclusive growth and job creation. The Minister further reiterated the same five tasks/ priorities that were addressed during the State of the Nation Address on the 7th February 2019.

The broad principles that flow from the National Development Plan were also touched on as the Minister emphasised that the National Budget promotes inclusive growth, it emphasises partnerships among the various stakeholders in our economy , it makes investments in education and infrastructure a priority, it supports and encourages employment creation and it contributes to building a developmental and capable state. The Minister stated in his speech that the National Budget should be viewed as a long-term vision. Challenges were highlighted by the Minister as focus areas for the future, namely, technology, sustainability, rapid urbanisation and nationalism.

The Budget of 2019 outlines a series of economic and fiscal measures to be implemented to move the economy onto a new trajectory and reduce the long-term risks to South Africa's public finances. The central economic policy goal of the government, is to accelerate inclusive growth and create jobs. The main objective is to ensure sustainable finances by containing the budget deficit and stabilising public debt. The Constitution requires the national budget and related budget processes to promote values such as transparency, accountability, as well as effective management of the economy to these requirements in a difficult environment in which economic growth remains weak, public debt and debt service costs have accelerated, and governance and operational concerns are manifest across the public sector. The 2019 Budget confronts these challenges by addressing the central risks of the economy and its public finances, supporting growth-enhancing reforms and maintaining real growth in expenditure on social and economic priorities.

The Budget of 2019 maps a path out of economic stagnation, anticipating a steady increase in economic growth, which in turn will create a path to prosperity for the South African people, and improve the nation's finances over time. In essence the budget presents a roadmap to maintaining the integrity of the public finances, while also protecting social services. It is based on the idea of an inclusive social contract, encompassing equitable burden of tax and progressive programme of expenditure. It also relies on institutions that operate on good governance and a public ethic that values honesty, transparency and fairness.

As part of Government's transformation action agenda, the following programmes are a priority:

- Dignified living & improving the conditions of the poor;
- Improved access to services and economic participation across all racial lines;
- Creating an environment for small businesses to thrive, which in turn will stimulate economic growth, accelerate inclusive economic growth and increase job opportunities;
- Reconstitute a professional national intelligence capability;
- Improve the education system and develop skills;
- Step up and fight against state capture and corruption;
- Remove the constraints to inclusive growth and to pursue far greater levels of investment;
- Improve governance, strengthen leadership and restore stability in strategic entities; and
- Strengthen the capacity of the state to address the needs of the people.

The National key priorities below, directly aligned to the National Development Plan, the Constitution and the Freedom Charter, which are the cornerstones for South Africa's economic development, remain priorities for the municipality. These priorities are ultimately aimed at addressing the challenges of poverty, inequality and unemployment. Implementation of radical socio-economic transformation is therefore key in achieving these priorities.

- Infrastructure development and investment therein plays a pivotal role in improving the economy, creating jobs, empowering small businesses and providing services to the people. Municipalities are encouraged to invest in upgrading of municipal roads, building waste water treatment works, installation of electricity networks, power stations, upgrading of sewer systems, building water reservoirs and other infrastructure. With the population growth that Stellenbosch municipality has,

especially in informal settlements, infrastructure needs to be upgraded to meet the demands of the communities.

This also has a linkage in reduction of unemployment. Similar to 2017/18 and 18/19 financial years, the municipality's capital budget is huge.

- Implementation of National Minimum Wage: One of the demands of the freedom charter. The introduction of the minimum wage was made possible by the determination of all social partners to reduce wage inequality, while still maintaining economic growth and employment creation. This will improve the living conditions of households across the country.
- Building safer communities for all: Efforts to tackle crime must be intensified.
- Adhering to the principles of Batho Pele-“Putting people first”.
- Sustainable Job Creation: One of the biggest challenges South Africa is confronted with is lack of job creation, which remains a national and provincial priority, as highlighted in the State of the Nation Address delivered by the President. One of the most pressing challenges is youth employment, which are currently at the centre of the economic agenda. With the low scaling economy, it is a challenge for jobs to be created as the two have a direct relationship. Thus, it is paramount for municipalities to continue to undertake joint planning with their communities and respective business sectors that drive the local economy to create opportunities, especially for young people to be exposed to the work world through various initiatives such as internships, apprenticeships, mentorships, entrepreneurships, etc. Municipalities should explore opportunities to mainstream labour intensive approaches to delivering services.

As a means to combat unemployment, the municipality would employ the following measures:

- Full participation in the Expanded Public Works Programme;
 - Providing support to small businesses, which will create employment in the medium to long term;
 - Establishment of Informal Traders;
 - Promoting Internships and in-service training opportunities;
 - Filling of vacancies within the municipality; and
 - Developing partnerships with academic institutions for training opportunities.
- A revised capacity building initiative, aligned to Back to Basics strategy, where the main focus will be on improving service delivery, accountability and financial management. It is always important that local government be effective and efficient, and this will be measured by its ability to perform the basic mandate of service

delivery. The “Back to Basics” programme was launched to promote good governance and effective administration through cutting wastage, spending public funds prudently, hiring competent staff, and ensuring transparency and accountability in local government.

The President of South Africa, in his State of the Nation Address (SONA), on 7th February 2019 conceded that unemployment remains a national challenge and that job creation remains at the centre of the national agenda of 2019. The following focus areas were highlighted during SONA, which will be used as instruments to reignite growth so that the economy can create much-needed jobs:

- SMMEs: Expanding the small business incubation programme which provides entrepreneurs with the physical space, infrastructure and shared services, access to specialised knowledge market linkages, training in the use of new technologies and access to finance.
- National Minimum Wage (one of the demands of the Freedom Charter) to ensure greater coherence and consistency in the implementation of economic policy.
- Mining and beneficiation
- Youth Development and Employment through the implementation of various initiatives (launch of the youth employment service through paid internships).
- Agriculture and related initiatives
- Water Conservation Initiatives
- Encourage significant new investments and promoting greater investment in key manufacturing sectors
- Provision of Infrastructure through Infrastructure Investments
- Expansion of the Tourism Sector
- Developing capabilities in science, technology and innovation towards digital industrial revolution

Various programmes and initiatives will/must be established and the existing one's improved upon to ensure effective implementation of the strategic priorities.

The Western Cape Premier in her State of the Province address, on 15th February 2019, reiterated the sentiments highlighted during the State of the Nation Address and also the challenges that are faced and the initiatives that were implemented to address these challenges with regards to unemployment, education, building of safer communities, sustainable infrastructure development, land reforms, drought disaster management plans, implementation of related initiatives, provision of housing (dignified living), provision of services to the poor households, among others. The Premier

highlighted the importance of finding ways to minimise unemployment by creating an environment that encourages job creation, through investment and growth and creating an environment which raises the quality of education and prepares generations for a digital future.

During her address the Premier mentioned the successes achieved through the implementation of various initiatives with focus on land reform, improvement of education and creation of an environment which encourages expanding social services, building of partnerships to foster safer communities, investments in and maintenance of infrastructure and implementation of various youth development programmes which in return will boost employment opportunities. All of the above issues are of importance, however as the Premier stated, the basis of all of this is economic growth, investment and job creation. In essence little else is possible if there is no growth or job opportunities.

Curtailing non-core expenditure has always been emphasized by National Treasury. In order to maintain a funded budget, municipalities need to not only focus on tariff increases, but also focus on how to eliminate expenditure that is unnecessary. The initial cost containment measures were introduced through a MFMA Circular. Building on the MFMA Circular, National Treasury and other stakeholders drafted regulations that will promote the cost containment measures introduced in a number of spending areas. The Draft Municipal Cost Containment Regulations were published on 16 February 2018.

The implementation of cost containment measures is important as it will assist municipalities to reprioritise expenditure and to free up resources targeted towards service delivery. It will also be used to eliminate wastage of public resources on non-service delivery items. The main object of the draft Regulations is to ensure that the resources of municipalities are used in an effective, efficient and economical manner. In essence these Cost Containment Regulations propose to provide a framework that is consistent with the provisions of the MFMA. The effective implementation of the regulations aims to ensure that municipalities and municipal entities achieve value for money in utilising public resources to deliver effective municipal services.

The National Budget places emphasis on municipalities to ensure that expenditure is allocated in an efficient manner, that management is enhanced and that cutting of waste occur. The 2019 Budget allocates resources to core social and economic priorities while containing aggregate expenditure growth. Spending plans give effect to priorities of the National Development Plan and the Medium Term Strategic Framework.

Municipalities are encouraged by National Treasury to maintain tariff increases and adopt a tariff setting methodology that achieves an appropriate balance between the interests of poor households

and other customers while ensuring the financial sustainability of the municipality. Municipalities must ensure that their budget are funded from realistically anticipated revenues. This means that the municipality must refrain from assuming collection rates that are unrealistic and unattainable.

In the instance of bulk tariff increases for electricity municipalities are also encouraged to apply for electricity tariff increases that reflect the total cost of providing the service, to ensure that they are working towards achieving fully cost-reflective tariffs that will assist them to achieve financial sustainability. Drought conditions makes it challenging and difficult for some municipalities to improve their revenue generation from provision of water services. In respect of water services the following important aspects should be focused on such as improving demand management, maintenance of infrastructure, management of losses, meter reading and tariff setting. When setting the tariffs municipalities must ensure that the tariffs charged will be able to cover for the cost of bulk purchases, ongoing operations as well as provision for any future infrastructure.

Municipalities should consider the following facts during tariff setting process, namely, the costs of bulk purchases and the fluctuation in the seasonal cost thereof; the consumption patterns to enable better demand planning and management; and in the event that municipalities have been under recovering costs, embark on a process to correct their tariff structures over a reasonable time period so that cost reflective tariffs are achieved, which in turn will result in financial sustainability. It is important that municipalities ensure that the tariffs charged are able to cover for the cost of bulk purchases, ongoing operations and provision for future infrastructure.

As a result of the economic landscape and weak tariff setting, municipalities are under pressure to generate additional revenue. Additional revenue needs to be generated because the consumers ability to pay for services received, continues to decline, which leads to limited revenue collection. The effects of slow growth and economic challenges experienced these past years, still have an impact and continue to place pressure on the finances of the average consumer (levels of disposable income and savings). This typically results in greater difficulty for the municipality with regards to the revenue collection, which have a direct impact on the municipality's ability to provide effective and efficient services, but also to budget accurately for service delivery over the short to medium term.

Continued policy uncertainty and the deterioration in the finances of state-owned companies are some of the main risks and challenges that can hinder the economic outlook. It is as a result of above economic challenges, alongside continued unemployment and slow growth that a more conservative approach is advised for revenue projections. Municipalities affected by the drought should thus consider its impact on revenue generation. The municipalities will also have to improve their efforts to limit non-priority spending and implement stringent cost-containment measures.

Municipalities are required to focus on the following during the compilation of the 2019/2020 MTREF budgets:

- Improving the effectiveness of revenue management processes and procedures;
- Paying special attention to cost containment measures by, amongst other things, controlling unnecessary spending on nice-to-have items and non-essential activities as highlighted in the MFMA Circular No.82;
- Ensuring value for money through the procurement process;
- The affordability of providing free basic services to all households; and
- Curbing consumption of water and electricity by the indigents to ensure that they do not exceed their allocation.

The municipality has taken this in consideration when drafting the budget.

The application of sound financial management principles for the compilation of the Stellenbosch's financial plan is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities. As a result of excellent financial discipline, the Stellenbosch Municipality has taken the theme of "Driving efficiencies- doing more with less", to heart. The municipality not only maintained its healthy financial position, but improved its already outstanding liquidity position. The municipality's business and service delivery priorities were reviewed as part of this year's planning, through the Integrated Development Plan (IDP), and the annual budget process.

Funds were shifted from low to high priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken on non-core and 'nice to have' items with regards to expenditure. The municipality has embarked on developing a revenue enhancement strategy to optimize revenue, including the collection of debt owed by consumers. Furthermore, the municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government.

The main challenges experienced during the compilation of the 2019/20 MTREF can be summarized as follows:

- The on-going difficulties in the national and local economy;
- Aging infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;

- The increased cost of bulk water and electricity, which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be a point where services will no-longer be affordable;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
- Reductions in allocations of some National and Provincial grants due to a worsening fiscal outlook; and
- Limited resources to deal with all key priorities.

The following budget principles and guidelines directly informed the compilation of the 2019/20 MTREF:

- Integrated Development Plan was used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be as affordable as possible and should ideally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality. However, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- National, provincial and local priorities;
- Headline inflation forecasts; and
- Funding choices and modelling.

The Integrated Development Plan (IDP) was used as a guiding strategic document to inform the budget compilation. The challenge however is still to deliver services more efficiently and effectively with the tight financial envelope.

Stellenbosch municipality's revenue strategy was based on the following fundamentals:

- Tariff policies of the municipality
- Economic outlook and development for Stellenbosch and surrounding areas
- National Treasury's guidelines and macroeconomic policy
- National, Provincial and Regional fiscal growth rates
- Electricity tariffs as approved by National Electricity Regulator of South Africa (NERSA)

The financial resources to fund the Operational Budget will and must consist of realistically anticipated revenue generated from property taxes, service charges and other income. The municipality were mindful of the estimated headline inflation for 2019/2020 of around 5.2 per cent, forming the basis of the extensive income modelling exercise, but also taking into account the principles of economical services that are cost reflective, trading services generating surpluses, the effect of escalating salary costs and bulk purchases.

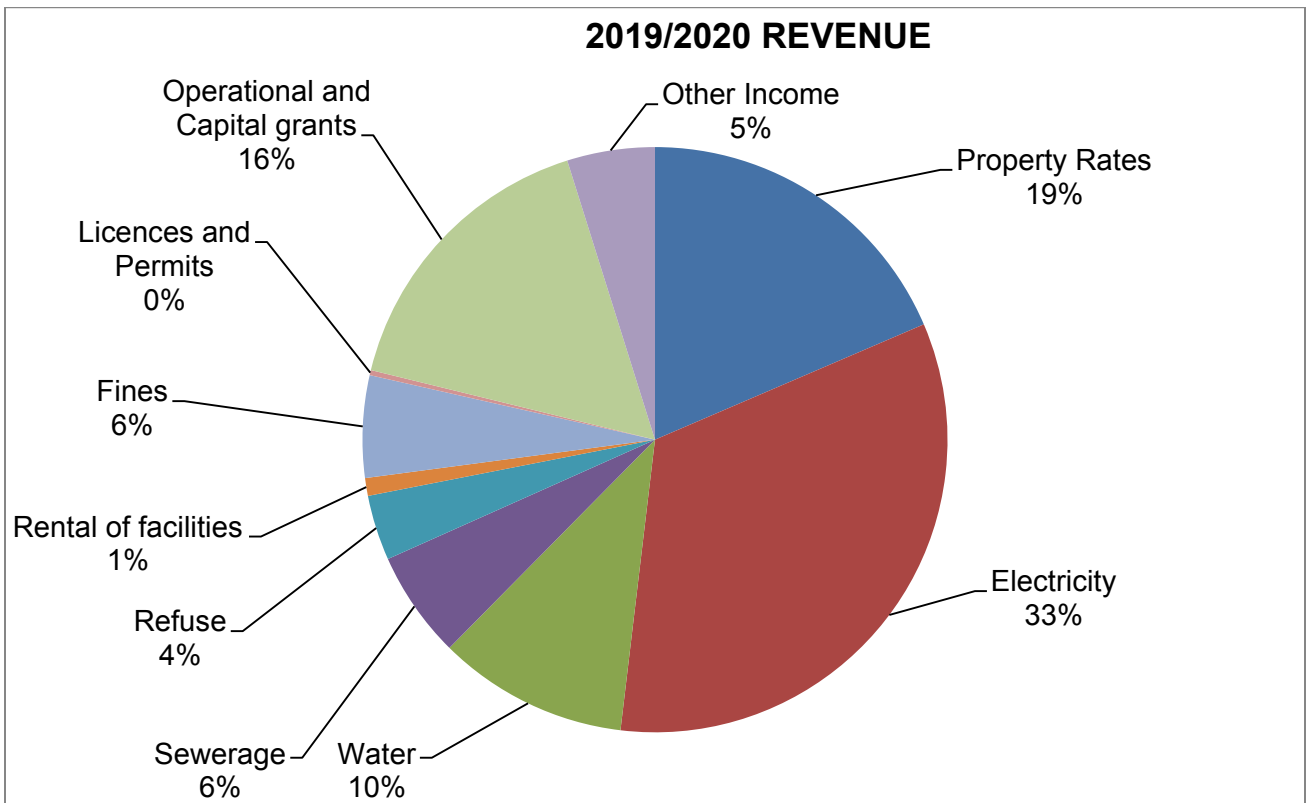
The total budget quantum for the 2019/2020 year is R2 366 523 752 of which R1 808 247 224 (76%), is allocated to the operating budget and R 558 276 528 (24%) to capital investment.

OPERATING BUDGET – REVENUE

Overall revenue budget increase was limited to 9.45% resulting in annual operating revenue increasing from R1 738 394 265 in 2018/2019 to R1 919 734 787 in 2019/2020. Taking cognisance of the economic conditions, the resultant low employment levels and levels of disposable income, it was important to keep services affordable by critically looking at the costs associated with providing the service and the effect on future service charges to provide the services.

Accordingly leadership and management investigated potential pitfalls and amongst others found that spiralling expenditure on employee costs did not keep trend with realistically anticipated revenue streams, compounded by the decline in electricity surpluses as a result of higher input costs to provide the service.

REVENUE CATEGORIES	2018/2019	2019/2020	% INCR.
Property Rates	344,306,916	356,121,877	3.43%
Electricity	558,984,220	639,886,270	14.47%
Water	190,542,089	201,974,611	6.00%
Sewerage	97,078,132	113,503,000	16.92%
Refuse	61,167,898	69,224,664	13.17%
Rental of facilities	17,765,541	18,831,474	6.00%
Fines	102,132,446	108,260,389	6.00%
Licences and Permits	5,092,474	5,398,023	6.00%
Operational + Capital grants	271,048,330	313,427,000	15.64%
Other Income	90,276,219	93,107,479	3.14%
Operating Revenue	1,738,394,265	1,919,734,787	9.45%



- Average tariff increases:

Property Rates	6.50%
Electricity	13.07%
Water	6.50%
Sanitation	6.00%
Refuse removal	16.50%
- The Municipality succeeded in accessing the EPWP Incentive Grant for Municipalities in a bid to give some relief to the poorest of the poor by means of contract employment opportunities over the short term. The allocation for the 2019/20 financial year is R 5 227 000.

Rates

In the 2019/2020 financial year, the Property Rates Tariff paid by owners will increase with 6.50%, whilst total rates also increased with the same percentage. Rates rebates to senior citizens and disabled persons are also available as per the requirements of the amended Rates Policy to qualifying ratepayers with a monthly income of R15 000 or less.

Electricity

According to NERSA, the inclining block rate tariff structure is commonly used to charge for water usage. The feature of this tariff structure is that the more you use, the higher the average price. The objective of the inclining block tariff is to provide protection for lower usage customers against high price increases resulting in a reduction in tariffs to these customers. This means that higher consumption customers will see increasingly punitive charges based on their electricity usage. The municipality is implementing the directive from NERSA as part of the Municipality's Licensing Agreement and as a result had to deal with the negative impact of a declining Electricity surplus, year-on year, putting more pressure on the level and quality of services provided.

Council's attention is further drawn to the fact that the proposed electricity tariff is at 13.07% whereas the increase in electricity bulk purchases for the 2019/2020 financial year is 15.63% as approved by NERSA (National Electricity Regulator of South Africa) for implementation by all municipalities. Municipalities are urged to examine the cost structure of providing electricity services and to apply to NERSA for electricity tariff increases that reflect the total cost of providing the service, so that they work towards achieving fully cost-reflective tariffs that will help them achieve financial sustainability.

Water

Taking cognizance of the challenges that the country is currently experiencing due to the severe drought, the plight of the poor and the affordability of basic services, the average tariff increase for the rest of the consumptive water scales is 6.50%. The tariff is designed to cater for current and future capital investment in basic water infrastructure and the need to generate surpluses. **It is however important to note that the proposed revenue as per table A4 (Appendix 1 – Part 1 – Section D) is based on the anticipated actual performance of the income to be derived in 2018/2019 and not based on the approved budget for the same year.**

Sewerage (Sanitation)

The proposed increase in this tariff is 6%. Sanitation services is classified as an economical services. This means that the service charges for sanitation must cover the cost of providing the

service, i.e. it must at least break even. This tariff increase is necessitated by operational requirements, maintenance of existing aging infrastructure, new infrastructure financing/provision and to ensure that the service is delivered in a sustainable manner. **It is however important to note that the proposed revenue as per table A4 (Appendix 1 – Part 1 – Section D) is based on the anticipated actual performance of the income to be derived in 2018/2019 and not based on the approved budget for the same year.**

Refuse (Solid Waste)

Refuse removal services, like sanitation are also classified as an economical services. This means that the service charges for refuse must cover the cost of providing the service, i.e. it must at least break even. The municipality will implement an above inflation tariff increase as this service does not break even and to provide for the additional expenditure for the transport of the waste from the Stellenbosch Landfill Site. The solid waste tariffs were modelled to give effect to the principle of the service charge being cost reflective as the service cannot be cross-subsidized. It is proposed that the tariff increases by 16.50% as a result of the before mentioned. The very nature of this tariff does not lend it to financing the expansion of the landfill site and therefore the proposed extension by way of constructing the new cell, was funded from council's own reserves.

It is however important to note that the proposed revenue as per table A4 (Appendix 1 – Part 1 – Section D) is based on the anticipated actual performance of the income to be derived in 2018/2019 and not based on the approved budget for the same year.

Debt Management

The municipality is currently executing all credit control and debt collection procedures as required in the approved Credit Control and Debt Collection policy. These internal procedures followed include the disconnection of services, where there are services that can be disconnected, the issuing of final notices, the conclusion of reasonable agreements where the settlement of the accounts are not possible and also the follow up on defaulting debtors not honoring arrangements. The municipality continuously enforces the above procedures to ensure that debt which is collectable is collected and all debt that is regarded as not recoverable, be written off. The municipality has also promulgated the Credit Control and Debt Collection By-Law on the 4th of March 2011 to strengthen the internal credit control and debt collection procedures through handing over of all debt over 90 days to the appointed attorneys.

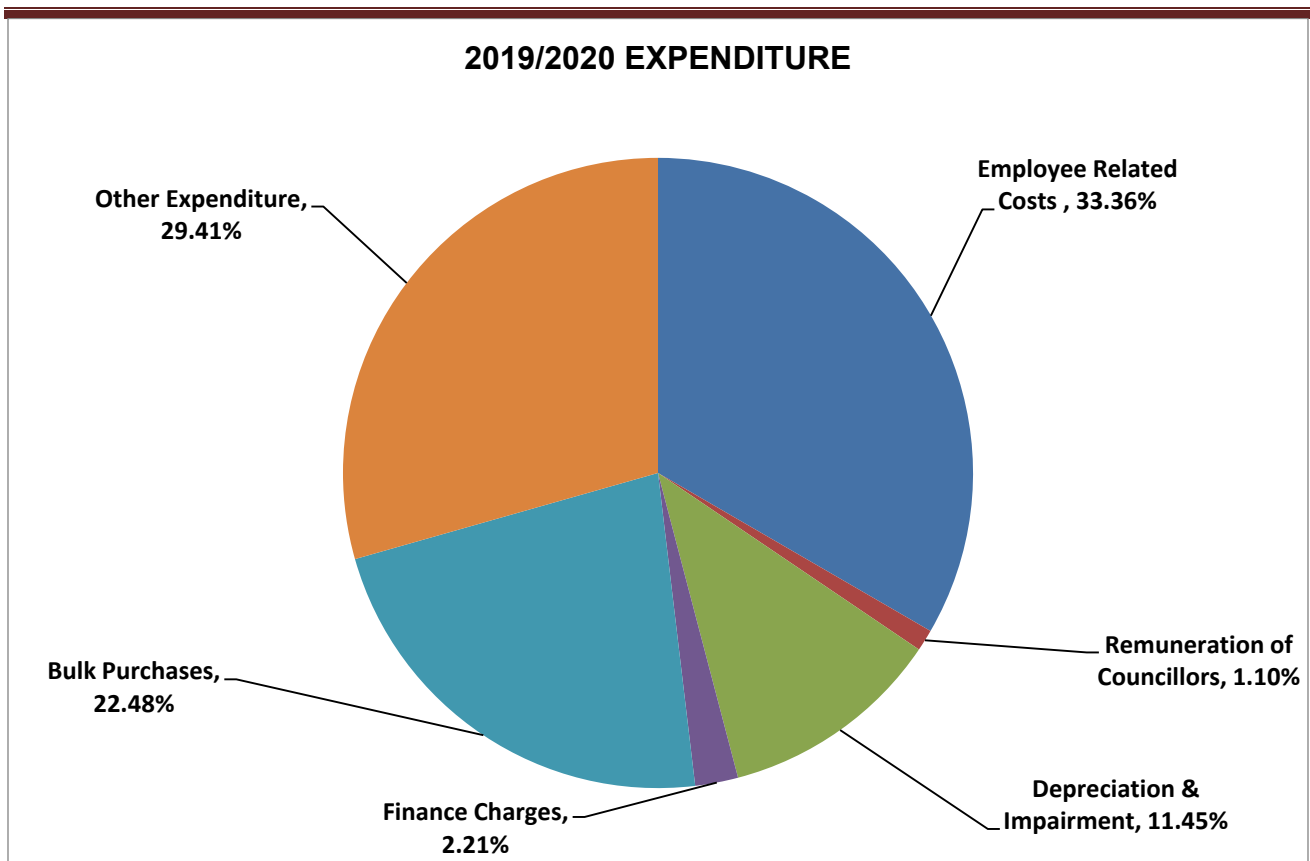
A zero tolerance approach will be followed where consumers are able to pay for services, as this indirectly denies paying consumers the level and standard of service that they are entitled to.

OPERATING BUDGET - EXPENDITURE

The budget sees an increase in annual operating expenditure from R 1 719 104 450 in 2018/2019 to R1 808 247 224 in 2019/2020. This 5.19% increase is primarily due to increases in several expenditure categories, examples which are included in the table below:

EXPENDITURE CATEGORIES	2018/2019	2019/2020	% INCR.
Employee Related Costs	548,996,595	603,267,891	9.89%
Remuneration of Councillors	18,822,740	19,936,393	5.92%
Depreciation & Impairment	198,818,727	206,956,224	4.09%
Finance Charges	20,476,730	39,877,000	94.74%
Bulk Purchases	383,281,710	406,458,271	6.05%
Other Expenditure	548,707,948	531,751,445	0.03
Total Expenditure	1,719,104,450	1,808,247,224	5.19%

Council to note the upward pressure of external borrowing interest (Finance Charges) on future tariffs. In this regard, strong political will and strategic leadership is required to ensure that the municipality maintains the position of being responsive to its communities by ensuring that service charges are kept affordable and realistic by amongst other, critically investigating funding choices and expenditure decisions.



Explanation of significant expenditure variances:

Finance Charges

The interest payable for the 2019/2020 financial year has been calculated on the maximum amount of possible borrowings drawn down up to the end of the 2019/2020 financial year.

Bulk Purchases

The municipal tariff guideline increase issued by NERSA setting the bulk purchase increase at 15.63%, whilst the increase on water was estimated at 8% as the bulk purchase charges of the City was not available at the time of compilation.

Other expenditure

Repairs and Maintenance increased with 1.98% from R 91 426 880 in the adjustments budget of 2018/2019 to R93 239 648 in 2019/2020, but still not within the guideline issued by National Treasury for this expenditure category.

However evaluating the credibility of repairs and maintenance budget is not as straight forward as reflected and neither a simple sum depicted as an expression in percentage terms of the asset base. It should also be noted that due to the implementation of GRAP17 and the unbundling process, the asset base of the municipality tripled in value, creating a skewed picture of what is the Rand value needed to maintain said infrastructure.

Although the budget may seem inadequate when compared with National Treasury's ratio, it is credible considering the state of the municipality assets, current and future investment and our approach of considering the impact of an irresponsible phased approach.

CAPITAL BUDGET

The capital budget decrease from R 563 550 230 in 2018/2019 to R 558 276 528 in 2019/2020.

DIRECTORATE	2018/2019	2019/2020	% INCR.
Municipal Manager	285,000	35,000	-87.72%
Planning and Economic Development	13,517,538	9,950,000	-26.39%
Community and Protection Services	28,915,954	64,315,000	122.42%
Infrastructure Services	485,540,450	378,856,528	-21.97%
Corporate Services	34,391,287	104,970,000	205.22%
Financial Services	900,000	150,000	-83.33%
Total Expenditure	563,550,230	558,276,528	-0.94%

FUNDING SOURCE	2018/2019	2019/2020	% INCR
Capital Replacement Reserve	297,476,204	207,189,000	-30.35%
External Loan	160,000,000	160,000,000	%
National Government	40,107,000	62,526,000	55.90%
Provincial Government	65,967,026	78,561,528	19.09%
Public Contributions and donations	-	50,000,000	%
	563,550,230	558,276,528	-0.94%

CAPITAL PROJECTS ABOVE R50 MILLION INCLUDED IN THE THREE YEAR MTREF

Capital Project	2019/2020	2020/2021	2021/2022	MTREF Total
New Reservoir: Polkadraai	20,000,000	20,000,000	10,000,000	50,000,000
Upgrade of WWTW: Pniel & Decommissioning Of Franschoek	40,000,000	44,684,431	50,000,000	134,684,431
Bulk Sewer Outfall: Jamestown	30,000,000	30,000,000	6,000,000	66,000,000

Major capital expenditure is planned in the following areas during the 2019/2020 financial year:

Water Services

- Bulk water supply: Klapmuts
- Water Conservation & Demand Management
- Bulk water Supply Pipe Line & Pumpstations: Franschhoek
- New Reservoir & Pipeline: Vlottenburg
- New Reservoir Polkadraai

Sanitation

- New Plankenberg Outfall Sewer
- Sewerpipe Replacement: Dorp Street
- Idas Valley Merriman Outfall Sewer
- Bulk Sewer Outfall: Jamestown
- Upgrade of WWTW: Pniel & Decommissioning of Franschoek

Solid Waste

- Stellenbosch WC024 (MRF) - Construct
- Expansion of the landfill site (New cells)

Traffic Engineering

- Main Road Intersection Improvements: Stellenbosch

Property Services

- Purchasing of land

Infrastructure Plan, Dev and Implement

- Idas Valley mixed housing project IRDP / FLISP
- Klapmuts: Erf 2181 (298 serviced sites)
- Upgrading of The Steps/Orlean Lounge

Fire Services

- Hydraulic Platform

C: HIGH LEVEL BUDGET SUMMARY

	Operating Income R	Operating Expenditure R	Capital Expenditure R	Total Budget R
Municipal Manager	387,360	52,257,775	35,000	52,292,775
Planning & Economic Development	96,044,641	109,278,726	9,950,000	119,228,726
Infrastructure Services	1,196,524,526	972,005,815	378,856,528	1,350,862,343
Community and Protection Services	147,701,811	357,525,777	64,315,000	421,840,777
Corporate Services	10,396,240	184,054,859	104,970,000	289,024,859
Financial Services	468,680,208	133,124,272	150,000	133,274,272
Total	1,919,734,787	1,808,247,224	558,276,528	2,366,523,752

D: ANNUAL BUDGET TABLES

In accordance with the Budget and Reporting Regulations the following compulsory schedules are attached reflecting the composition and detail of the above mentioned amounts.

Budget Summary	Table A1
Budgeted Financial Performance (Revenue and Expenditure by functional classification)	Table A2
Budgeted Financial Performance (Revenue and Expenditure by municipal vote)	Table A3
Budgeted Financial Performance (Revenue and Expenditure)	Table A4
Budgeted Capital Expenditure by vote, functional classification and funding	Table A5
Budgeted Financial Position	Table A6
Budgeted Cash flows	Table A7
Cash backed reserves/accumulated surplus reconciliation	Table A8
Asset Management	Table A9
Basic Service Delivery Measurement	Table A10

The information displayed in the “Adjusted Budget” column for the 2018/2019 financial year includes all changes approved by Council in the Mid – Year Adjustments Budgets during the current financial year.

WC024 Stellenbosch - Table A1 Budget Summary

Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousands										
Financial Performance										
Property rates	270 379	290 028	309 989	329 307	344 307	344 307	344 307	356 122	382 456	408 452
Service charges	710 701	795 176	862 001	937 772	907 772	907 772	907 772	1 024 589	1 109 445	1 195 463
Investment revenue	49 713	56 219	55 110	45 501	45 501	45 501	45 501	44 171	36 730	36 330
Transfers recognised - operational	124 849	122 568	133 057	144 700	164 974	164 974	164 974	172 339	179 316	183 641
Other own revenue	153 964	163 504	172 278	172 266	169 766	169 766	169 766	181 426	191 259	201 639
Total Revenue (excluding capital transfers and contributions)	1 309 606	1 427 495	1 532 435	1 629 546	1 632 320	1 632 320	1 632 320	1 778 647	1 899 207	2 025 525
Employee costs	367 463	409 575	444 579	566 808	548 997	548 997	548 997	603 268	628 564	665 252
Remuneration of councillors	15 844	16 094	17 308	18 693	18 823	18 823	18 823	19 936	21 115	22 363
Depreciation & asset impairment	149 552	149 139	157 550	198 819	198 819	198 819	198 819	206 956	215 430	224 255
Finance charges	20 391	19 627	18 775	26 477	20 477	20 477	20 477	39 877	54 668	66 655
Materials and bulk purchases	324 777	347 828	329 682	415 190	415 890	415 890	415 890	441 448	478 505	518 647
Transfers and grants	6 216	6 933	6 261	9 102	9 102	9 102	9 102	10 049	10 628	11 242
Other expenditure	375 519	365 516	372 180	481 242	506 997	506 997	506 997	486 713	516 351	539 936
Total Expenditure	1 259 761	1 314 712	1 346 334	1 716 330	1 719 104	1 719 104	1 719 104	1 808 247	1 925 262	2 048 352
Surplus/(Deficit)	49 845	112 783	186 101	(86 784)	(86 784)	(86 784)	(86 784)	(29 600)	(26 055)	(22 827)
Transfers and subsidies - capital (monetary allocations)	103 360	105 184	77 477	91 804	106 074	106 074	106 074	141 088	73 948	79 199
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	153 204	217 967	263 579	5 020	19 290	19 290	19 290	111 488	47 893	56 372
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	153 204	217 967	263 579	5 020	19 290	19 290	19 290	111 488	47 893	56 372
Capital expenditure & funds sources										
Capital expenditure	348 019	410 203	433 682	528 041	563 550	563 550	563 550	558 277	414 613	426 338
Transfers recognised - capital	103 326	87 452	80 137	91 804	106 074	106 074	106 074	141 088	73 948	79 199
Public contributions & donations	-	6 876	280	-	-	-	-	-	-	-
Borrowing	42 566	4 581	-	160 000	160 000	160 000	160 000	160 000	120 000	100 000
Internally generated funds	202 127	311 294	353 265	276 237	297 476	297 476	297 476	257 189	220 665	247 139
Total sources of capital funds	348 019	410 203	433 682	528 041	563 550	563 550	563 550	558 277	414 613	426 338
Financial position										
Total current assets	1 019 085	1 069 547	908 487	822 269	809 946	809 946	809 946	780 320	775 413	754 377
Total non current assets	4 620 154	4 874 276	5 151 150	5 507 560	5 543 069	5 543 069	5 543 069	5 907 057	6 117 070	6 330 631
Total current liabilities	321 227	445 838	421 202	325 826	325 826	325 826	325 826	352 300	373 899	394 726
Total non current liabilities	491 238	471 694	457 152	601 220	601 220	601 220	601 220	743 814	848 624	931 207
Community wealth/Equity	4 690 202	4 903 515	5 181 283	5 402 784	5 425 970	5 425 970	5 425 970	5 591 263	5 669 960	5 759 074
Cash flows										
Net cash from (used) operating	316 813	434 752	349 172	332 164	323 538	323 538	323 538	355 914	311 224	332 685
Net cash from (used) investing	(244 647)	(251 599)	(359 218)	(528 041)	(563 550)	(563 550)	(563 550)	(558 277)	(414 613)	(426 338)
Net cash from (used) financing	38 855	(11 908)	(13 208)	144 609	144 609	144 609	144 609	139 117	93 689	68 922
Cash/cash equivalents at the year end	128 187	299 431	23 062	423 733	433 363	433 363	433 363	370 118	360 418	335 687
Cash backing/surplus reconciliation										
Cash and investments available	608 187	621 906	528 827	423 733	411 410	411 410	411 410	370 118	360 418	335 687
Application of cash and investments	126 573	270 876	297 849	375 589	372 843	372 843	337 994	271 759	278 644	245 546
Balance - surplus (shortfall)	481 614	351 030	230 978	48 144	38 567	38 567	73 416	98 359	81 774	90 141
Asset management										
Asset register summary (WDV)	4 617 966	4 885 763	5 148 981	5 503 960	5 539 469	5 539 469		5 900 562	6 110 103	6 323 166
Depreciation	149 804	149 307	157 550	198 819	198 819	198 819		197 184	205 072	213 274
Renewal of Existing Assets	229 420	163 258	29 097	37 050	33 519	33 519		34 316	33 520	48 900
Repairs and Maintenance	54 658	59 139	43 056	91 427	91 427	91 427		91 240	97 216	102 533
Free services										
Cost of Free Basic Services provided	66 286	35 278	85 751	96 808	96 808	96 808	106 072	106 072	117 215	117 215
Revenue cost of free services provided	54 474	10	61 225	66 773	66 773	66 773	92 785	92 785	94 811	94 811
Households below minimum service level										
Water:	2	2	2	2	2	2	1	1	1	1
Sanitation/sewerage:	2	2	2	48	48	48	1	1	1	1
Energy:	3	3	3	2	2	2	2	2	2	2
Refuse:	6	5	5	5	5	5	4	4	4	4

WC024 Stellenbosch - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue - Functional										
<i>Governance and administration</i>		446 818	500 031	420 926	434 857	447 669	447 669	454 808	469 641	484 223
Executive and council		519	833	2 459	3 314	3 314	3 314	3 566	3 837	4 128
Finance and administration		446 299	499 198	418 467	431 543	444 355	444 355	451 242	465 804	480 094
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		69 439	44 980	55 819	88 648	122 880	122 880	132 219	134 251	144 454
Community and social services		10 502	11 860	38 986	19 440	19 440	19 440	20 917	22 507	24 217
Sport and recreation		2 429	1 968	3 010	1 846	1 846	1 846	1 986	2 137	2 299
Public safety		465	265	2 639	3 560	3 560	3 560	3 830	4 122	4 435
Housing		56 043	30 888	11 184	63 802	98 035	98 035	105 485	105 485	113 502
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		19 899	23 479	135 719	120 993	120 993	120 993	130 189	140 083	150 729
Planning and development		6 459	10 340	9 793	7 461	7 461	7 461	8 028	8 638	9 294
Road transport		13 440	13 139	125 902	113 506	113 506	113 506	122 133	131 415	141 402
Environmental protection		-	-	24	26	26	26	28	31	33
<i>Trading services</i>		877 900	963 836	997 392	1 076 784	1 046 784	1 046 784	1 202 446	1 229 101	1 325 234
Energy sources		501 100	546 211	553 809	580 374	590 374	590 374	711 349	700 680	756 653
Water management		168 948	205 388	256 841	241 550	206 550	206 550	222 248	239 139	257 313
Waste water management		148 537	148 321	116 332	174 829	164 829	164 829	177 357	190 836	205 339
Waste management		59 316	63 916	70 409	80 031	85 031	85 031	91 493	98 447	105 929
<i>Other</i>	4	(1 090)	353	57	68	68	68	74	79	85
Total Revenue - Functional	2	1 412 966	1 532 679	1 609 913	1 721 350	1 738 394	1 738 394	1 919 735	1 973 154	2 104 724
Expenditure - Functional										
<i>Governance and administration</i>		171 457	276 164	217 592	346 509	357 201	357 201	369 437	394 976	417 300
Executive and council		56 292	57 454	58 028	98 187	91 517	91 517	75 155	80 751	85 608
Finance and administration		115 165	218 710	149 081	234 817	252 679	252 679	280 760	299 431	316 195
Internal audit		-	-	10 483	13 506	13 006	13 006	13 522	14 793	15 497
<i>Community and public safety</i>		251 622	247 878	181 945	229 497	249 502	249 502	245 839	287 297	304 949
Community and social services		24 504	33 748	29 110	46 166	41 866	41 866	49 583	52 525	55 643
Sport and recreation		34 263	36 685	43 038	47 084	46 084	46 084	48 508	51 514	54 671
Public safety		141 477	139 493	79 275	88 735	96 435	96 435	107 603	140 967	149 890
Housing		51 256	37 886	30 523	47 512	65 117	65 117	40 144	42 291	44 745
Health		123	66	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		101 051	118 552	270 136	332 770	325 052	325 052	364 618	351 488	370 624
Planning and development		31 566	48 236	56 242	73 958	70 760	70 760	69 190	70 345	76 257
Road transport		65 595	67 365	197 665	237 038	232 238	232 238	268 707	251 711	262 843
Environmental protection		3 890	2 951	16 229	21 774	22 053	22 053	26 720	29 431	31 524
<i>Trading services</i>		730 752	667 661	676 661	807 553	787 349	787 349	828 354	891 501	955 479
Energy sources		454 990	410 592	419 364	432 085	430 300	430 300	450 275	481 311	517 980
Water management		106 209	97 703	89 809	147 702	136 062	136 062	161 896	179 996	194 090
Waste water management		107 392	100 535	110 889	145 905	139 126	139 126	127 649	142 741	150 768
Waste management		62 161	58 831	56 599	81 861	81 861	81 861	88 534	87 454	92 640
<i>Other</i>	4	4 879	4 457	-	-	-	-	-	-	-
Total Expenditure - Functional	3	1 259 761	1 314 712	1 346 334	1 716 330	1 719 104	1 719 104	1 808 247	1 925 262	2 048 352
Surplus/(Deficit) for the year		153 204	217 967	263 579	5 020	19 290	19 290	111 488	47 893	56 372

WC024 Stellenbosch - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
Revenue by Vote	1									
Vote 1 - Office of the Municipal Manager		–	–	–	360	360	360	387	417	448
Vote 2 - Planning and Development Services		6 423	10 267	11 228	71 543	89 261	89 261	96 045	103 344	111 198
Vote 3 - Infrastructure Services		59 714	38 679	36 446	1 077 892	1 064 407	1 064 407	1 196 525	1 200 828	1 283 093
Vote 4 - Community and Protection Services		883 729	968 043	1 001 047	137 269	137 269	137 269	147 702	158 927	171 006
Vote 5 - Corporate Services		117 022	126 660	147 487	12 162	9 662	9 662	10 396	11 186	12 037
Vote 6 - Financial Services		1 540	2 090	3 810	422 123	437 435	437 435	468 680	498 452	526 942
Vote 6 - Financial Services		344 537	405 271	409 895	–	–	–	–	–	–
Total Revenue by Vote	2	1 412 966	1 551 011	1 609 913	1 721 350	1 738 394	1 738 394	1 919 735	1 973 154	2 104 724
Expenditure by Vote to be appropriated	1									
Vote 1 - Office of the Municipal Manager		8 239	17 255	18 394	30 232	33 607	33 607	52 258	53 489	55 780
Vote 2 - Planning and Development Services		35 428	56 227	55 541	104 509	118 915	118 915	109 279	112 577	120 939
Vote 3 - Infrastructure Services		75 823	65 442	61 463	939 734	912 530	912 530	972 006	1 046 404	1 115 437
Vote 4 - Community and Protection Services		791 659	727 774	736 873	370 026	364 120	364 120	357 526	379 805	404 176
Vote 5 - Corporate Services		228 451	261 992	302 208	175 477	176 482	176 482	184 055	195 930	209 548
Vote 6 - Financial Services		81 673	114 053	115 809	96 352	113 450	113 450	133 124	137 057	142 472
Vote 6 - Financial Services		38 489	96 539	56 045	–	–	–	–	–	–
Total Expenditure by Vote	2	1 259 761	1 339 283	1 346 334	1 716 330	1 719 104	1 719 104	1 808 247	1 925 262	2 048 352
Surplus/(Deficit) for the year	2	153 204	211 729	263 579	5 020	19 290	19 290	111 488	47 893	56 372

WC024 Stellenbosch - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue By Source											
Property rates	2	270 379	290 028	309 989	329 307	344 307	344 307	344 307	356 122	382 456	408 452
Service charges - electricity revenue	2	465 608	513 225	523 068	548 984	558 984	558 984	558 984	639 886	692 917	749 031
Service charges - water revenue	2	135 812	159 539	197 306	225 542	190 542	190 542	190 542	201 975	217 103	231 085
Service charges - sanitation revenue	2	71 050	81 352	91 619	107 078	97 078	97 078	97 078	113 503	122 278	130 586
Service charges - refuse revenue	2	38 231	41 059	50 008	56 168	61 168	61 168	61 168	69 225	77 147	84 762
Rental of facilities and equipment		18 599	16 906	14 992	17 766	17 766	17 766	17 766	18 831	19 961	21 159
Interest earned - external investments		49 713	56 219	55 110	45 501	45 501	45 501	45 501	44 171	36 730	36 330
Interest earned - outstanding debtors		5 714	6 451	6 849	10 576	10 576	10 576	10 576	11 270	12 096	12 983
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		92 604	102 817	114 767	102 132	102 132	102 132	102 132	108 260	113 673	119 357
Licences and permits		4 210	5 735	6 571	5 092	5 092	5 092	5 092	5 398	5 722	6 065
Agency services		5 576	6 400	2 365	2 690	2 690	2 690	2 690	2 852	3 023	3 204
Transfers and subsidies		124 849	122 568	133 057	144 700	164 974	164 974	164 974	172 339	179 316	183 641
Other revenue	2	27 262	25 195	26 734	34 009	31 509	31 509	31 509	34 815	36 784	38 871
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		1 309 606	1 427 495	1 532 435	1 629 546	1 632 320	1 632 320	1 632 320	1 778 647	1 899 207	2 025 525
Expenditure By Type											
Employee related costs	2	367 463	409 575	444 579	566 808	548 997	548 997	548 997	603 268	628 564	665 252
Remuneration of councillors		15 844	16 094	17 308	18 693	18 823	18 823	18 823	19 936	21 115	22 363
Debt impairment	3	83 277	82 169	47 971	90 629	90 629	90 629	90 629	72 067	76 391	80 975
Depreciation & asset impairment	2	149 552	149 139	157 550	198 819	198 819	198 819	198 819	206 956	215 430	224 255
Finance charges		20 391	19 627	18 775	26 477	20 477	20 477	20 477	39 877	54 668	66 655
Bulk purchases	2	324 777	347 828	329 682	383 282	383 282	383 282	383 282	406 458	441 586	479 627
Other materials	8	-	-	-	31 909	32 609	32 609	32 609	34 990	36 919	39 020
Contracted services		49 621	149 158	123 010	220 297	251 074	251 074	251 074	237 957	251 947	254 544
Transfers and subsidies		6 216	6 933	6 261	9 102	9 102	9 102	9 102	10 049	10 628	11 242
Other expenditure	4, 5	242 620	134 189	201 199	170 316	165 293	165 293	165 293	176 689	188 014	204 417
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Total Expenditure		1 259 761	1 314 712	1 346 334	1 716 330	1 719 104	1 719 104	1 719 104	1 808 247	1 925 262	2 048 352
Surplus/(Deficit)											
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		49 845	112 783	186 101	(86 784)	(86 784)	(86 784)	(86 784)	(29 600)	(26 055)	(22 827)
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		103 360	105 184	77 477	91 804	106 074	106 074	106 074	141 088	73 948	79 199
Transfers and subsidies - capital (in-kind - all)	6	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		153 204	217 967	263 579	5 020	19 290	19 290	19 290	111 488	47 893	56 372
Taxation		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		153 204	217 967	263 579	5 020	19 290	19 290	19 290	111 488	47 893	56 372
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		153 204	217 967	263 579	5 020	19 290	19 290	19 290	111 488	47 893	56 372
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		153 204	217 967	263 579	5 020	19 290	19 290	19 290	111 488	47 893	56 372

WC024 Stellenbosch - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 2 - Planning and Development Services		-	-	4 281	12 400	12 388	12 388	12 388	9 670	4 750	-
Vote 3 - Infrastructure Services		124	22 955	24 273	412 222	451 414	451 414	451 414	323 143	318 961	330 171
Vote 4 - Community and Protection Services		109 409	274 968	335 311	16 485	16 894	16 894	16 894	18 125	13 250	12 400
Vote 5 - Corporate Services		366	399	4 606	29 000	31 309	31 309	31 309	97 420	21 000	22 100
Vote 6 - Financial Services		-	-	-	300	300	300	300	-	-	-
Vote 6 - Financial Services		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	109 899	298 322	368 471	470 407	512 305	512 305	512 305	448 358	357 961	364 671
Single-year expenditure to be appropriated	2										
Vote 1 - Office of the Municipal Manager		36	149	33	85	285	285	285	35	40	40
Vote 2 - Planning and Development Services		1 315	2 860	1 290	630	1 130	1 130	1 130	280	252	184
Vote 3 - Infrastructure Services		27 698	13 455	56 423	19 219	19 140	19 140	19 140	55 715	34 665	39 068
Vote 4 - Community and Protection Services		188 314	72 425	2 433	36 205	29 008	29 008	29 008	46 190	14 995	15 275
Vote 5 - Corporate Services		14 538	18 904	2 031	1 345	1 082	1 082	1 082	7 550	6 550	6 950
Vote 6 - Financial Services		4 931	3 934	446	150	600	600	600	150	150	150
Vote 6 - Financial Services		1 289	154	2 555	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		238 121	111 881	65 211	57 634	51 245	51 245	51 245	109 920	56 652	61 667
Total Capital Expenditure - Vote		348 019	410 203	433 682	528 041	563 550	563 550	563 550	558 277	414 613	426 338
Capital Expenditure - Functional											
Governance and administration		14 590	43 259	10 770	21 165	23 872	23 872	23 872	105 155	27 740	29 240
Executive and council		36	37	33	2 915	2 965	2 965	2 965	35	40	40
Finance and administration		1 289	528	10 738	18 250	20 907	20 907	20 907	105 120	27 700	29 200
Internal audit		13 266	42 694	-	-	-	-	-	-	-	-
Community and public safety		31 903	29 035	73 699	113 981	121 573	121 573	121 573	61 445	26 447	27 334
Community and social services		1 845	1 963	17 739	6 134	6 901	6 901	6 901	2 845	1 490	1 155
Sport and recreation		6 701	6 395	10 987	7 925	10 859	10 859	10 859	29 000	17 955	20 770
Public safety		943	3 290	8 638	17 650	6 950	6 950	6 950	29 550	6 950	5 350
Housing		22 414	17 387	36 336	82 272	96 862	96 862	96 862	50	52	59
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		38 072	48 608	78 444	89 055	97 594	97 594	97 594	130 452	73 847	65 369
Planning and development		1 315	1 059	4 672	18 780	19 418	19 418	19 418	50 332	42 747	44 519
Road transport		34 651	46 053	72 092	68 025	75 926	75 926	75 926	80 120	31 100	20 850
Environmental protection		2 106	1 495	1 679	2 250	2 250	2 250	2 250	-	-	-
Trading services		263 406	287 826	269 391	303 820	320 492	320 492	320 492	261 225	286 579	304 395
Energy sources		36 721	43 024	53 473	84 900	80 114	80 114	80 114	35 090	30 900	38 950
Water management		60 139	51 625	125 642	66 850	74 405	74 405	74 405	80 000	113 500	132 750
Waste water management		163 926	180 818	82 201	140 585	150 919	150 919	150 919	114 400	113 234	98 350
Waste management		2 620	12 360	8 075	11 485	15 054	15 054	15 054	31 735	28 945	34 345
Other		48	1 474	1 379	20	20	20	20	-	-	-
Total Capital Expenditure - Functional	3	348 019	410 203	433 682	528 041	563 550	563 550	563 550	558 277	414 613	426 338
Funded by:											
National Government		86 977	74 883	55 942	40 107	40 107	40 107	40 107	62 526	45 636	49 309
Provincial Government		16 349	11 963	24 195	51 697	65 967	65 967	65 967	78 562	28 312	29 890
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	607	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	103 326	87 452	80 137	91 804	106 074	106 074	106 074	141 088	73 948	79 199
Public contributions & donations	5	-	6 876	280	-	-	-	-	-	-	-
Borrowing	6	42 566	4 581	-	160 000	160 000	160 000	160 000	160 000	120 000	100 000
Internally generated funds		202 127	311 294	353 265	276 237	297 476	297 476	297 476	257 189	220 665	247 139
Total Capital Funding	7	348 019	410 203	433 682	528 041	563 550	563 550	563 550	558 277	414 613	426 338

WC024 Stellenbosch - Table A6 Budgeted Financial Position

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand											
ASSETS											
Current assets											
Cash		128 187	299 431	23 233	6 237	6 237	6 237	6 237	46 864	59 162	35 125
Call investment deposits	1	480 000	322 475	505 594	417 496	405 173	405 173	405 173	323 254	301 256	300 562
Consumer debtors	1	249 588	242 833	195 911	165 802	165 802	165 802	165 802	148 796	120 887	87 735
Other debtors		125 264	162 027	135 159	178 277	178 277	178 277	178 277	204 059	233 631	267 181
Current portion of long-term receivables		1 387	2 121	1 600	2 332	2 332	2 332	2 332	2 511	2 682	2 857
Inventory	2	34 658	40 659	46 991	52 125	52 125	52 125	52 125	54 836	57 797	60 918
Total current assets		1 019 085	1 069 547	908 487	822 269	809 946	809 946	809 946	780 320	775 413	754 377
Non current assets											
Long-term receivables		2 188	3 513	2 158	3 600	3 600	3 600	3 600	3 876	4 140	4 411
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		424 266	423 623	423 252	407 389	407 389	407 389	407 389	416 637	436 197	459 509
Investment in Associate		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	3	4 177 221	4 428 174	4 710 275	5 076 612	5 112 122	5 112 122	5 112 122	5 468 573	5 660 732	5 852 460
Agricultural		-	-	-	-	-	-	-	-	-	-
Biological		8 907	8 808	6 321	9 938	9 938	9 938	9 938	9 938	9 938	10 188
Intangible		6 848	9 435	8 368	7 597	7 597	7 597	7 597	5 414	3 236	1 009
Other non-current assets		724	724	774	2 424	2 424	2 424	2 424	2 618	2 827	3 054
Total non current assets		4 620 154	4 874 276	5 151 150	5 507 560	5 543 069	5 543 069	5 543 069	5 907 057	6 117 070	6 330 631
TOTAL ASSETS		5 639 238	5 943 823	6 059 637	6 329 829	6 353 016	6 353 016	6 353 016	6 687 377	6 892 483	7 085 008
LIABILITIES											
Current liabilities											
Bank overdraft	1	-	-	-	-	-	-	-	-	-	-
Borrowing	4	11 908	13 084	14 502	15 245	15 245	15 245	15 245	26 311	31 078	34 163
Consumer deposits		13 191	14 577	15 674	14 274	14 274	14 274	14 274	14 274	14 274	14 274
Trade and other payables	4	249 987	370 581	342 059	241 570	241 570	241 570	241 570	254 131	267 855	282 319
Provisions		46 140	47 597	48 967	54 737	54 737	54 737	54 737	57 584	60 693	63 971
Total current liabilities		321 227	445 838	421 202	325 826	325 826	325 826	325 826	352 300	373 899	394 726
Non current liabilities											
Borrowing		186 386	173 302	158 800	321 540	321 540	321 540	321 540	449 591	538 513	604 350
Provisions		304 852	298 392	298 352	279 680	279 680	279 680	279 680	294 223	310 111	326 857
Total non current liabilities		491 238	471 694	457 152	601 220	601 220	601 220	601 220	743 814	848 624	931 207
TOTAL LIABILITIES		812 465	917 533	878 354	927 046	927 046	927 046	927 046	1 096 114	1 222 523	1 325 933
NET ASSETS	5	4 826 773	5 026 290	5 181 283	5 402 784	5 425 970	5 425 970	5 425 970	5 591 263	5 669 960	5 759 074
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		4 690 202	4 903 515	5 181 283	5 402 784	5 425 970	5 425 970	5 425 970	5 591 263	5 669 960	5 759 074
Reserves	4	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	4 690 202	4 903 515	5 181 283	5 402 784	5 425 970	5 425 970	5 425 970	5 591 263	5 669 960	5 759 074

WC024 Stellenbosch - Table A7 Budgeted Cash Flows

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		269 310	284 494	307 976	316 135	331 135	331 135	331 135	341 877	370 982	396 199
Service charges		713 657	754 811	776 471	900 261	870 261	870 261	870 261	996 403	1 083 091	1 167 089
Other revenue		63 010	48 040	61 380	80 177	77 677	77 677	77 677	93 620	98 793	104 260
Government - operating	1	124 849	216 896	143 941	144 700	158 593	158 593	158 593	172 339	179 316	183 641
Government - capital	1	112 233	42 540	93 758	91 804	89 559	89 559	89 559	141 088	73 948	79 199
Interest		49 713	56 219	55 110	55 654	55 654	55 654	55 654	54 991	48 343	48 794
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(989 353)	(941 689)	(1 070 689)	(1 220 988)	(1 229 762)	(1 229 762)	(1 229 762)	(1 394 478)	(1 477 953)	(1 568 600)
Finance charges		(20 391)	(19 627)	(18 775)	(26 477)	(20 477)	(20 477)	(20 477)	(39 877)	(54 668)	(66 655)
Transfers and Grants	1	(6 216)	(6 933)	-	(9 102)	(9 102)	(9 102)	(9 102)	(10 049)	(10 628)	(11 242)
NET CASH FROM/(USED) OPERATING ACTIVITIES		316 813	434 752	349 172	332 164	323 538	323 538	323 538	355 914	311 224	332 685
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		353	2 244	1 407	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		(9 245)	(1 164)	3 249	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		112 265	157 525	69 801	-	-	-	-	-	-	-
Payments											
Capital assets		(348 019)	(410 203)	(433 675)	(528 041)	(563 550)	(563 550)	(563 550)	(558 277)	(414 613)	(426 338)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(244 647)	(251 599)	(359 218)	(528 041)	(563 550)	(563 550)	(563 550)	(558 277)	(414 613)	(426 338)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		50 000	-	-	160 000	160 000	160 000	160 000	160 000	120 000	100 000
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		(11 145)	(11 908)	(13 208)	(15 391)	(15 391)	(15 391)	(15 391)	(20 883)	(26 311)	(31 078)
NET CASH FROM/(USED) FINANCING ACTIVITIES		38 855	(11 908)	(13 208)	144 609	144 609	144 609	144 609	139 117	93 689	68 922
NET INCREASE/ (DECREASE) IN CASH HELD											
Cash/cash equivalents at the year begin:	2	17 165	128 187	46 317	475 000	528 766	528 766	528 766	433 363	370 118	360 418
Cash/cash equivalents at the year end:	2	128 187	299 431	23 062	423 733	433 363	433 363	433 363	370 118	360 418	335 687

WC024 Stellenbosch - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	128 187	299 431	23 062	423 733	433 363	433 363	433 363	370 118	360 418	335 687
Other current investments > 90 days		480 000	322 475	505 765	-	(21 953)	(21 953)	(21 953)	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		608 187	621 906	528 827	423 733	411 410	411 410	411 410	370 118	360 418	335 687
Application of cash and investments											
Unspent conditional transfers		45 953	88 493	101 603	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	(143 420)	(73 514)	(44 133)	(71 622)	(71 198)	(71 198)	(71 198)	(72 860)	(63 038)	(49 542)
Other provisions		46 140	47 597	-	38 050	34 880	34 880	31	38 574	9 164	9 707
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	177 900	208 299	240 380	409 161	409 161	409 161	409 161	306 045	332 518	285 382
Total Application of cash and investments:		126 573	270 876	297 849	375 589	372 843	372 843	337 994	271 759	278 644	245 546
Surplus(shortfall)		481 614	351 030	230 978	48 144	38 567	38 567	73 416	98 359	81 774	90 141

WC024 Stellenbosch - Table A9 Asset Management

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
CAPITAL EXPENDITURE										
Total New Assets	1	118 599	246 945	158 843	338 646	377 798	377 798	339 862	222 058	194 063
<i>Roads Infrastructure</i>		-	13 949	32 742	61 532	59 975	59 975	44 450	29 750	20 450
<i>Storm water Infrastructure</i>		-	-	-	-	600	600	-	-	-
<i>Electrical Infrastructure</i>		9 850	8 102	6 209	38 400	37 742	37 742	7 280	8 900	8 000
<i>Water Supply Infrastructure</i>		32 618	35 063	32 855	57 530	54 029	54 029	43 202	74 617	60 681
<i>Sanitation Infrastructure</i>		-	130 181	33 368	97 750	103 170	103 170	62 200	39 450	22 700
<i>Solid Waste Infrastructure</i>		5 961	1 611	1 559	7 600	11 387	11 387	31 800	23 500	29 600
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	1 600	2 300	2 300	10	20	620
Infrastructure		48 430	188 905	106 734	264 412	269 204	269 204	188 942	176 237	142 051
Community Facilities		17 467	13 898	14 769	21 564	15 153	15 153	12 475	7 185	5 300
Sport and Recreation Facilities		16 986	3 212	82	500	500	500	6 000	5 000	1 000
Community Assets		34 453	17 110	14 850	22 064	15 653	15 653	18 475	12 185	6 300
Heritage Assets		-	-	1 337	-	-	-	2 000	1 000	-
Revenue Generating		-	-	-	600	-	-	2 100	10 480	10 500
Non-revenue Generating		-	-	904	1 800	1 800	1 800	300	300	300
Investment properties		-	-	904	2 400	1 800	1 800	2 400	10 780	10 800
Operational Buildings		6 722	16 097	139	6 990	19 053	19 053	5 500	4 500	5 000
Housing		6 648	5 777	1 080	3 535	35 900	35 900	3 760	280	11 790
Other Assets		13 370	21 875	1 219	10 525	54 953	54 953	9 260	4 780	16 790
Biological or Cultivated Assets		-	-	120	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	2 650	50	450	450	450	-	-	200
Intangible Assets		-	2 650	50	450	450	450	-	-	200
Computer Equipment		1 185	1 800	2 184	500	500	500	50	50	50
Furniture and Office Equipment		10 686	5 170	3 620	-	1 334	1 334	2 375	2 112	1 752
Machinery and Equipment		3 425	-	6 560	15 475	3 315	3 315	21 480	4 355	4 550
Transport Assets		7 050	9 437	17 045	12 770	13 837	13 837	17 230	10 400	11 400
Land		-	-	4 221	10 000	16 701	16 701	77 650	160	170
Zoo's, Marine and Non-biological Animals		-	-	-	50	50	50	-	-	-
Total Renewal of Existing Assets	2	229 420	163 258	29 097	37 050	33 519	33 519	34 316	33 520	48 900
<i>Roads Infrastructure</i>		29 960	12 196	18 935	16 150	17 550	17 550	8 000	6 000	11 750
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		34 830	19 428	3 887	13 500	8 188	8 188	9 216	6 120	16 250
<i>Water Supply Infrastructure</i>		29 729	3 543	2 694	4 000	4 000	4 000	5 000	6 000	7 000
<i>Sanitation Infrastructure</i>		70 788	22 297	2 266	2 700	2 900	2 900	12 000	15 000	10 000
<i>Solid Waste Infrastructure</i>		1 903	1 173	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		450	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		167 660	58 637	27 782	36 350	32 639	32 639	34 216	33 120	45 000
Community Facilities		4 707	882	10	-	-	-	-	300	3 500
Sport and Recreation Facilities		7 601	-	363	300	480	480	-	-	-
Community Assets		12 308	882	373	300	480	480	-	300	3 500
Heritage Assets		1 500	1 219	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		31 693	95 479	449	300	300	300	100	100	-
Housing		2 650	-	-	-	-	-	-	-	-
Other Assets		34 343	95 479	449	300	300	300	100	100	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		3 950	-	-	-	-	-	-	-	-
Intangible Assets		3 950	-	-	-	-	-	-	-	-
Computer Equipment		3 450	6 747	-	-	-	-	-	-	-
Furniture and Office Equipment		1 380	-	-	-	-	-	-	-	-
Machinery and Equipment		2 250	-	493	100	100	100	-	-	-
Transport Assets		2 580	294	-	-	-	-	-	-	400
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-

Total Upgrading of Existing Assets	6	-	-	245 742	152 345	152 234	152 234	184 100	159 034	183 375
<i>Roads Infrastructure</i>		-	-	26 286	8 250	10 504	10 504	33 700	4 500	1 400
<i>Storm water Infrastructure</i>		-	-	4 273	1 000	2 772	2 772	1 000	2 000	-
<i>Electrical Infrastructure</i>		-	-	38 974	27 000	30 894	30 894	14 250	13 300	11 450
<i>Water Supply Infrastructure</i>		-	-	109 358	19 600	19 600	19 600	32 000	30 000	59 025
<i>Sanitation Infrastructure</i>		-	-	47 300	60 000	66 000	66 000	54 100	76 184	79 000
<i>Solid Waste Infrastructure</i>		-	-	719	1 000	1 000	1 000	1 500	2 000	1 000
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	1 494	1 000	400	400	1 000	1 000	500
Infrastructure		-	-	225 365	117 850	131 170	131 170	137 550	128 984	152 375
Community Facilities		-	-	4 275	6 975	(3 033)	(3 033)	11 850	9 300	5 850
Sport and Recreation Facilities		-	-	9 213	6 700	4 551	4 551	6 500	5 550	6 050
Community Assets		-	-	13 487	13 675	1 519	1 519	18 350	14 850	11 900
Heritage Assets		-	-	-	100	100	100	500	500	200
Revenue Generating		-	-	-	2 100	(400)	(400)	5 200	4 000	11 000
Non-revenue Generating		-	-	296	-	(500)	(500)	5 700	5 250	2 000
Investment properties		-	-	296	2 100	(900)	(900)	10 900	9 250	13 000
Operational Buildings		-	-	1 039	4 200	3 926	3 926	5 700	250	250
Housing		-	-	-	7 420	4 920	4 920	5 500	-	-
Other Assets		-	-	1 039	11 620	8 846	8 846	11 200	250	250
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	250
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	200	300	150
Intangible Assets		-	-	-	-	-	-	200	300	150
Computer Equipment		-	-	4 295	5 500	10 000	10 000	5 100	4 600	4 600
Furniture and Office Equipment		-	-	-	-	-	-	200	200	500
Machinery and Equipment		-	-	1 260	1 500	1 500	1 500	100	100	150
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4									
<i>Roads Infrastructure</i>		29 960	26 144	77 963	85 932	88 030	88 030	86 150	40 250	33 600
<i>Storm water Infrastructure</i>		-	-	1 233	1 000	3 372	3 372	1 000	2 000	-
<i>Electrical Infrastructure</i>		44 680	27 530	49 070	78 900	76 824	76 824	30 746	28 320	35 700
<i>Water Supply Infrastructure</i>		62 347	38 606	144 907	81 130	77 629	77 629	80 202	110 617	126 706
<i>Sanitation Infrastructure</i>		70 788	152 478	82 934	160 450	172 070	172 070	128 300	130 634	111 700
<i>Solid Waste Infrastructure</i>		7 865	2 784	2 278	8 600	12 387	12 387	33 300	25 500	30 600
<i>Rail Infrastructure</i>		450	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	1 494	2 600	2 700	2 700	1 010	1 020	1 120
Infrastructure		216 089	247 542	359 880	418 612	433 012	433 012	360 707	338 341	339 426
Community Facilities		22 174	14 779	19 054	28 539	12 120	12 120	24 325	16 785	14 650
Sport and Recreation Facilities		24 587	3 212	9 657	7 500	5 531	5 531	12 500	10 550	7 050
Community Assets		46 761	17 991	28 711	36 039	17 652	17 652	36 825	27 335	21 700
Heritage Assets		1 500	1 219	1 337	100	100	100	2 500	1 500	200
Revenue Generating		-	-	-	2 700	(400)	(400)	7 300	14 480	21 500
Non-revenue Generating		-	-	1 200	1 800	1 300	1 300	6 000	5 550	2 300
Investment properties		-	-	1 200	4 500	900	900	13 300	20 030	23 800
Operational Buildings		38 415	111 576	1 627	11 490	23 279	23 279	11 300	4 850	5 250
Housing		9 298	5 777	1 080	10 955	40 820	40 820	9 260	280	11 790
Other Assets		47 713	117 353	2 707	22 445	64 099	64 099	20 560	5 130	17 040
Biological or Cultivated Assets		-	-	120	-	-	-	-	-	250
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		3 950	2 650	50	450	450	450	200	300	350
Intangible Assets		3 950	2 650	50	450	450	450	200	300	350
Computer Equipment		4 635	8 547	6 479	6 000	10 500	10 500	5 150	4 650	4 650
Furniture and Office Equipment		12 066	5 170	3 620	-	1 334	1 334	2 575	2 312	2 252
Machinery and Equipment		5 675	-	8 314	17 075	4 915	4 915	21 580	4 455	4 700
Transport Assets		9 630	9 731	17 045	12 770	13 837	13 837	17 230	10 400	11 800
Land		-	-	4 221	10 000	16 701	16 701	77 650	160	170
Zoo's, Marine and Non-biological Animals		-	-	-	50	50	50	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		348 019	410 203	433 682	528 041	563 550	563 550	558 277	414 613	426 338

ASSET REGISTER SUMMARY - PPE (WDV)	5									
<i>Roads Infrastructure</i>		764 496	929 136	953 362	1 043 106	1 045 204	1 045 204	1 067 539	1 041 422	1 006 000
<i>Storm water Infrastructure</i>		58 573	16 634	16 187	57 685	60 056	60 056	59 437	59 753	58 002
<i>Electrical Infrastructure</i>		289 575	622 432	647 744	656 951	654 875	654 875	657 090	655 738	660 579
<i>Water Supply Infrastructure</i>		1 755 625	1 175 877	1 279 509	1 262 731	1 259 230	1 259 230	1 295 871	1 361 185	1 440 775
<i>Sanitation Infrastructure</i>		337 871	741 750	810 333	880 709	892 329	892 329	1 005 459	1 120 317	1 215 610
<i>Solid Waste Infrastructure</i>		39 048	30 838	29 825	36 625	40 412	40 412	71 141	93 968	121 787
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	114 663	114 763	114 763	115 773	116 793	117 913
Infrastructure		3 245 189	3 516 667	3 736 959	4 052 468	4 066 868	4 066 868	4 272 310	4 449 175	4 620 667
Community Assets		134 643	16 800	99 941	146 099	127 713	127 713	154 148	170 677	181 140
Heritage Assets		724	724	774	2 424	2 424	2 424	4 924	6 424	6 624
Investment properties		424 266	423 623	423 252	407 389	403 789	403 789	416 637	436 197	459 509
Other Assets		-	785 434	749 728	706 960	748 615	748 615	762 778	761 256	771 378
Biological or Cultivated Assets		8 907	8 808	6 321	9 938	9 938	9 938	9 938	9 938	10 188
Intangible Assets		6 848	9 435	8 368	7 597	7 597	7 597	5 414	3 236	1 009
Computer Equipment		95 070	33 617	17 456	5 684	10 184	10 184	9 744	8 581	7 186
Furniture and Office Equipment		142 606	9 467	14 477	23 515	24 849	24 849	24 406	23 580	22 569
Machinery and Equipment		179 431	12 603	13 322	64 997	52 837	52 837	69 573	68 991	68 452
Transport Assets		380 281	68 585	78 382	66 840	67 907	67 907	76 289	77 486	79 715
Land		-	-	-	10 000	16 701	16 701	94 351	94 511	94 681
Zoo's, Marine and Non-biological Animals		-	-	-	50	50	50	50	50	50
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	4 617 966	4 885 763	5 148 981	5 503 960	5 539 469	5 539 469	5 900 562	6 110 103	6 323 166
EXPENDITURE OTHER ITEMS										
Depreciation	7	149 804	149 307	157 550	198 819	198 819	198 819	197 184	205 072	213 274
Repairs and Maintenance by Asset Class	3	54 658	59 139	43 056	91 427	91 427	91 427	91 240	97 216	102 533
<i>Roads Infrastructure</i>		7 186	5 596	5 510	12 622	12 622	12 622	14 386	15 249	16 164
<i>Storm water Infrastructure</i>		-	-	161	1 072	1 072	1 072	802	850	901
<i>Electrical Infrastructure</i>		11 923	11 876	7 510	15 098	15 098	15 098	2 328	2 468	2 616
<i>Water Supply Infrastructure</i>		9 912	5 493	1 215	9 476	9 476	9 476	8 292	8 789	9 317
<i>Sanitation Infrastructure</i>		14 385	16 031	6 220	9 569	9 569	9 569	6 100	6 466	6 854
<i>Solid Waste Infrastructure</i>		9 214	11 651	767	1 054	1 054	1 054	4 403	4 668	4 948
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		52 621	50 647	21 383	48 890	48 890	48 890	36 312	38 490	40 800
Community Facilities		1 192	6 909	48	30 069	30 069	30 069	25 857	27 847	28 988
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		1 192	6 909	48	30 069	30 069	30 069	25 857	27 847	28 988
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	500	500	500	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	500	500	500	-	-	-
Operational Buildings		780	858	9 705	11 211	11 211	11 211	587	622	659
Housing		-	-	-	-	-	-	-	-	-
Other Assets		780	858	9 705	11 211	11 211	11 211	587	622	659
Biological or Cultivated Assets		-	-	-	91	91	91	42	45	48
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		65	725	-	665	665	665	503	533	565
Intangible Assets		65	725	-	665	665	665	503	533	565
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	5 038	-	-	-	17 268	18 346	19 487
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	6 883	-	-	-	10 671	11 333	11 987
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		204 462	208 446	200 605	290 246	290 246	290 246	288 424	302 287	315 808
Renewal and upgrading of Existing Assets as % of total capex		65.9%	39.8%	63.4%	35.9%	33.0%	33.0%	39.1%	46.4%	54.5%
Renewal and upgrading of Existing Assets as % of deprecn		153.1%	109.3%	174.4%	95.3%	93.4%	93.4%	110.8%	93.9%	108.9%
R&M as a % of PPE		1.3%	1.3%	0.9%	1.8%	1.8%	1.8%	1.7%	1.7%	1.8%
Renewal and upgrading and R&M as a % of PPE		6.0%	5.0%	6.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%

WC024 Stellenbosch - Table A10 Basic service delivery measurement

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Household service targets	1									
Water:										
Piped water inside dwelling		33 967	36 779	38 618	39 599	39 599	39 599	40 626	40 676	40 676
Piped water inside yard (but not in dwelling)		3 738	3 854	4 047	4 249	4 249	4 249	4 461	4 561	4 561
Using public tap (at least min.service level)	2	6 623	6 828	7 169	4 528	4 528	4 528	4 778	4 878	4 878
Other water supply (at least min.service level)	4	-	-	-	1 774	1 774	1 774	684	834	834
<i>Minimum Service Level and Above sub-total</i>		44 328	47 461	49 834	50 150	50 150	50 150	50 550	50 950	50 950
Using public tap (< min.service level)	3	1 520	1 305	1 370	1 270	1 270	1 270	1 170	1 070	1 070
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		304	292	307	257	257	257	207	157	157
<i>Below Minimum Service Level sub-total</i>		1 824	1 597	1 677	1 527	1 527	1 527	1 377	1 227	1 227
Total number of households	5	46 152	49 058	51 511	51 677	51 677	51 677	51 927	52 177	52 177
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		40 184	43 679	45 863	46 206	46 206	46 206	46 256	46 306	46 306
Flush toilet (with septic tank)		1 817	1 873	1 967	2 065	2 065	2 065	2 165	2 265	2 265
Chemical toilet		341	352	370	388	388	388	407	420	420
Pit toilet (ventilated)		222	229	240	150	150	150	50	-	-
Other toilet provisions (> min.service level)		1 103	1 137	1 194	1 468	1 468	1 468	1 898	2 236	2 236
<i>Minimum Service Level and Above sub-total</i>		43 667	47 270	49 634	50 277	50 277	50 277	50 777	51 227	51 227
Bucket toilet		1 172	1 172	1 231	550	550	550	800	700	700
Other toilet provisions (< min.service level)		177	182	191	1 899	1 899	1 899	50	-	-
No toilet provisions		550	434	456	45 566	45 566	45 566	300	250	250
<i>Below Minimum Service Level sub-total</i>		1 899	1 788	1 877	48 015	48 015	48 015	1 150	950	950
Total number of households	5	45 566	49 058	51 511	98 292	98 292	98 292	51 927	52 177	52 177
Energy:										
Electricity (at least min.service level)		12 371	13 639	14 321	14 571	14 571	14 571	14 821	15 071	15 071
Electricity - prepaid (min.service level)		30 522	32 860	34 503	34 753	34 753	34 753	35 003	35 253	35 253
<i>Minimum Service Level and Above sub-total</i>		42 893	46 499	48 824	49 324	49 324	49 324	49 824	50 324	50 324
Electricity (< min.service level)		221	223	234	150	150	150	150	150	150
Electricity - prepaid (< min.service level)		-	-	-	-	-	-	-	-	-
Other energy sources		2 490	2 336	2 453	2 203	2 203	2 203	1 953	1 703	1 703
<i>Below Minimum Service Level sub-total</i>		2 711	2 559	2 687	2 353	2 353	2 353	2 103	1 853	1 853
Total number of households	5	45 604	49 058	51 511	51 677	51 677	51 677	51 927	52 177	52 177
Refuse:										
Removed at least once a week		40 140	43 660	39 475	47 149	47 149	47 149	47 649	48 149	48 149
<i>Minimum Service Level and Above sub-total</i>		40 140	43 660	39 475	47 149	47 149	47 149	47 649	48 149	48 149
Removed less frequently than once a week		908	768	-	-	-	-	-	-	-
Using communal refuse dump		1 205	1 074	1 128	1 078	1 078	1 078	1 028	978	978
Using own refuse dump		2 188	2 256	2 369	2 200	2 200	2 200	2 100	2 000	2 000
Other rubbish disposal		817	842	884	800	800	800	750	700	700
No rubbish disposal		444	458	481	450	450	450	400	350	350
<i>Below Minimum Service Level sub-total</i>		5 562	5 398	4 862	4 528	4 528	4 528	4 278	4 028	4 028
Total number of households	5	45 702	49 058	44 337	51 677	51 677	51 677	51 927	52 177	52 177
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		9 012 447	9 823 567	6 182	6 000	6 000	6 000	6 000	6 000	6 000
Sanitation (free minimum level service)		8 356 163	9 400 683	6 182	6 000	6 000	6 000	6 000	6 000	6 000
Electricity/other energy (50kwh per household per month)		8 090 655	8 688 555	6 182	6 000	6 000	6 000	6 000	6 000	6 000
Refuse (removed at least once a week)		8 846 145	10 173 067	6 182	6 000	6 000	6 000	6 000	6 000	6 000
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		9 012	-	10 413	11 038	11 038	11 038	11 700	12 402	12 402
Sanitation (free sanitation service to indigent households)		8 356	-	10 247	11 169	11 169	11 169	12 174	13 270	13 270
Electricity/other energy (50kwh per indigent household per month)		8 091	-	9 557	10 513	10 513	10 513	11 249	12 037	12 037
Refuse (removed once a week for indigent households)		8 846	-	11 190	12 198	12 198	12 198	13 295	14 492	14 492
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		31 981	35 278	44 343	51 890	51 890	51 890	57 653	65 015	65 015
Total cost of FBS provided		66 286	35 278	85 751	96 808	96 808	96 808	106 072	117 215	117 215
Highest level of free service provided per household										
Property rates (R value threshold)		95 000	95 000	200 000	200 000	200 000	200 000	200 000	200 000	200 000
Water (kilolitres per household per month)		6	10	10	6	6	6	6	6	6
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		87	94	101	112	112	112	122	121	121
Electricity (kwh per household per month)		60	60	100	100	100	100	100	100	100
Refuse (average litres per week)		250	250	250	250	250	250	250	250	250
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)		-	-	-	-	-	-	-	-	-
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		34 675	-	39 422	41 669	41 669	41 669	44 377	47 262	50 334
Water (in excess of 6 kilolitres per indigent household per month)		6 186	-	5 089	5 597	5 597	5 597	5 961	6 349	6 761
Sanitation (in excess of free sanitation service to indigent households)		6 071	-	7 654	8 343	8 343	8 343	8 843	9 374	9 936
Electricity/other energy (in excess of 50 kwh per indigent household per month)		1 029	-	1 117	1 198	1 198	1 198	1 363	1 472	1 590
Refuse (in excess of one removal a week for indigent households)		6 488	-	7 929	8 642	8 642	8 642	10 068	11 730	13 665
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies	6	25	10	15	1 323	1 323	1 323	22 660	19 660	19 660
Other		-	-	-	-	-	-	-	-	-
Total revenue cost of subsidised services provided		54 474	10	61 225	66 773	66 773	66 773	92 785	94 811	94 811

PART 2

A: OVERVIEW OF STELLENBOSCH MUNICIPALITY

Background

Stellenbosch Municipality is located in the heart of the Cape Winelands. It is situated about 50 km from Cape Town and is flanked by the N1 and N2 main routes. The municipal area covers approximately 900 km².



State of the Greater Stellenbosch Area


















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

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

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

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

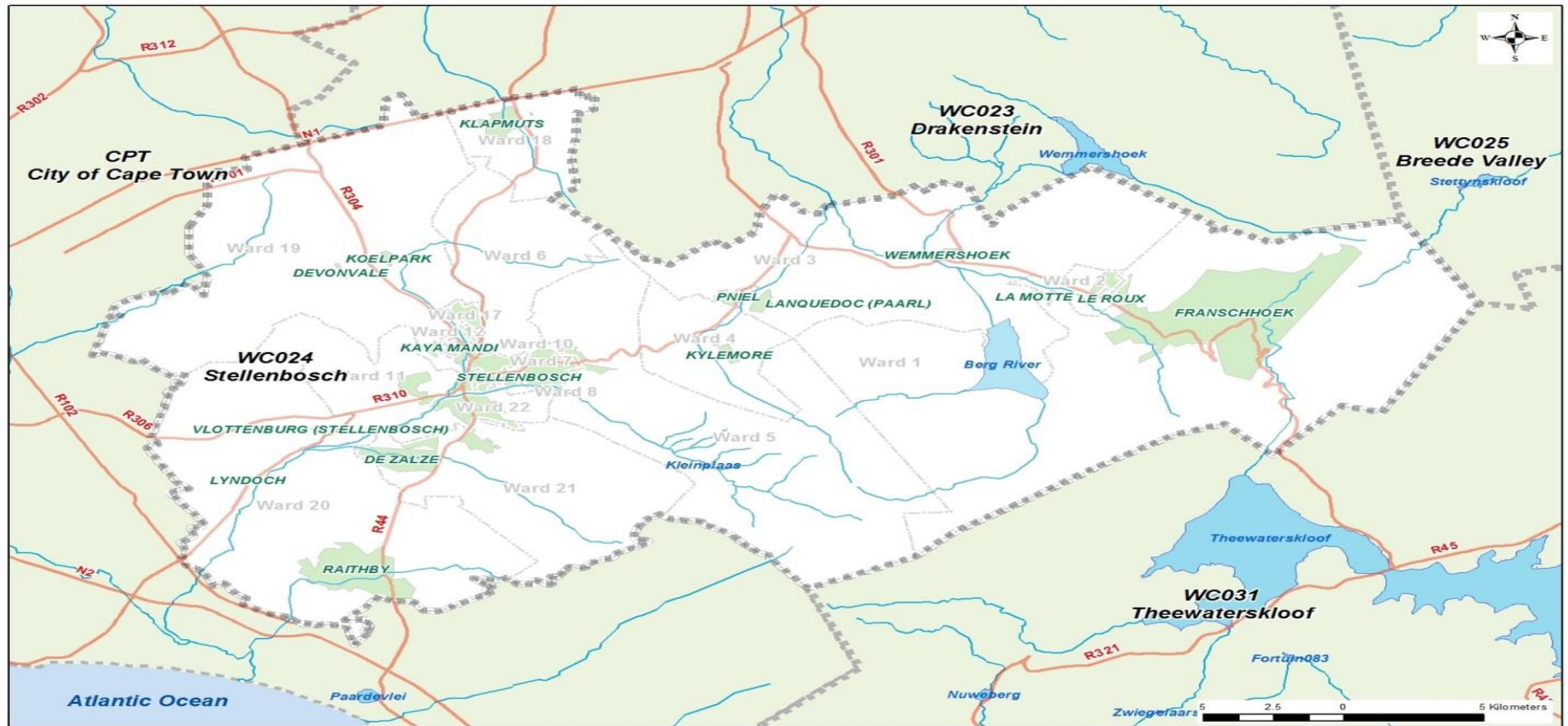
3.1 Stellenbosch Municipal Area at a Glance

Demographics		Population Estimates		
	Population 176 523		Households 52 374	
Education		2016 Poverty		
	Matric Pass Rate: 86.9% Learner-Teacher Ratio: 32.4% Gr 12 Drop-out Rate: 23.0%		Gini-Coefficient: 0.62 Human Development Index: 0.72	
Health			2016	
	Primary Health Care Facilities: 14 Immunisation Rate: 85.6%	Maternal Mortality Ratio (per 100 000 live births): 0.0	Teenage Pregnancies – Delivery rate to women U/18: 4.5%	
Safety & Security		% Change between 2016 & 2017 in # of reported cases/100 000		
	Residential Burglaries: 2.4%	DUI: 35.0%	Drug-related Crimes: 7.7%	Murder: -16.7% Sexual Offences: -2.8%
Access to Basic Service Delivery		% HHs with access to basic services, 2016		
Water: 98.5% 	Refuse Removal: 71.0% 	Electricity: 90.9% 	Sanitation: 98.1% 	Housing: 65.1% 
Road Safety	Labour	Socio-economic Risks		
Fatal Crashes Road User Fatalities: 41 	Unemployment: 11.9% 	Risk 1: Drought Risk 2: Financial Sustainability Risk 3: Sluggish Economic Recovery		
Finance, insurance, real estate and business services		Wholesale and retail trade, catering and accommodation		Manufacturing
 21.6%	 20.2%	 17.0%		

3.2 Location

The figure below illustrates the Greater Stellenbosch in relation to neighbouring municipalities, within the Western Cape. Stellenbosch Municipality is located in the heart of the Cape Winelands.

Figure 1: Map of the Greater Stellenbosch WC024



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 Klapmuts to the North, and over the Helshoogte Pass to Pniel, Kylemore, Groendal and Franschoek in the East.

The following municipalities share their borders with Stellenbosch Municipality:

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

3.3 Socio-Economic Perspective

3.3.1 Population Growth

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.

Table 1: Age Cohorts and Dependency Ratio

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

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.

3.3.2 Access to Services and Housing

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

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

Table 2: Access to Services

Community Survey 2016	Stellenbosch	Cape Winelands District
Total number of households	52 374	236 006
Formal main dwelling	34 071	191 077
	65,1%	81,0%
Water (piped inside dwelling/ within 200m)	51 581	232 605
	98,5%	98,6%
Electricity (primary source of lighting)	51 386	228 650
	98,1%	96,9%
Sanitation (flush/chemical toilet)	47 594	218 483
	90,9%	92,6%
Refuse removal (at least weekly)	37 207	192 974
	71,0%	81,8%

Source: Western Cape, Socio-Economic Profile 2018

Access to water, electricity and sanitation services were however significantly higher 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 Municipality.

3.3.3 Education

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

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

Table 3: Early Childhood Development – attendance levels

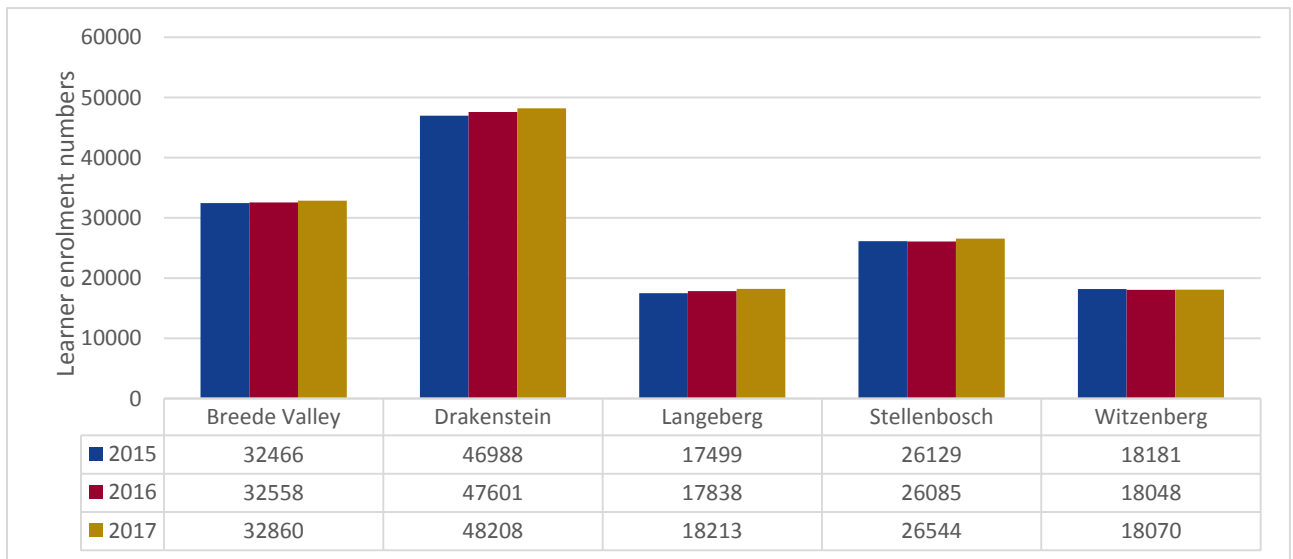
Early Childhood Development (ECD)		
Ages	Stellenbosch	
1	Attending	26.4%
	Not Attending	73.6%
2	Attending	61.9%
	Not Attending	38.1%
3	Attending	72.9%
	Not Attending	27.1%
4	Attending	71.9%
	Not Attending	28.1%
5	Attending	50.6%
	Not Attending	49.4%

Source: Western Cape, Socio-Economic Profile 2018

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

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

Figure 2: Learner enrolment

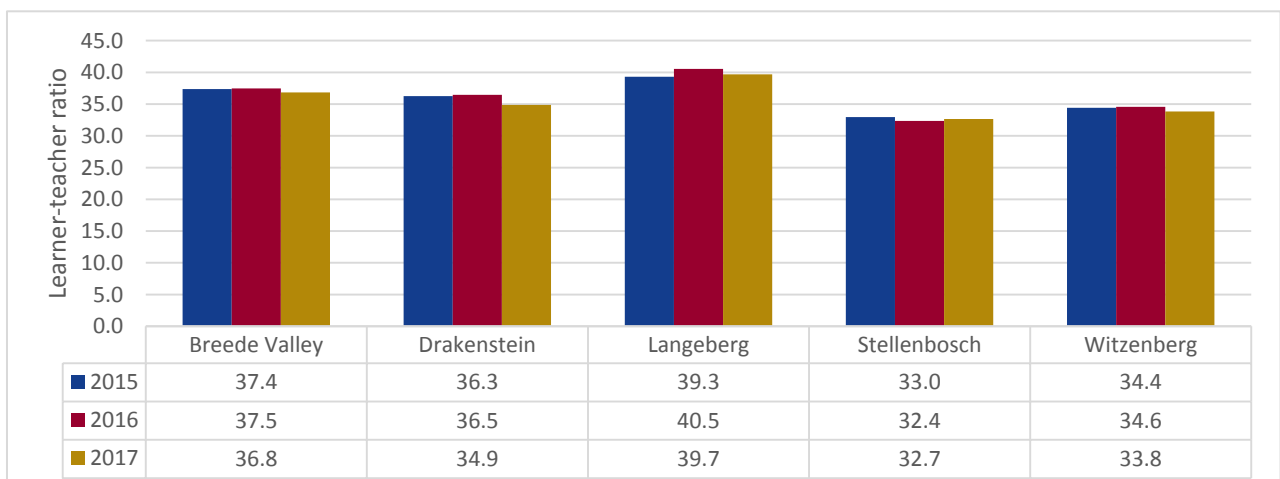


Source: Western Cape, Socio-Economic Profile 2018

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 3: Learner-Teacher Ratio

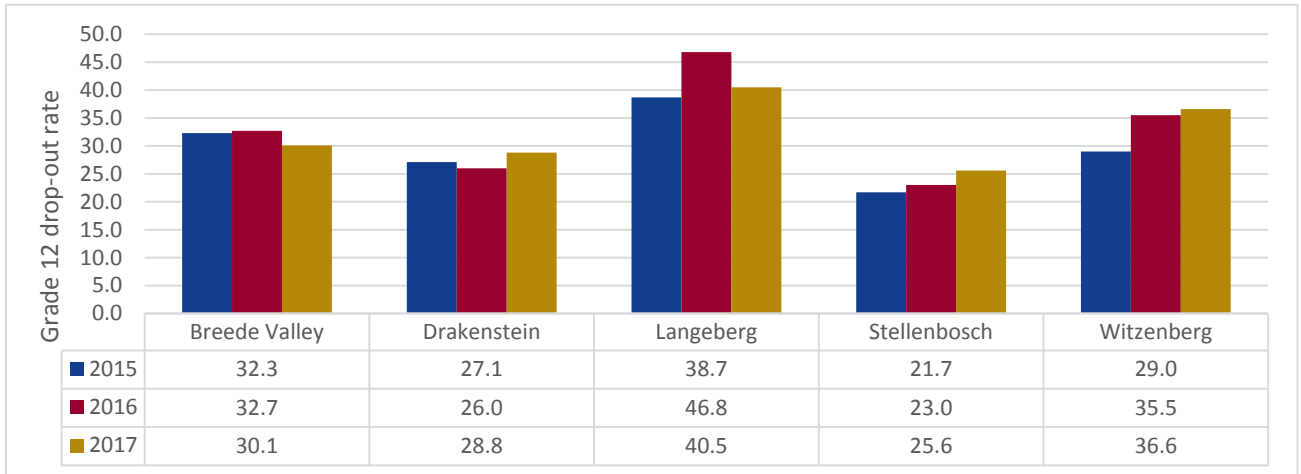


Source: Western Cape, Socio-Economic Profile 2018

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 4: School drop-out Rates

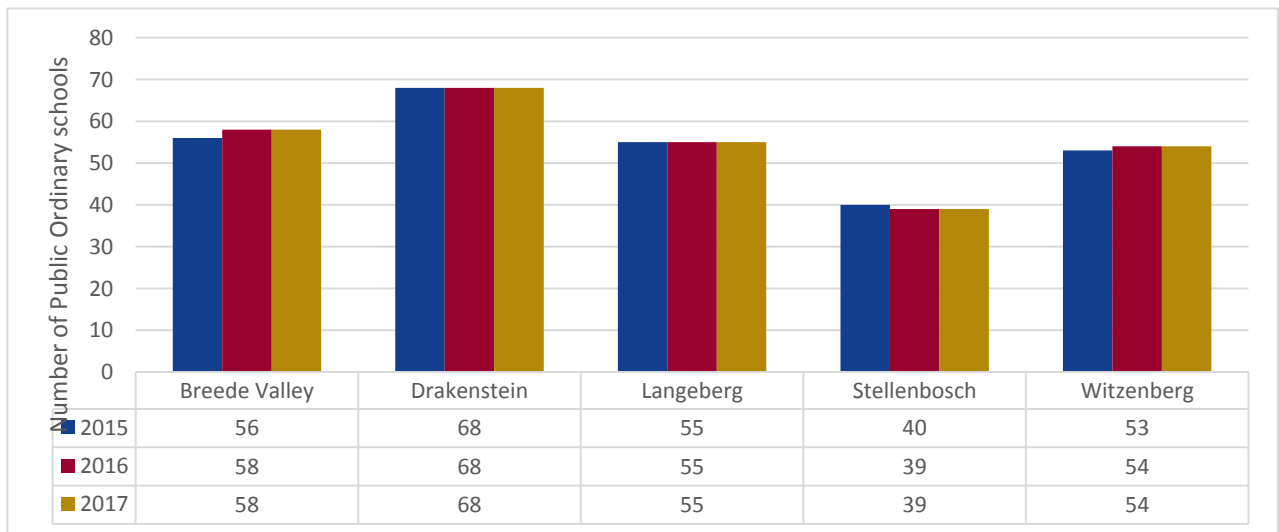


Source: Western Cape, Socio-Economic Profile 2018

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 5: Educational Facilities

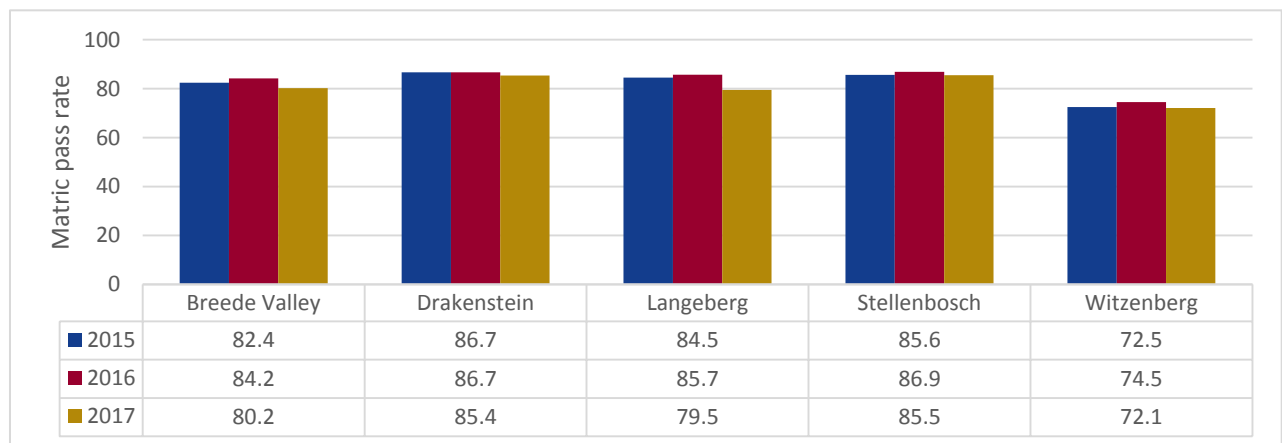


Source: Western Cape, Socio-Economic Profile 2018

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 6: 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.

3.3.4 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.

Table 4: Health care facilities

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

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.

Table 5: HIV/AIDS Management

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

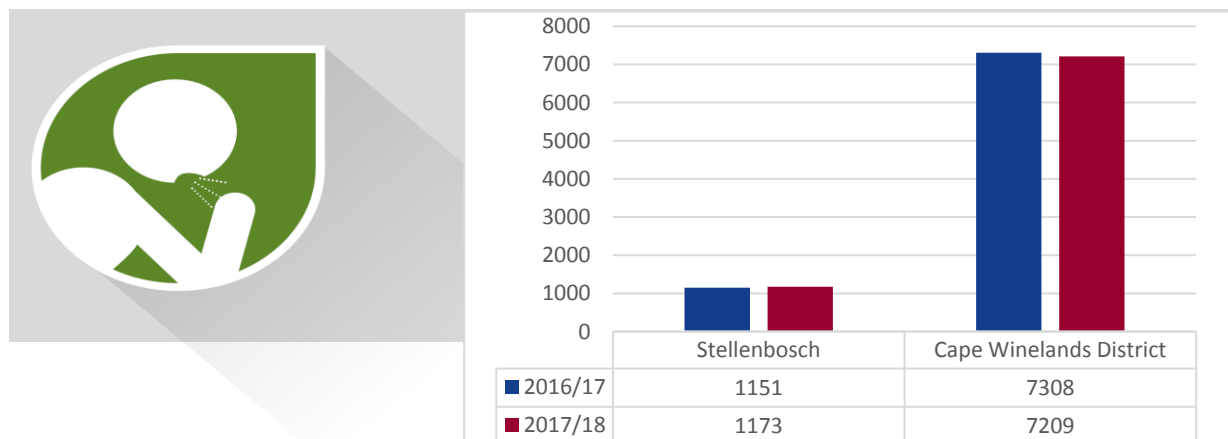
Source: Western Cape, Socio-Economic Profile 2018

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.

Figure 7: Tuberculosis



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).

Table 6: Preventable Death’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

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.

Table 7: Maternal Mortality Rate

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

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.

3.3.5 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.

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.

Table 8: Safety and Security Statistics

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

Source: Western Cape, Socio-Economic Profile 2018

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.

3.3.6 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 9: 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.

Table 10: Stellenbosch GDP performance per sector

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	21,6%	3 144,2	3,6%	2,8%	3,1%	2,9%	3,3%	2,5%	2,1%

business services									
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%

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).

Table 11: Cape Winelands District employment growth, 2012 – 2017

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

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.

Table 12: Stellenbosch employment growth

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

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.

Table 13: Unemployment Rates – Comparison

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

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).

Table 14: Labour Force Skills

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

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.

Table 15: SMME's registered on municipal databases, 2018

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

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.

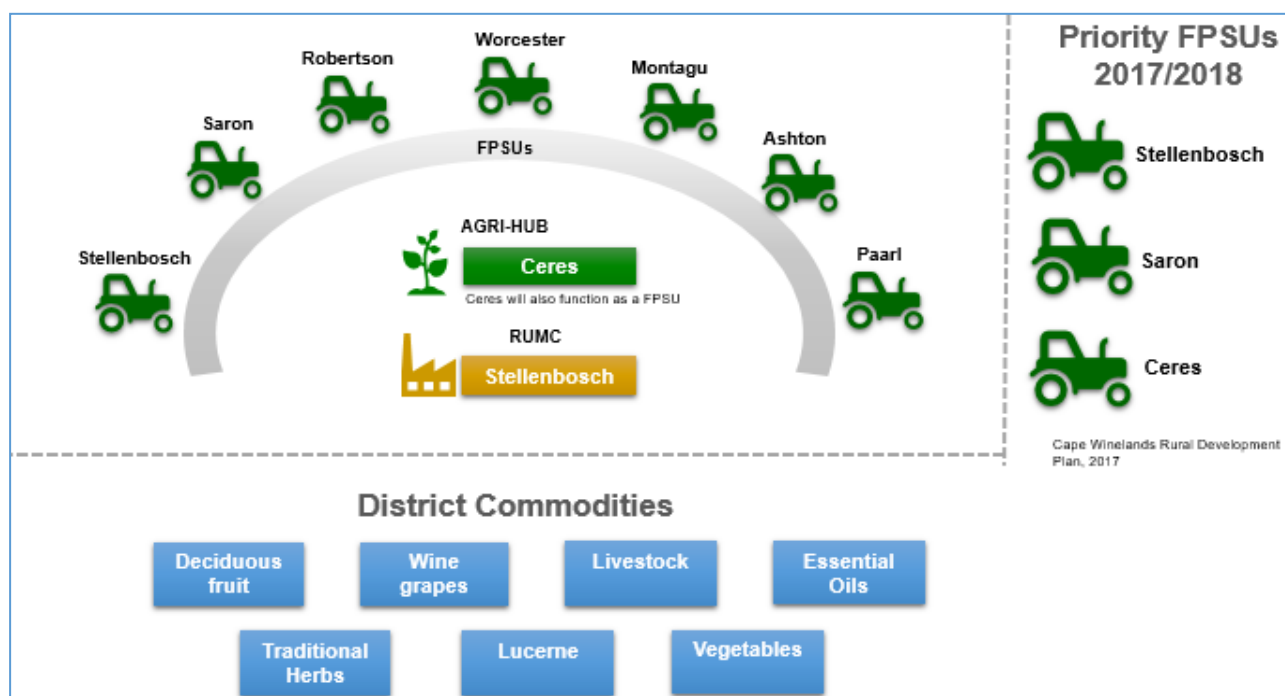
Support programmes in the CWD for SMMEs (besides SEDA) include the Cape Winelands Entrepreneurial Seed Fund and Mentorship Programme, the Cape Winelands Business Retention and Expansion Programme aimed at businesses in the tourism industry as well as outreach programmes and support offered by local municipalities. 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.

3.3.7 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 8: Agri-Park Implementation



Source: Cape Winelands Rural Development Plan, 2017

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

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

3.3.8 General Demographics of Farmworkers

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

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

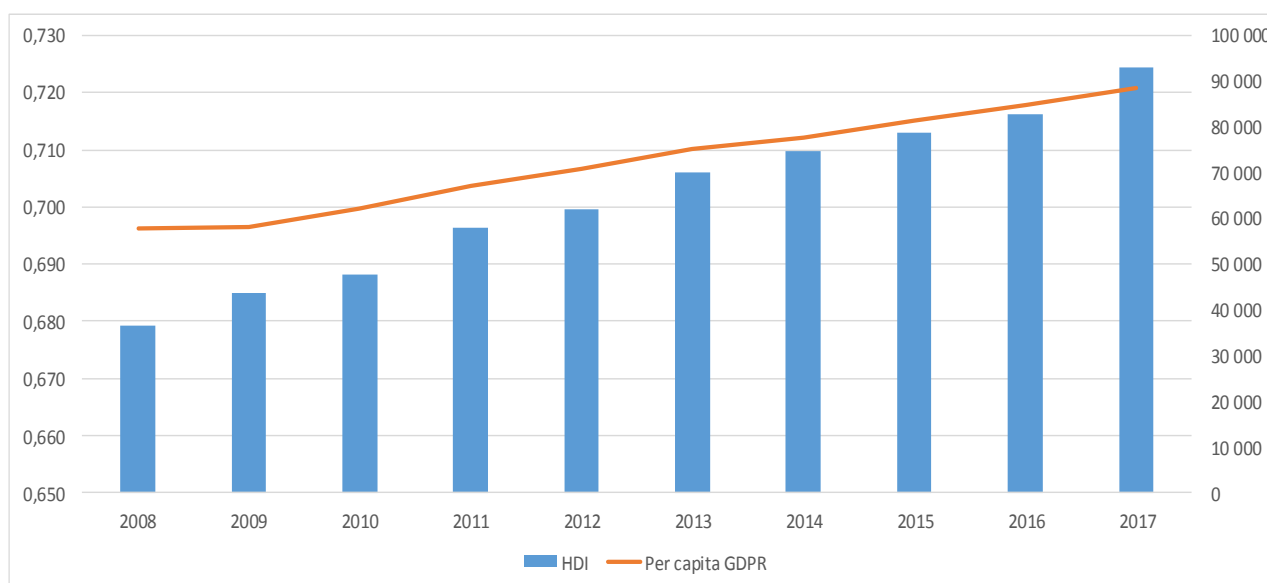
The study found that an overall of 62.63% of individuals living in farmworker households have permanent jobs both on and off the farm on which they reside. Approximately 18.1% of individuals living on farms were unemployed, while 19.27% had either temporary or seasonal work.

3.3.9 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 9: Human Development Index (HDI)



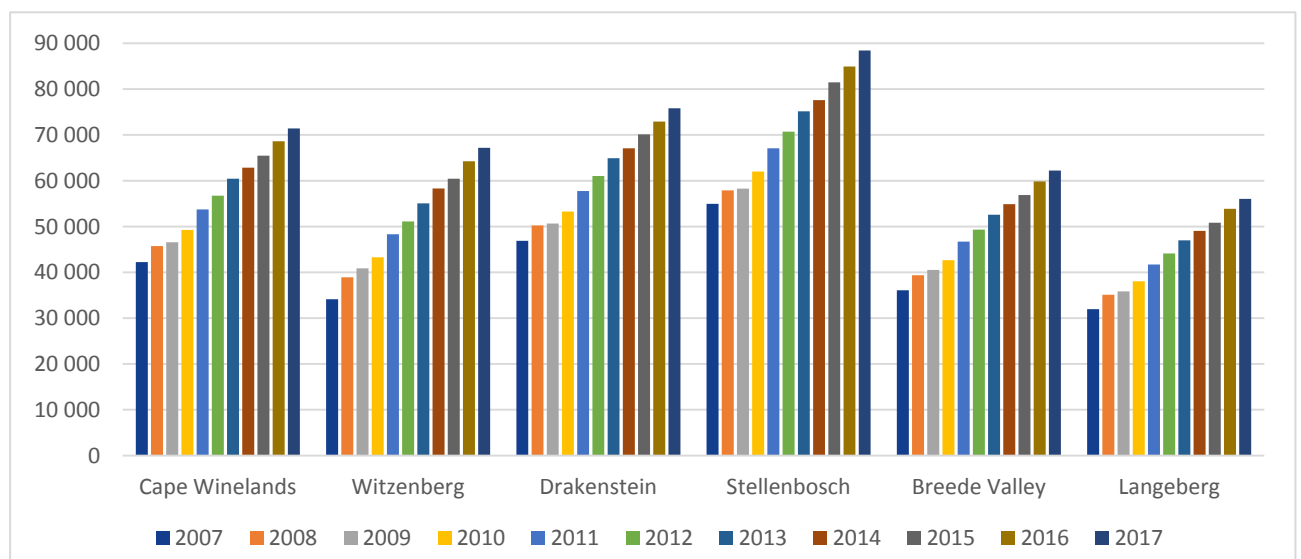
Source: Global Insight, 2017

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.

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 GDP per capita, i.e. GDP 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 GDP per capita indicator.

Figure 10: GDP per Capita – 2008 to 2017



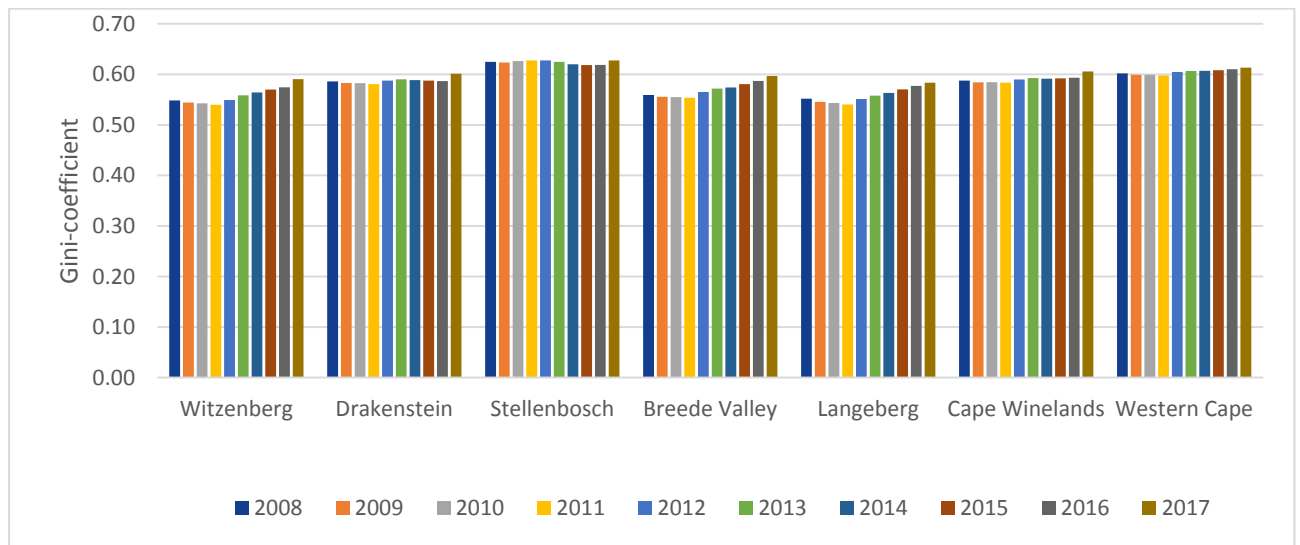
Source: Stats SA 2017, own calculations

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.

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.

Figure 11: Income Inequality – 2008 to 2017



Source: Global Insight, 2017

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

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

Table 16: Indigent Households – 2014 to 2017

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

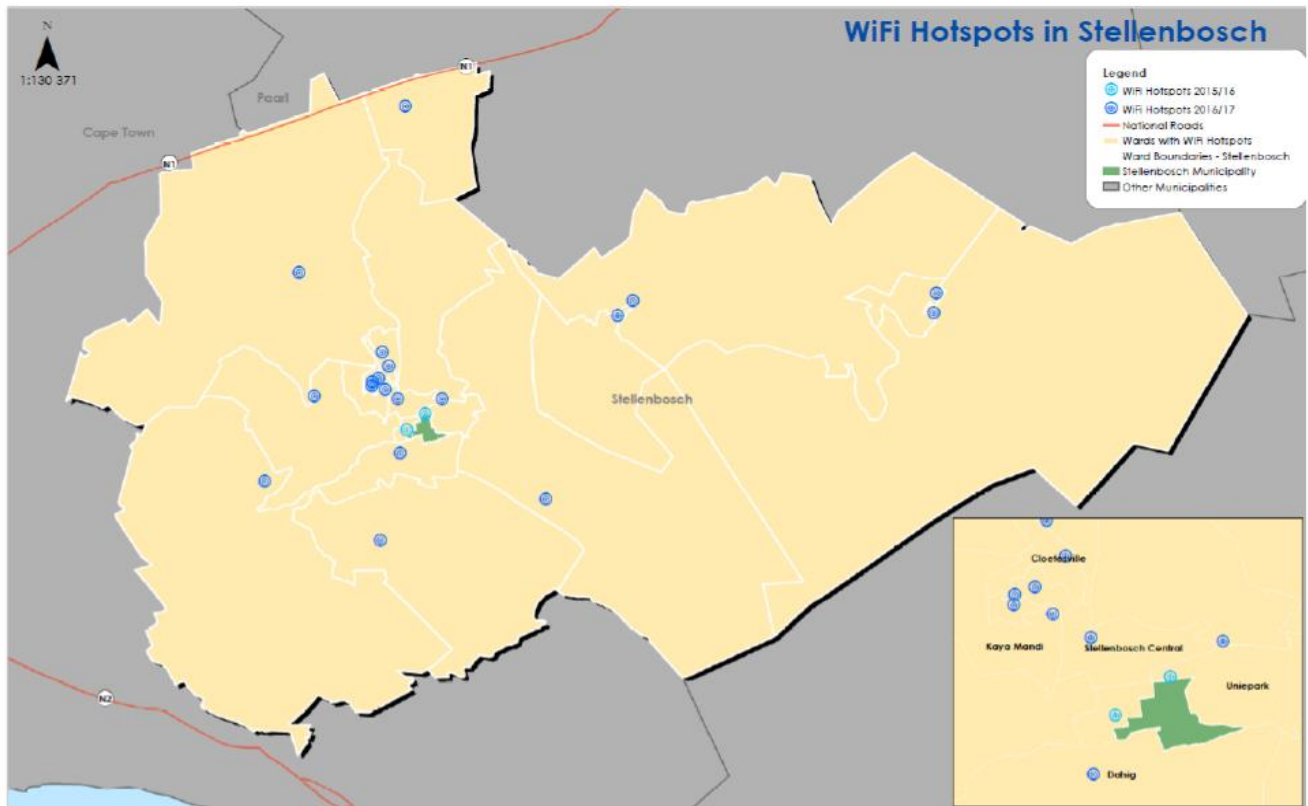
The Stellenbosch Municipal area experienced an increase in the number of indigent households between 2014 and 2016, implying an increased demand for indigent support and additional burden on Municipal financial resources. Similarly, the number of indigent household.

3.3.10 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 below.

Figure 12: Wi-Fi: Department of Economic Development and Tourism, 2016



Source: WC Department of Economic Development

3.3.11 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.

3.3.12 From Waste Management to Integrated Waste Management

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

3.3.13 Climate Change

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

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

B: LEGISLATIVE ENVIRONMENT

Legal Requirements

The medium term revenue and expenditure framework for 2019/2020, 2020/2021 and 2021/2022 was compiled in accordance with the requirements the relevant legislation, of which the following are the most important:

- i) the Constitution, Act 108 of 1996
- ii) the Local Government Transition Act, Act 209 of 1993
- iii) the Municipal Structures Act, Act 117 of 1998
- iv) the Municipal Systems Act, Act 32 of 2000
- iv) the Municipal Finance Management Act, Act 56 of 2003

In addition to the above, the Municipal Budget and Reporting Framework as approved on 17 April 2009 gave a clear directive on the prescribed reporting framework and structure to be used.

Guidelines issued by National Treasury

National Treasury issued the following circulars regarding the budget for 2015/2016:

MFMA Circular No. 74 Municipal Budget Circular for the 2015/16 MTREF- 12 December 2014

MFMA Circular No. 75 Municipal Budget Circular for the 2015/16 MTREF- 04 March 2015

Other circulars used during the compilation of the budget:

- MFMA Circular No. 48 Municipal Budget Circular for the 2009/10 MTREF – 2 March 2009
- MFMA Circular No. 51 Municipal Budget Circular for the 2010/11 MTREF – 19 February 2010
- MFMA Circular No. 54 Municipal Budget Circular for the 2011/12 MTREF – 10 December 2010
- MFMA Circular No. 55 Municipal Budget Circular for the 2011/12 MTREF – 8 March 2011
- MFMA Circular No. 58 Municipal Budget Circular for the 2012/13 MTREF – 14 December 2011
- MFMA Circular No. 59 Municipal Budget Circular for the 2012/13 MTREF – 16 March 2012
- MFMA Circular No. 64 Municipal Budget Circular for the 2012/13 MTREF – November 2012
- MFMA Circular No. 66 Municipal Budget Circular for the 2013/2014 MTREF – 24 January 2013
- MFMA Circular No. 67 Municipal Budget Circular for the 2012/13 MTREF – 12 March 2013
- MFMA Circular No. 70 Municipal Budget Circular for the 2014/15 MTREF- 4 December 2013
- MFMA Circular No. 78 Municipal Budget Circular for 2016/2017 MTREF - 7 December 2015
- MFMA Circular No.79 Municipal Budget Circular for 2016/2017 MTREF - 7 March 2016
- MFMA Circular No.82 Cost Containment Measures for 2016/2017 MTREF - 30 March 2016
- MFMA Circular No.85 Municipal Budget Circular for 2017/2018 MTREF – 9 December 2016
- MFMA Circular No. 86 Municipal Budget Circular for 2017/2018 MTREF – 8 March 2017
- MFMA Circular No. 89 Municipal Budget Circular for 2018/2019 MTREF – 8 December 2017
- MFMA Circular No. 91 Municipal Budget Circular for 2018/2019 MTREF – 7 March 2018

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- Local Government: Municipal Finance Management Act, 2003-Municipal Cost Containment Regulation (Draft)- 16 February 2018
 - MFMA Circular No. 93 Municipal Budget Circular for 2019/2020 MTREF – 7 December 2018
 - MFMA Circular No. 94 Municipal Budget Circular for 2019/2020 MTREF – 7 March 2019

The following are discussion points that are highlighted in the above:

- National outcomes/priorities
- Headline inflation forecasts
- Local Government Conditional Grants & additional allocations
- Municipal Standard Chart of Accounts (mSCOA)
- Development of Integrated Development Plan (IDP)
- Revising rates, tariffs and other charges
- Funding choices and management issues
- Unconditional transfers to municipalities
- Funding for Disaster Relief
- Funding Choices and Budgeting Issues
- Borrowing for capital infrastructure
- Revenue Budget
- Conditional transfers to municipalities
- Municipal Budget and Reporting Regulations
- Cost Containment Measures
- Budget process and submissions for the 2019/20 MTREF

The guidelines provided in the above mentioned circulars, annexures and other economic factors were taken into consideration and informed budget preparation and compilation.

C: OVERVIEW OF ANNUAL BUDGET PROCESS

In terms of Section 24 of the MFMA, Council must, at least 30 days before the start of the financial year, consider the annual budget for approval. Section 53 requires the Mayor of a municipality to provide general political guidance over the budget process and the priorities that must guide the preparation of the budget. In addition, Chapter 2 of the Municipal Budget and Reporting Regulations, gazetted on 17 April 2009, states that the Mayor of a municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging with the responsibilities set out in section 53 of the Act.

A time schedule outlining important dates and deadlines as prescribed for the IDP/Budget process was approved on **22 August 2018**. The budget process for the 2019/2020 MTREF period proceeded/will proceed according to the following timeline

Activity	Time frame
Formulation of budget assumptions	September 2018
Detailed programmes and projects to further define budget	November 2018 – March 2019
IDP and Budget considered by Council	27 March 2019
IDP and Budget - public participation	April 2019
Final approval of IDP and the Budget	22 May 2019

D: OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH THE INTEGRATED DEVELOPMENT PLAN (IDP)

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

Horizontal Alignment Matrix

Table 17: Horizontal Alignment Matrix

Strategic Focus Areas	National Strategic Outcomes	National Planning Commission	Western Cape Provincial Government Strategic Plan	CWDM Strategic Objectives
Valley of Possibility	Ensuring decent employment through inclusive economic growth (4) Ensuring decent employment through inclusive economic growth (4)	Creating jobs (1)	Create opportunities for growth and jobs (1)	Promoting sustainable infrastructure services and transport system which fosters social and economic opportunities.
Green and Sustainable Valley	Ensuring that the environmental assets and natural resources are well protected and continually enhanced (10)	Transitioning to a low carbon economy (3) Transforming urban and rural spaces (4)	Enable resilient, sustainable, quality and inclusive living environment (4)	To create an environment and forge partnerships that ensures the health, safety, social and economic development of all communities including the empowerment of the poor in the Cape Winelands District through economic, environmental and social infrastructure investment.

Strategic Focus Areas	National Strategic Outcomes	National Planning Commission	Western Cape Provincial Government Strategic Plan	CWDM Strategic Objectives
	<p>Ensuring vibrant, equitable and sustainable rural communities with food security for all (7)</p> <p>Promoting sustainable human settlements and improved quality of household life (8)</p>	<p>Transitioning to a low carbon economy (3)</p> <p>Transforming urban and rural spaces (4)</p>	<p>Increase wellness, safety and tackle social ills (3)</p> <p>Enable resilient, sustainable, quality and inclusive living environment (4)</p>	<p>Environmental and social infrastructure investment.</p>
Safe Valley	<p>Ensuring all people in South Africa are and feel safe (3)</p>		<p>Increase wellness, safety and tackle social ills (3).</p>	<p>To create an environment and forging partnerships that ensures the health, safety, social and economic development of all communities including the empowerment of the poor in the Cape Winelands District.</p>
Dignified Living	<p>Providing improved quality of basic education (1)</p> <p>Enabling a long, healthy life for all South Africans (2)</p>	<p>Providing quality health care (6)</p>	<p>Improve education outcomes and opportunities for growth and jobs (2)</p> <p>Increase wellness, safety and tackle social ills (3)</p>	<p>To create an environment and forging partnerships that ensures the health, safety, social and economic development of all communities, including the empowerment of the poor in the Cape Winelands District.</p>

Strategic Focus Areas	National Strategic Outcomes	National Planning Commission	Western Cape Provincial Government Strategic Plan	CWDM Strategic Objectives
	Setting up an efficient, competitive and responsive economic infrastructure network (6)	Expanding infrastructure (2)	Create opportunities for growth and jobs (1) Embed good governance and integrated service delivery through partnerships and spatial alignment (5)	Promoting sustainable infrastructure services and transport system which fosters social and economic opportunities.
Good Governance and Compliance	Achieving an accountable, effective and efficient local government system (9) Creating a better South Africa and a better and safer Africa and world (11) Building an efficient, effective and development oriented public service and an empowered fair and inclusive citizenship (12)	Improving education and training (5) Building a capable state (7) Fighting corruption (8)	Embed good governance and integrated service delivery through partnerships and spatial alignment (5)	Promoting sustainable infrastructure services and transport system which fosters social and economic opportunities.
	Achieving a responsive, accountable, effective and efficient local government system (9)	Building a capable state (7)	Embed good governance and integrated service delivery through partnerships and spatial alignment (5)	To provide an effective and efficient financial and strategic support service to the Cape Winelands District Municipality.

Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities.

Performance management at Stellenbosch municipality is evaluated to embody the following;

Consistency: Objectives, performance indicators and targets are consistent between planning and reporting documents.

Measurability: Performance indicators are well defined and verifiable, and targets are specific, measurable and time bound.

Relevance: Performance indicators relate logically and directly to an aspect of the municipality's mandate and the realisation of its strategic goals and objectives.

Reliability: Recording, measuring, collating, preparing and presenting information on actual performance / target achievements is valid, accurate and complete.

Stellenbosch municipality targets, monitors, assess and reviews organisational performance which in turn is directly linked to individual employees' performance. The performance of the municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations.

The Five Year Top Level Service Delivery and Budget Implementation is part of the Integrated Development Plan and the financial performance objectives are captured in supporting table SA7.

E: OVERVIEW OF MUNICIPAL BY-LAWS BUDGET RELATED POLICIES**The following are new policies:****Ward Allocation Policy**

The objective of the Ward Allocations Policy is to create opportunities for Councillors to identify ward projects in line with the identified IDP needs, with the support of their Ward Committees, which would improve the quality of living in all wards. Refer to Appendix 4.

The following existing policies were reviewed and amended**Rates Policy**

The revised Rates Policy as required by the Municipal Property Rates Act (Act no 6 of 2004) is attached as Appendix 5.

Indigent Policy

Due to the level of unemployment and subsequent poverty in the municipal area, there are households which are unable to pay for basic municipal services. The provision of free basic services ensures that registered indigent consumers have access to basic services. This policy provides the framework for the administration of free basic services to indigent consumers. Refer to Appendix 6.

Special Ratings Area Policy

The aim of the policy is to provide the framework to strike an appropriate balance between facilitating self-funded community initiatives that aim to improve and/or upgrade neighbourhoods. Refer to Appendix 7.

Credit Control and Debt Collection Policy

This policy provides a framework to enable Council to proactively manage and collect all money due for services rendered and outstanding property taxes, subject to the provisions of the Municipal Systems Act of 2000 and any other applicable legislation and internal policies of Council. Refer to Appendix 8.

Irrecoverable Debt Policy

This policy enables Council and the CFO to write off irrecoverable debt of indigent consumers, debt which cannot be recovered due to consumers not being registered as indigent or not traceable or due to prescription of debt. Refer to Appendix 9.

Petty Cash Policy

All purchases below R 2 000 are regulated by this policy. Clear processes and procedures are stipulated to ensure that all transactions are processed effective and efficiently in a bid to ensure prudent financial control. Refer to Appendix 10.

Travel and Subsistence Policy

This policy sets out the basis for the payment of subsistence, travel allowance, hourly rate when applicable for the purpose of official travelling. Refer to Appendix 11.

Virementation Policy

The policy sets out the Virement principles and processes which the Stellenbosch Municipality will follow during a financial year. These virements will represent a flexible mechanism to effect budgetary amendments within a municipal financial year. The policy shall give effect to the requirements and stipulations of the Municipal Finance Management Act and Municipal Budget and Reporting Framework in terms of the Approved budget and it will be applicable to all municipal staff and councillors involved in budget implementation. Refer to Appendix 12.

Accounting Policy

This policy provides the accounting framework applicable to the finances of the municipality and is 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 no 56 of 2003). Refer to Appendix 13.

Cash Management and Investment Policy

To regulate and provide directives in respect of the investment of funds and to maximize returns from authorized investments, consistent with the primary objective of minimizing risk. Refer to Appendix 14.

Supply Chain Management Policy

Section 111 of the MFMA requires each Municipality and municipal entity to adopt and implement a supply chain management policy, which gives effect to the requirements of the Act. The Preferential Procurement Policy Framework Act, no 5 of 2000 and its accompanying regulations influences and dictates process around the evaluation and awarding of points. In this regard, the Minister of Finance acting in terms of section 5 of the Procurement Policy Framework Act, revised the Regulations accompanying this Act on the 20th January 2017 for implementation by all affected public entities by the 1 April 2017. The Supply Chain Management Policy was therefore amended and adopted at Council during February 2017. Refer to Appendix 15.

Supply Chain Management Policy for Standard for Infrastructure Procurement and Delivery Management (SIPDM)

This policy establishes the Stellenbosch Municipality's policy for infrastructure delivery management in accordance with the provisions of the regulatory frameworks for procurement and supply chain management. It includes the procurement for a new facility to be occupied and used as a functional entity. Refer to Appendix 16.

Development Charges Policy

The Municipality derives its authority to impose a development charge in terms of Section 75A. General power to levy and recover fees, charges and tariffs of the Local Government: Municipal Systems Act, 2000, Act 32 of 2000. The Municipality approved its new Land Use Planning Bylaw in terms of the Spatial Planning and Land Use Planning Act, 2013 (Act 16 of 2013) in October 2015 and it was officially promulgated and became effective in December 2015. Since then, the Municipality faces significant changes in the planning environment, amongst others the need for and manner of generating development charges.

The intent is aligned with the following:

- Striving to make Stellenbosch the preferred town for investment and business, where investment inflows and new enterprise translate into jobs and prosperity.
- Establishing the greenest municipality which will not only make Stellenbosch attractive for visitors and tourists, but will also provide a desirable environment for new industries.
- Ensuring a dignified living for all Stellenbosch citizens, who feel that they own their town, take pride in it and have a sense of self-worth and belonging.
- Creating a safer Stellenbosch valley, where civic pride and responsibility supplant crime and destructive behaviour.

Development has an impact on the demand for social infrastructure as much as it does services infrastructure. The infrastructure is essential to support sustainable social and economic development and to ensure the health and well-being of the residents and property owners of the Municipality. Without this infrastructure, investment in Stellenbosch will be hampered and, as the cost to the Municipality in providing social infrastructure is high, funding to cover the cost must be obtained from development charges. Such contributions are a targeted and an equitable way of ensuring that the new beneficiaries make an appropriate and fair contribution to the cost through the developer. Refer to Appendix 17.

The following existing budget related policies were reviewed but no amendments were necessary:

Performance Management Policy Framework

Performance Management is a process which measures the implementation of the organisation's strategy. 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 institutionalized through the legislative requirements on the performance management process for Local Government. Performance management provides the mechanism to measure whether targets to meet its strategic goals, set by the organisation and its employees, are met.

The constitution of S.A (1996), section 152, dealing with the objectives of local government paves the way for performance management with the requirements for an "accountable government". The Municipal Systems Act (MSA), 2000 requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA) requires the Integrated Development Plan (IDP) to be aligned to the municipal budget and to be monitored for the performance of the budget against the IDP via the Service Delivery and the Budget Implementation Plan (SDBIP).

In addition, Regulation 7 (1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players."

Section 57 makes the employment of the Municipal Manager and Managers directly accountable to him subject to a separate performance agreement concluded annually before the end of July each year. Section 67 regards the monitoring, measuring and evaluating of performance of staff as a platform to develop human resources and to hold municipal staff accountable to serve the public efficiently and effectively. Performance Management, therefore, is not only relevant to the organisation as a whole, but also to the individuals employed in the organization as well as the external service providers and the Municipal Entities. This framework therefore describes how the municipality's performance process, for the organisation as a whole will be conducted, organised and managed.

It also has the following objectives:

- Clarify processes of implementation
- Ensure compliance with legislation

-
- Demonstrate how the system will be conducted
 - Define roles and responsibilities
 - Promote accountability and transparency
 - Reflect the linkage between the IDP, Budget, SDBIP and individual and service provider performance. Refer to Appendix 18.

Rates By-Law

In terms of Section 3 of the Property Rates Act, a municipal council must adopt a policy consistent with the property rates act on levying of rates on rateable properties in the municipality. Refer to Appendix 19.

Special Ratings Area By-Law

A “special rating area” refers to a special rating area approved by the Council in accordance with the provisions of section 22 of the Property Rates Act. This By-law aims to provide for the establishment of special ratings areas, to provide for additional rates and to provide for matter incidental thereto. Refer to Appendix 20.

Tariff By-Law

In terms of section 75(1) of the Systems Act, a municipal council must adopt by-laws to give effect to the implementation and enforcement of its tariff policy. In terms of section 75(2) of the Systems Act, by-laws adopted in terms of section 75(1) of the Systems Act may differentiate between different categories of users, debtors, service providers, services, service standards and geographical areas as long as such differentiation does not amount to unfair discrimination. Refer to Appendix 21.

Tariff Policy

This policy serves as the implementing tool which guides the levying of tariffs for municipal services in accordance with the provisions of the Municipal Systems Act and any other applicable legislation. Tariffs represent the charges levied by Council on consumers for the utilization of services provided by the Municipality and rates on properties. Tariffs will be calculated in various ways, dependent upon the nature of the service being provided. Refer to Appendix 22.

Asset Management Policy

The Municipal Finance Management Act Number 56 of 2003 will be the legislative framework for the Asset Management Policy whilst Generally Recognised Accounting Practice (GRAP) will be the accounting framework.

The Municipal Council of Stellenbosch is in terms of the MFMA and GRAP obliged to adopt an Asset Management Policy to regulate the effective management of all council's assets.

- **And whereas** the municipal manager as accounting officer of municipal funds, assets and liabilities is responsible for the effective implementation of the asset management policy which regulates the acquisition, safeguarding, maintenance of all assets and disposal of assets where the assets are no longer used to provide a minimum level of basic service as regulated in terms of section 14 of the MFMA.
- **And whereas** these assets must be protected over their useful life and may be used in the production or supply of goods and services or for administrative purposes in meeting the municipality's operational requirements.
- **Now therefore** the municipal council of the Stellenbosch Municipality adopts this asset management policy. Refer to Appendix 23.

Budget Implementation and Monitoring Policy

The policy aims to give effect to the requirements and stipulations of the Municipal Finance Management Act and Municipal Budget and Reporting Framework in terms of the planning, preparation and approval of the annual and adjustments budgets. The framework for virements is also explained and regulated in this policy as well as monitoring roles and responsibilities. Refer to Appendix 24.

Borrowing, Funds and Reserves

This policy strives to establish a borrowing framework policy for the Municipality and set out the objectives, policies, statutory requirements and guidelines for the borrowing of funds. The policy provides a framework to ensure that the annual budget of Stellenbosch Municipality is fully funded and that all funds and reserves are maintained at the required level to avoid future year non cash backed liabilities. The policy aims to give effect to the requirements and stipulations of the Municipal Finance Management Act and Municipal Budget and Reporting Framework. Refer to Appendix 25.

Financing of External Bodies performing municipal functions Policy

The purpose of this Policy is to provide a framework for financial assistance by Stellenbosch Municipality ("the Municipality") to external organisations/bodies conducting local government functions to the extent as set out in section 155(6)(a) and (7) of the Constitution as listed in Part B of Schedule 4 and 5. Refer to Appendix 26.

Liquidity Policy

The documented Liquidity Policy sets out the minimum risk management measures that Stellenbosch Municipality has to implement and adhere to in order to ensure that its current and future liquidity position is managed in a prudent manner. This policy will be implemented to provide guidance on the minimum liquidity level that Stellenbosch Municipality has to maintain in order to comply with required legislative and / or National Treasury directives and within the overall financial management objectives as approved/reviewed by the Council from time to time. Refer to Appendix 27.

Inventory Management Policy

In terms of the MFMA, the Accounting Officer for a municipality must:

- (a) be responsible for the effective, efficient, economical and transparent use of the resources of the municipality as per section 62 (1)(a);
- (b) take all reasonable steps to prevent unauthorised, irregular and fruitless and wasteful expenditure and other losses as per section 62(1)(d); and
- (c) be responsible for the management, including the safeguarding and the maintenance of the assets, and for the management of the liabilities, of the municipality as per section 63 (1)(a) and (b).

The policy aims to achieve the following objectives which are to provide guidelines that employees of the Municipality must follow in the management and control of inventory, including safeguarding and disposal of inventory, procure inventory in line with the established procurement principles contained in the Municipality's Supply Chain Management Policy and eliminate any potential misuse of inventory and possible theft. Refer to Appendix 28.

Preferential Procurement Policy

Section 217(1) of the Constitution, 1996 (Act 108 of 1996) provides that when contracting for goods and services, organs of state must do so in accordance with a system that is fair, equitable, transparent, competitive and cost effective. Section 217(2) and (3) of the Constitution allows organs of state to grant preferences when procuring for goods and services within a Framework prescribed by National legislation. The preferential procurement policy is founded on the following principles, namely, value for money, open and effective competition, ethics and fair dealing, accountability and reporting and equity. This policy will be applicable to all active industry sectors within the Stellenbosch Municipal area and must be read with the supply chain management policy of the municipality. Refer to Appendix 29.

Grant-in-aid Policy

This policy provide the framework for grants-in-aid to non-governmental organisations (NGO's), community-based organisations (CBO's) or non-profit organisations (NPO's) and bodies that are used by government as an agency to serve the poor, marginalised or otherwise vulnerable as envisaged by Sections 12 and 67 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003). Refer Appendix 30.

F: OVERVIEW OF KEY BUDGET ASSUMPTIONS

Municipalities' long-term financial viability depends largely on the extent to which improved and sustainable revenue capacity on the one hand and sound financial management of its resources on the other hand can be achieved. These imperatives necessitate proper multi-year financial planning.

Future impacts of revenue streams, expenditure requirements and the financial implications for the community at large (i.e. the potential influence on rates, tariffs and service charges) must be identified and assessed to determine the sustainability of planned interventions, programs, projects and sundry service delivery actions.

Taking these principals into consideration, the following assumptions (**ceteris paribus**) were made and relates to the parameters within which the budget was compiled for the next three years

	2019/2020	2020/2021	2021/2022
Percentage Increase:			
Water	6.50%	6.50%	6.50%
Electricity	13.07%	8.00%	8.00%
Sanitation	6.00%	6.50%	6.50%
Refuse	16.50%	16.50%	16.50%
Property Rates	6.50%	6.50%	6.50%
Collection Rates			
Water	96%	96%	96%
Electricity (Post Paid Meters)	96%	96%	96%
Sanitation	96%	96%	96%
Refuse	96%	96%	96%
Rates	96%	96%	96%
Employee Related Costs			
Salaries and Wages and related costs	7.00%	7.00%	7.00%
Notch Increment	2.40%	2.40%	2.40%
Other Assumptions			
Bulk Purchases - Electricity	15.63%	7.00%	7.00%
Bulk Purchases - Water	8.00%	8.00%	8.00%

Budgetary constraints and economic challenges meant that the municipality had to apply a combination of cost-saving interventions and higher than headline CPI revenue increases to ensure a sustainable budget over the medium term.

The budget theme of “*Driving Efficiencies; i.e. reprioritization of existing resources / current allocations*”, resulted from the realization that no, or limited, scope for additional externally- or internally-funded revenue growth existed and the challenge that more needed to be done with the existing resource envelope. This was reiterated in **National Treasury Budget Circular 94** where it states that “...municipalities must adopt a conservative approach when projecting their expected revenues and cash receipts. **Municipalities should also pay particular attention to managing all revenue and cash streams effectively and carefully evaluate all spending decisions.**”

In previous financial year the municipality implemented means to manage the telephone usage which resulted in a reduction in the telephone cost.

During the new financial year the municipality plans to implement measures that will decrease spending on Legal Cost by focusing more on in-house capacity building rather than making use of contracted/ outsourced consulting and legal services.

The municipality will embark on the recruitment drive to fill critical vacancies. This will in return result in a decrease in Professional and Consultant Fees.

These are some of the initiatives the municipality plans to implement under the budget theme “*Driving Efficiencies; i.e. reprioritization of existing resources / current allocations*”,

G: HIGH LEVEL BUDGET OVERVIEW

Capital Budget for 2019/2020, 2020/2021 and 2021/2022

Although the capital budget is infrastructure orientated and addresses the very urgent need for the upgrading of infrastructure as addressed by the different infrastructure master plans, it does however speak to the IDP (Integrated Development Plan) and the needs of the community. It's also aligned to the strategic priority in the State of the Nation Address of Infrastructure investment and the "back to basics" approach. The responsiveness of the budget can be measured against what was identified as priorities by the community and the actual amount allocated, bearing in mind that resources are limited, to address or at least alleviate the most critical needs identified.

In this regard it is important to note that the need for infrastructure upgrades, inclusive of electricity infrastructure were key to ensure the delivery of sustainable services.

The capital budgets as proposed, amounts to:

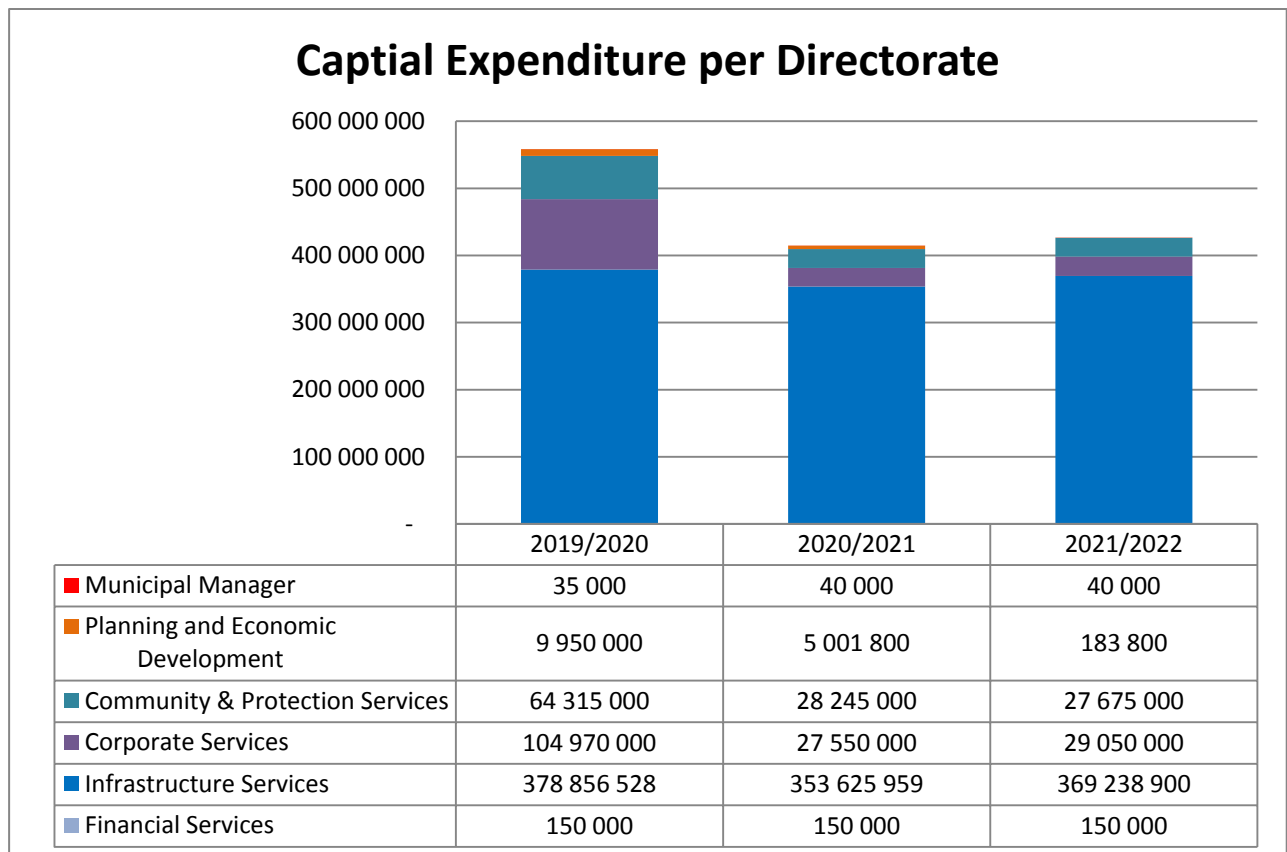
<u>2019/2020</u>	<u>2020/2021</u>	<u>2021/2022</u>
R	R	R
558,276,528	414,612,759	426,337,700

Compilation of the Capital Budget

The capital budgets depicted per Directorate are as follows:

	<u>2019/2020</u>		<u>2020/2021</u>		<u>2021/2022</u>	
	R	%	R	%	R	%
Municipal Manager	35,000	0.01%	40,000	0.01%	40,000	0.01%
Planning and Economic Development	9,950,000	1.78%	5,001,800	1.21%	183,800	0.04%
Community and Protection Services	64,315,000	11.52%	28,245,000	6.81%	27,675,000	6.49%
Corporate Services	104,970,000	18.80%	27,550,000	6.64%	29,050,000	6.81%
Infrastructure Services	378,856,528	67.86%	353,625,959	85.29%	369,238,900	86.61%
Financial Services	150,000	0.03%	150,000	0.04%	150,000	0.04%
	558,276,528	100.00%	414,612,759	100.0%	426,337,700	100.0%

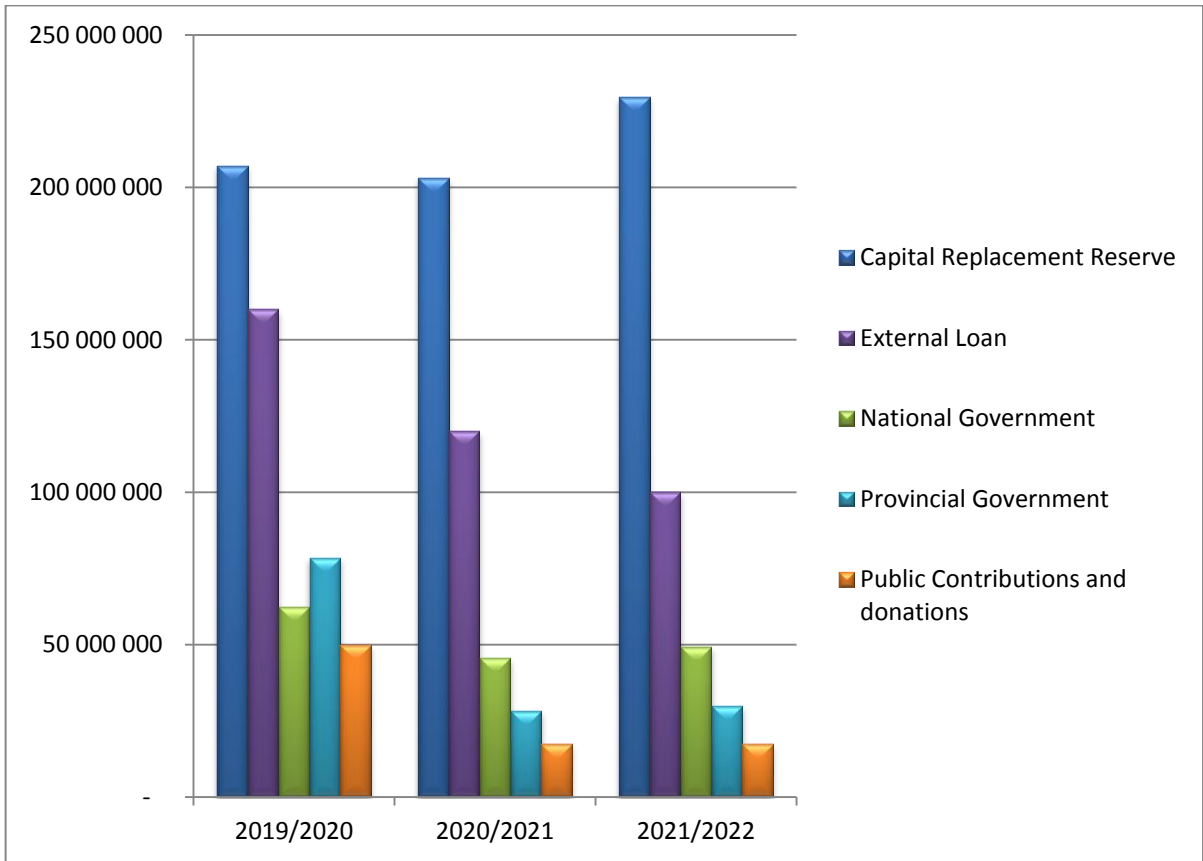
Investment in infrastructure for the next three years equals:



Financing of the Capital Budget

The proposed financing sources of the capital budget for the next three years are as follows:

	2019/2020		2020/2021		2021/2022	
	R		R		R	
<u>Own Funding</u>						
Capital Replacement Reserve	207,189,000	37.11%	203,165,231	49.00%	229,638,700	53.86%
<u>External Funding</u>						
Grants National Government	62,526,000	11.20%	45,636,000	11.01%	49,309,000	11.57%
Grants Provincial Government	78,561,528	14.07%	28,311,528	6.83%	29,890,000	7.01%
External Loans	160,000,000	28.66%	120,000,000	28.94%	100,000,000	23.46%
Public Contributions and donations	50,000,000	8.96%	17,500,000	4.22%	17,500,000	4.10%
	558,276,528	100.00%	414,612,759	100.00%	426,337,700	100.00%



As alluded to in the before-mentioned text and in the Council item; substantial investment in infrastructure is crucial in order to maintain sustainable levels of service delivery. For the detailed capital projects please refer to **Appendix 1 – Part 2 – Section N**.

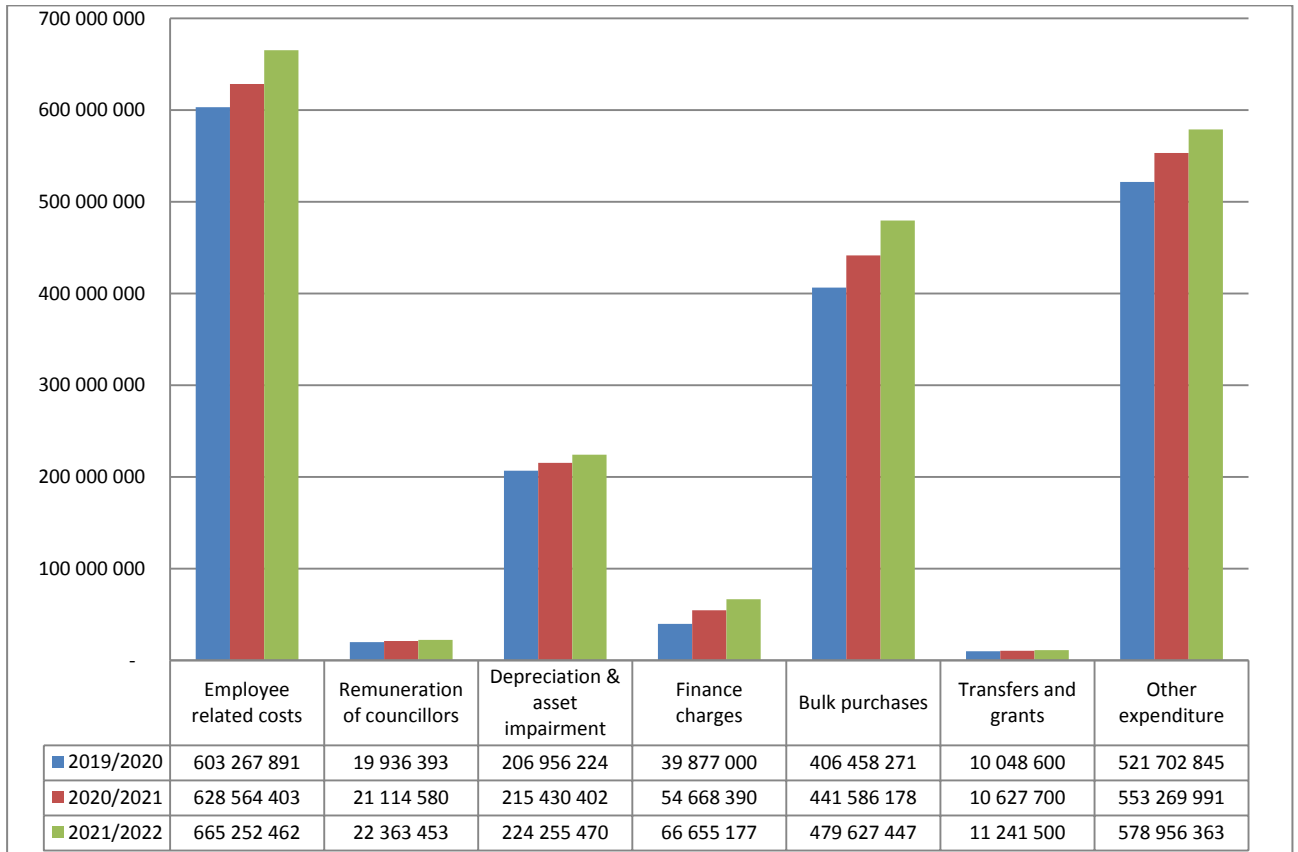
Operating Budget for 2019/2020, 2020/2021 and 2021/2022
Expenditure

The operating expenditure budget per Vote (Directorate) is as follows:

	<u>2019/2020</u>	<u>2020/2021</u>	<u>2021/2022</u>
	R	R	R
Municipal Manager	52,257,775	53,488,863	55,780,101
Planning and Development	109,278,726	112,576,917	120,939,194
Community and Protection Services	357,525,777	379,804,910	404,175,565
Infrastructure Services	972,005,815	1,046,404,189	1,115,437,235
Corporate Services	184,054,859	195,929,917	209,548,123
Financial Services	133,124,272	137,056,848	142,471,654
Total Expenditure	1,808,247,224	1,925,261,644	2,048,351,872

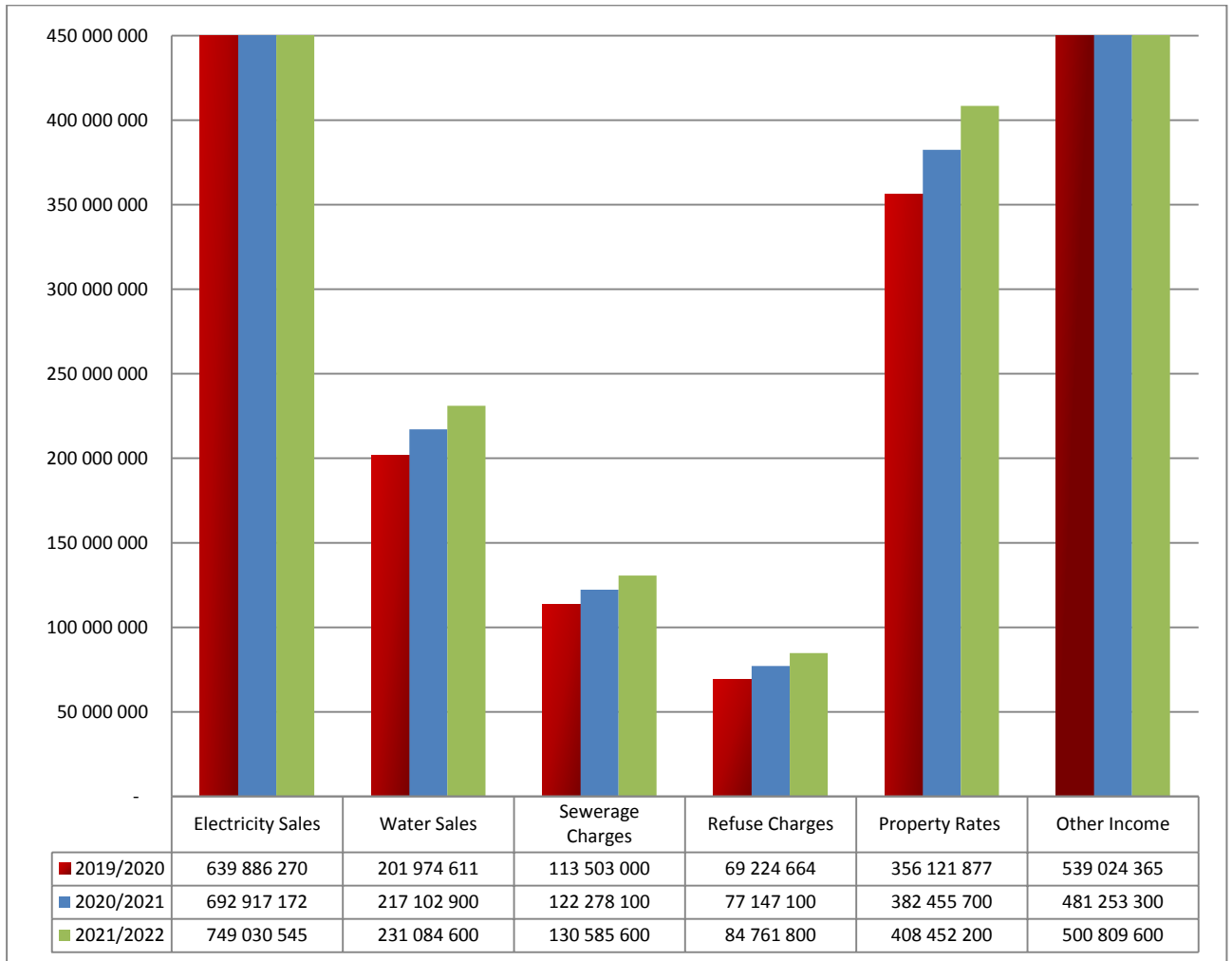
The operating expenditure budget per category is as follows:

	<u>2019/2020</u>	<u>2020/2021</u>	<u>2021/2022</u>
	R	R	R
Employee related costs	603,267,891	628,564,403	665,252,462
Remuneration of councillors	19,936,393	21,114,580	22,363,453
Depreciation & asset impairment	206,956,224	215,430,402	224,255,470
Finance charges	39,877,000	54,668,390	66,655,177
Bulk purchases	406,458,271	441,586,178	479,627,447
Transfers and grants	10,048,600	10,627,700	11,241,500
Other expenditure	521,702,845	553,269,991	578,956,363
Total Expenditure	1,808,247,224	1,925,261,644	2,048,351,872



The operational budget will be funded as follows:

	<u>2019/2020</u>	<u>2020/2021</u>	<u>2021/2022</u>
	R	R	R
Electricity Sales	639,886,270	692,917,172	749,030,545
Water Sales	201,974,611	217,102,900	231,084,600
Sewerage Charges	113,503,000	122,278,100	130,585,600
Refuse Charges	69,224,664	77,147,100	84,761,800
Property Rates	356,121,877	382,455,700	408,452,200
Other Income	539,024,365	481,253,300	500,809,600
Total Income	1,919,734,787	1,973,154,272	2,104,724,345



H: OVERVIEW OF THE BUDGET FUNDING

Financing of the Capital Budget

The proposed financing sources of the capital budget for the next three years are as follows:

	<u>2019/2020</u> R	<u>2020/2021</u> R	<u>2021/2022</u> R
Capital Replacement Reserve	207,189,000	203,165,231	229,638,700
Grants National Government	62,526,000	45,636,000	49,309,000
Grants Provincial Government	78,561,528	28,311,528	29,890,000
External Loans	160,000,000	120,000,000	100,000,000
Public Contributions and donations	50,000,000	17,500,000	17,500,000
	558,276,528	414,612,759	426,337,700

Grant funding from National Government includes the following:

- Integrated National Electrification Programme (Municipal) Grant
- Integrated Urban Development Grant

Grant funding from Provincial Government includes the following:

- Sustainable Human Settlement Grant
- Integrated Transport Planning
- Library Services Grant
- Regional Socio-economic project/ violence prevention through urban upgrading (RSEP/VPUU) municipal projects
- Financial assistance to municipalities for maintenance and Construction of transport infrastructure

Financing of the Operational Budget

The operational budget is financed from the tariff increases as displayed above. In addition to these, the following grant allocations are expected and expenditure was adjusted accordingly:

- Equitable Share Allocation
- Financial Management Capacity Building Grant
- Financial Management Support Grant
- Municipal Accreditation and Capacity Building Grant
- Municipal Systems Improvement Grant
- Expanded Public Works Program Incentive Grant
- Sustainable Human Settlement Grant

I: EXPENDITURE ON ALLOCATION AND GRANT PROGRAMMES

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		88 417	99 065	117 001	131 448	131 448	131 448	144 704	153 354	168 626
Local Government Equitable Share		84 962	95 982	110 631	124 176	124 176	124 176	136 177	149 804	165 076
Municipal Systems Improvement		930	-	-	-	-	-	1 750	2 000	2 000
EPWP Integrated Grant for Municipalities		1 075	1 758	4 820	5 722	5 722	5 722	5 227	-	-
Local Government Financial Management Grant		1 450	1 325	1 550	1 550	1 550	1 550	1 550	1 550	1 550
		-	-	-	-	-	-	-	-	-
Provincial Government:		26 542	24 672	14 446	12 881	27 145	27 145	27 635	25 962	15 015
Library Services: Conditional Grant		8 607	10 009	11 045	12 210	12 210	12 210	12 454	13 577	14 324
Community Development Workers Operational Sup		54	56	56	56	56	56	-	-	-
Human Settlements Development Grant		16 823	11 136	2 850	-	11 931	11 931	12 438	9 208	-
LG Graduate Internship Grant		-	60	-	-	72	72	-	-	-
WC Financial Management Support Grant		250	220	255	255	255	255	255	-	-
Financial Management Capacity Building Grant		-	120	240	360	600	600	380	-	-
Maintenance and Construction of Transport Infrastru		308	2 171	-	-	371	371	384	439	439
Environmental Affairs and Development Planning		500	-	-	-	-	-	-	-	-
Spatial Development framework		-	900	-	-	-	-	-	-	-
Municipal Accreditation and Capacity Building Grant		-	-	-	-	-	-	224	238	252
Title Deeds Restoration		-	-	-	-	1 650	1 650	-	-	-
Regional Socio-Economic Project/violence through urba		-	-	-	-	-	-	1 500	2 500	-
District Municipality:		-	300	-	-	-	-	-	-	-
Hosting of cultural events		-	300	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other grant providers:		800	-	4 339	-	-	-	-	-	-
Departmental Agencies and Accounts		-	-	300	-	-	-	-	-	-
Foreign Government and International Organisations		-	-	-	-	-	-	-	-	-
Households		-	-	-	-	-	-	-	-	-
Non-profit Institutions		-	-	-	-	-	-	-	-	-
Private Enterprises		-	-	4 039	-	-	-	-	-	-
Public Corporations		800	-	-	-	-	-	-	-	-
Higher Educational Institutions		-	-	-	-	-	-	-	-	-
Parent Municipality / Entity		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	115 759	124 037	135 786	144 329	158 593	158 593	172 339	179 316	183 641
Capital Transfers and Grants										
National Government:		92 785	80 106	51 969	40 107	40 107	40 107	62 526	45 636	49 309
Municipal Infrastructure Grant (MIG)		34 657	34 147	36 358	35 107	35 107	35 107	-	-	-
Regional Bulk Infrastructure		48 128	32 809	-	-	-	-	-	-	-
Integrated National Electrification Programme (Municipal)		4 000	5 000	4 000	5 000	5 000	5 000	15 640	8 000	9 000
Energy Efficiency and Demand Side Management Grant		6 000	8 000	7 236	-	-	-	-	-	-
Local Government Financial Management Grant		-	150	-	-	-	-	-	-	-
Shared Economic infrastructure facility		-	-	4 375	-	-	-	-	-	-
Integrated Urban Development Grant		-	-	-	-	-	-	46 886	37 636	40 309
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Provincial Government:		27 407	23 904	25 418	52 068	49 452	49 452	78 562	28 312	29 890
Human Settlements Development Grant		23 727	14 900	17 358	48 094	45 849	45 849	25 462	27 712	29 290
RSEP/ VPUU		-	-	-	-	-	-	-	-	-
Maintenance and Construction of Transport		-	4 000	2 176	371	-	-	-	-	-
Library Services: Conditional Grant		3 080	4 944	3 664	-	-	-	-	-	-
Integrated Transport Planning		600	-	600	600	600	600	600	600	600
Fire Services Capacity Building Grant		-	-	800	3 003	3 003	3 003	-	-	-
Public Transport Non Motorised Infrastructure		-	-	820	-	-	-	-	-	-
Development of Sport and Recreational Facilities		-	60	-	-	-	-	-	-	-
Human Settlements Development Grant (Roll		-	-	-	-	-	-	52 500	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Hosting of cultural events		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other grant providers:		-	11 631	478	-	-	-	-	-	-
LOTTO		-	607	478	-	-	-	-	-	-
Public contribution		-	11 024	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	120 192	115 641	77 865	92 175	89 559	89 559	141 088	73 948	79 199
TOTAL RECEIPTS OF TRANSFERS & GRANTS		235 951	239 678	213 651	236 504	248 152	248 152	313 427	253 264	262 840

J: ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY

WC024 Stellenbosch - Supporting Table SA21 Transfers and grants made by the municipality

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Cash Transfers to other municipalities											
Operational	1	-	-	-	-	-	-	-	-	-	-
Capital		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Entities/Other External Mechanisms											
Operational	2	-	-	-	-	-	-	-	-	-	-
Capital		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
Cash Transfers to other Organs of State											
Operational	3	-	-	-	-	-	-	-	-	-	-
Capital		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Organisations											
Grant-In-Aid: Sundry		1 816	2 172	1 547	4 153	4 153	4 153	4 153	4 336	4 666	4 946
Grant-In-Aid: External Bodies Performing Tourism Function		3 700	3 830	3 714	3 900	3 900	3 900	3 900	4 600	4 782	5 045
Grant-In-Aid: External Bodies Performing Animal Welfare Function		700	932	1 000	1 050	1 050	1 050	1 050	1 113	1 180	1 251
Total Cash Transfers To Organisations		6 216	6 933	6 261	9 102	9 102	9 102	9 102	10 049	10 628	11 242
Cash Transfers to Groups of Individuals											
Operational		-	-	-	-	-	-	-	-	-	-
Capital		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL CASH TRANSFERS AND GRANTS	6	6 216	6 933	6 261	9 102	9 102	9 102	9 102	10 049	10 628	11 242

GRANT-IN-AID**REPORT RECEIVED FROM COMMUNITY DEVELOPMENT: 2019/20 GRANT-IN-AID ALLOCATIONS****2. PURPOSE**

To obtain Council's approval for Grant-in-Aid (GiA) applications and recommended donations for the financial year 2019-2020.

**3. DELEGATED AUTHORITY
(FOR DECISION BY MUNICIPAL COUNCIL)**

In terms of Municipal Finance Management Act (MFMA), Act (56 of 2003) Section 17.(3) (e) relating to content of annual budgets and supporting documents.

4. EXECUTIVE SUMMARY

The application is in terms of the annual GiA donations made to non-governmental organisations (NGOs), community-based organisations (CBOs), non-profit organisations (NPOs) or non-profit companies (NPC) and bodies that are used by government as an agency to serve the poor, marginalised or otherwise vulnerable as envisaged by the Grant in Aid Policy approved at the Special Council Meeting on 28 May 2018.

5. RECOMMENDATIONS

- a) That council consider and approve the recommended donations to organizations as per detailed list;

6. DISCUSSION / CONTENTS**6.1. Background**

In terms of Council's Grant-in-Aid Policy, proposals were called for by means of advertisement in the press on 23 October 2018 (Boland Gazette) and on the municipal website and facebook page.

The advertisement included an invitation to attend one of two compulsory workshops on either 05 November 2018 or 12 November 2018 to assist and give guidance on the policy and application procedure. One hundred and sixty one (161) persons attended the workshops.

The above mentioned workshop followed a financial management workshop for emerging organizations on 29 October 2018 to build management capacity within organizations and to promote compliance with policy requirements.

This workshop was attended by 45 participants. By the closing date (30 November 2018), 112 applications were received. A further 1 applications was received after the closing time.

6.2 Discussion

The Department Community Development scrutinized and evaluated one hundred and thirteen (113) applications representing the following categories:

CATEGORY	SUB CATEGORY	APPLICATIONS RECEIVED	APPLICATIONS RECOMMENDED/ CONDITIONALLY RECOMMENDED
Social Development	General	8	4
	ECD	40	22
	Disability	6	4
	Elderly	4	1
	Youth	16	3
	Substance Abuse	1	0
	Gender	2	0
	Food Security	1	1
	People Living on the Street	2	2
	Safety and Security	4	0
	Skills Development	3	3
Health	Physical and Psychological	6	2
Environment	Botany	1	0
Sport, Art and Culture	Sport Clubs	16	12
	Art and Culture	3	0
Total		113	54

Table 1: Applications and grant recommendations per category

The detailed list of applications received and evaluated can be found below the item.

The following wards will benefit from the recommended donations:

SUB CATEGORY	APPLICATIONS RECOMMENDED	WARDS SERVED THROUGH THE ORGANIZATIONS	RECOMMENDED AMOUNT
General Soc Dev	4	5, 6, 10, 12, 13, 14, 15, 16, 17, 19	R 160 000.00
ECD	22	1, 2, 3, 4, 12, 13, 14, 15, 16, 17	R 720 000.00
Disability	4	ALL	R 160 000.00
Elderly	1	1, 2	R 40 000.00
Youth	3	2, 3, 6, 19, 20, 21	R 120 000.00
Substance Abuse	0	NA	R 0.00
Gender	0	NA	R 0.00
Food Security	1	ALL	R 40 000.00
People living on the street	2	ALL	R 1 291 871.00
Safety and Security	0	NA	R 0.00
Skills Development	3	ALL	R 120 000.00
Physical and Psychological Health	2	5, 6, 14, 15, 18	R 80 000.00
Environment	0	NA	R 0.00
Sport Clubs	12	ALL	R 474 620.00
Art and Culture	0	NA	R 0.00
Total	54		R 3 206 491.00

Table 2: Ward based recommendations and financial allocations

The reason for not recommending organizations can be found in the notes column of detailed list of applications.

The Municipality would like to support as many as possible organizations delivering valuable services within our communities, but cannot disregard requirements of the MFMA (56 of 2003) Section 67 stipulating the responsibility of council to ensure donations are made to organizations who has the capacity to govern itself according to accepted financial practises and who can deliver the services for which the donation is required and benefiting the intended target audience.

6.3. Financial Implications

This report has the following financial implications:

Prior to dealing with appeals and the final feedback reports by April 2019 as part of the comment period on the draft budget for 2019-2020, in accepting the recommendations, council will need to approve the following amounts for Grant in Aid donations:

OPERATIONAL BUDGET: GRANT IN AID DONATIONS		
2019-2020 (Cat A)	2019-2020 (Cat B)	2020-2021 (Cat B)
R 2 496 520.00	R 1 251 871.00	R 1 365 206.00

6.4 Legal Implications

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

6.5 Staff Implications

This report has no staff implications to the Municipality.

6.6 Previous / Relevant Council Resolutions:

None

6.7 Risk Implications

This report has no risk implications for the Municipality.

6.8 Comments from Senior Management:

Due to the closing date for Grant in Aid applications, the time required to complete assessments, council recess, staff being on leave and the due date for submissions for the draft budget, this report could not be sent to all senior management.

6.8.1 Chief Financial Officer:

Financial Services agree with the recommendations. The funding for the grant in aid donations will be provided for in the Medium Term Revenue and Expenditure Framework (MTREF/Budget).

6.9 Public comments and appeals received:

By the closing date of 30 April 2019, thirty seven (37) appeals were received. Four (4) conditionally approved organisations did not submit final feedback reports or made contact with the municipality to submit same. Their conditional approvals are thus revoked.

The following table provide the detail of the content of the appeals and the outcomes relating to each:

SOCIAL DEVELOPMENT			
GENERAL			
Bottelary Heuwels Renosterveld Bewarea	39 900.00	RECOMMENDED	PROOF OF EXPENDITURE FOR PREVIOUS FUNDING RECEIVED.
Legacy Community Development	40 000.00	RECOMMENDED	FEEDBACK AND FIN STATEMENT SUBMITTED,
ECD			
Indiphakamele Creche	40 000.00	RECOMMENDED	BANK FORM AND FEEDBACK SUBMITTED. NOTE CORRECTION FROM PREVIOUS REPORT.
Isibane Sempumelelo	40 000.00	RECOMMENDED	BANK FORM SUBMITTED
Liyema Creche	0.00	NOT RECOMMENDED	QUESTIONABLE FINANCIAL STATEMENTS
Luthando Educare	40 000.00	RECOMMENDED	FINAL FEEDBACK RECEIVED
Masifunde Creche	40 000.00	CONDITIONAL RECOMMENDATION	CONDITION ON MOA TO SUBMIT FINAL FEEDBACK: RELOCATION DUE TO IVICTION BY LANDLORD
Minkie's Educare Centre	40 000.00	RECOMMENDED	CONSTITUTION SUBMITTED
Samnkies Creche	40 000.00	RECOMMENDED	BANK FORM SUBMITTED
Siyavuya Creche	40 000.00	RECOMMENDED	BANK FORM SUBMITTED
Siyazama Creche	32 000.00	RECOMMENDED	BANK FORM SUBMITTED
Tembaletu Creche	40 000.00	RECOMMENDED	BANK FORM SUBMITTED
Thanduxolo Daycare	40 000.00	RECOMMENDED	REQUIRED DOCUMENTS RECEIVED
Umtha Wemfundo Educare	30 000.00	RECOMMENDED	FINAL FEEDBACK RECEIVED
Umthombo Wemfundo Educare	40 000.00	RECOMMENDED	APPLICATION FORM SIGNED
Yethu Educare	0.00	NOT RECOMMENDED	NO PROOF OF EXPENDITURE RECEIVED
DISABILITY			
Care Career Connection NPC	0.00	NOT RECOMMENDED	PROOF OF EXPENDITURE NOT INCLUDED IN FEEDBACK
Maties Parasport	0.00	NOT RECOMMENDED	FIN STATEMENTS RECEIVED. REGISTRATION DOC IN NAME OF DIFFERENT ORGANIZATION
Stellenbosch Work Centre for Adult Persons with Disabilities	40 000.00	RECOMMENDED	FINAL FEEDBACK RECEIVED
GENDER			
Kayamandi Women and Children Development Project	0.00	NOT RECOMMENDED	REQUEST LATEST FIN STATEMENT, BUSINESS PLAN OUTDATED
ELDERLY			

ACVV Franschhoek	40 000.00	RECOMMENDED	FINAL FEEDBACK RECEIVED
YOUTH			
Franschhoek High School	40 000.00	RECOMMENDED	BANK FORM SUBMITTED
Green Door Literacy and Creative Education Community Project	0.00	NOT RECOMMENDED	NOT PROOF OF EXPENDITURE
Prochorus Community Development	0.00	NOT RECOMMENDED	BANK FORM INCOMPLETE AND NOT SIGNED
Training 4 Changes	40 000.00	RECOMMENDED	PROOF OF EXPENDITURE RECEIVED
Ubuntu Hiking	40 000.00	RECOMMENDED	APPLICATION FORM SIGNED
SUBSTANCE ABUSE			
ABBA a project of BADISA Stellenbosch	40 000.00	RECOMMENDED	FEEDBACK CORRECTED
HEALTH			
At Heart	40 000.00	RECOMMENDED	APPLICATION FORM SIGNED. FINAL FEEDBACK SUBMITTED. AUDITED STATEMENTS SUBMITTED
Good Hope Psychological Service	0.00	NOT RECOMMENDED	BANK FORM STILL INCOPLETE. ONLY ONE SIGNATURE ON APPLICATION. NO FEEDBACK OR PROOF OF EXPENDITURE ON FUNDS RECEIVED.
Stellenbosch Hospice	40 000.00	RECOMMENDED	FEEDBACK REPORT SUBMITTED ALONG WITH DECLARATION: CLLR W PETERSEN.
SPORT ARTS AND CULTURE			
SPORT CLUBS			
Blue Stars United RFC	0.00	NOT RECOMMENDED	NOTE CORRECTION REQUIRED RE NAME OF APPLICANT. PROOF OF EXPENDITURE DO NOT SPEAK TO REPORTING PERIOD.
Cape Winelands Farmworkers Sport & Recreation Ass	40 000.00	RECOMMENDED	FINAL FEEDBACK PROVIDED
Celtic United FC	40 000.00	RECOMMENDED	FINANCIAL STATEMENT AND CORRECT BUDGET SUBMITTED
Coronation Cricket Club	34 620.00	RECOMMENDED	FINAL FEEDBACK REPORT PROVIDED
Excelsior Cricket Club	40 000.00	RECOMMENDED	FINAL FEEDBACK REPORT RECEIVED
Glen Eagles Soccer Club	0.00	NOT RECOMMENDED	PROOF OF EXPENDITURE 2017 AND NOT SPEAKING TO FEEDBACK REPORT
ARTS AND CULTURE GROUPS/ORGANIZATIONS			
Smart Mission Entertainment	0.00	NOT RECOMMENDED	FIN STATEMENT SIGNED. STATEMENT DOES NOT INDICATE REPORTING PERIOD AND CONTAINS CONTRADICTIONS.

FEEDBACK REPORTS NOT RECEIVED			
Khanyisa Creche	0.00	NOT RECOMMENDED	CREDITOR CONTROL FORM INCOMPLETE, REQUIRE FEEDBACK REPORT BY APRIL 2019
Jametown AFC	0.00	NOT RECOMMENDED	NO FEEDBACK PROVIDED
Stellenbosch District Coronation RFC	0.00	NOT RECOMMENDED	NO FEEDBACK PROVIDED
Celebration Gospel Choir	0.00	NOT RECOMMENDED	PROOF OF EXPENDITURE NOT PROVIDED

Eleven (11) appeals were not upheld and the successful appeals amount to donations of R 1 016 520.00 (Cat A) for the 2019/20 financial year, bringing the total recommended budget for Grant in Aid donations for 2019/2020 to R 3 748 391.00.

ANNEXURES

Grant in Aid 2019-2020 Register of applications and donation recommendations

FOR FURTHER DETAILS CONTACT:

NAME	Michelle Aalbers
POSITION	Manager: Community Development
DIRECTORATE	Planning and Economic Development
CONTACT NUMBERS	8408
E-MAIL ADDRESS	Michelle.aalbers@stellenbosch.gov.za
REPORT DATE	13 May 2019

DIRECTOR: COMMUNITY AND PROTECTION SERVICES

The contents of this report have not been discussed with the Portfolio Committee Chairperson.

GRANT-IN-AID 2019/2020: APPENDIX 1

No	Organisation Name	Category A	Category B			Recommendation	Notes
		Funds proposed	Funds proposed YEAR 1 (2019-2020)	Funds proposed YEAR 2 (2020-2021)	Funds proposed YEAR 3 (2021-2022)		
SOCIAL DEVELOPMENT							
GENERAL							
1	Bottelary Heuwels Renosterveld Bewarea	0.00				NOT RECOMMENDED	REQUIRE PROOF OF EXPENDITURE FOR PREVIOUS FUNDING RECEIVED.
2	Cape Winelands FM	0.00				NOT RECOMMENDED	NO FINANCIAL STATEMENTS
3	Child Welfare South Africa: Stellenbosch	40 000.00				RECOMMENDED	CORRECTION: DID NOT REQUIRE FEEDBACK AS DID NOT RECEIVE FUNDS IN PREVIOUS YEAR
4	Kin Culture NPC	40 000.00				RECOMMENDED	
5	Kylemore Gemeenskapontwikkelingsforum	0.00				NOT RECOMMENDED	NO FINANCIAL STATEMENTS
6	Legacy Community Development	0.00				CONDITIONAL RECOMMENDATION	REQUIRE FINAL FEEDBACK REPORT BY APRIL 2019. LATEST FIN STATEMENTS ONLY AVAILABLE AFTER CLOSING DATE. REQUIRE SUBMISSION APRIL 2019.

MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL PERIOD 2019 – 2022

7	Songo.Info Trust	0.00				NOT RECOMMENDED	NO REGISTRATION DOCUMENTS
8	Vinyard Houses	40 000.00				RECOMMENDED	
		120 000.00	0.00	0.00	0.00		
ECD							
9	Aitsa Aftercare Centre	40 000.00				RECOMMENDED	
10	Azasakhe Daycare	0.00				NOT RECOMMENDED	APPLICATION AND BANK FORM INCOMPLETE, NO FINANCIAL STATEMENTS, CONSTITUTION QUESTIONABLE
11	Early Education Centre, The	40 000.00				RECOMMENDED	
12	Franschhoek Early Childhood Development Forum	40 000.00				RECOMMENDED	
13	Franschhoek Transformation Charter: Babethane	40 000.00				RECOMMENDED	
14	Happiness Kideo Educare	0.00				NOT RECOMMENDED	NO APPLICATION. ONLY SUBMITTED FEEDBACK REPORT PAST DUE DATE.
15	Ikhaya Pre Primary	0.00				NOT RECOMMENDED	APPLICATION INCOMPLETE. SUPPORTING DOCS IN NAME OF VISION AFRICA.
16	Indiphakamele Creche	0.00				NOT RECOMMENDED	BANK FORM AND FINANCIALS INCOMPLETE
17	Isibane Sempumelelo	0.00				NOT RECOMMENDED	BANK FORM NOT SIGNED
18	Khanyisa Creche	0.00				NOT RECOMMENDED	CREDITOR CONTROL FORM INCOMPLETE, REQUIRE FEEDBACK REPORT BY APRIL 2019
19	Lilies Creche	40 000.00				RECOMMENDED	

MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL PERIOD 2019 – 2022

20	Lithalethu Educare Centre	40 000.00				RECOMMENDED	
21	Little Builders	0.00				NOT RECOMMENDED	OUTSTANDING BANK FORM, FIN STATEMENTS AND PROOF OF REGISTRATION
22	Little Butterflies	40 000.00				RECOMMENDED	
23	Liyema Creche	0.00				NOT RECOMMENDED	REQUIRE BREAKDOWN OF COMPLETE ANNUAL FINANCIAL STATEMENTS
24	Lubabalo Creche Centre	40 000.00				RECOMMENDED	
25	Luthando Educare	0.00				CONDITIONAL RECOMMENDATION	REQUIRE FEEDBACK BY APRIL 2019
26	Masifunde Creche	0.00				CONDITIONAL RECOMMENDATION	REQUIRE FEEDBACK BY APRIL 2019
27	Masizakhe Creche	0.00				NOT RECOMMENDED	FIN STATEMENT NOT SUBMITTED
28	Minkie's Educare Centre	0.00				NOT RECOMMENDED	CONSTITUTION NOT SUBMITTED
29	Mzamo Partial Care Centre	40 000.00				RECOMMENDED	
30	Nolithas Creche	40 000.00				RECOMMENDED	
31	Noxolo Educare	40 000.00				RECOMMENDED	
32	Okuhle Connie's Educare Centre	40 000.00				RECOMMENDED	
33	Phakamani Educare	40 000.00				RECOMMENDED	
34	Samnkies Creche	0.00				NOT RECOMMENDED	BANK FORM NOT SIGNED

MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL PERIOD 2019 – 2022

35	Sibongumusa ECD Centre	40 000.00				RECOMMENDED	
36	Simni Educare Centre	40 000.00				RECOMMENDED	
37	Siyanda Playgroup	0.00				NOT RECOMMENDED	PROOF OF REGISTRATION AND FINANCIALS INCOMPLETE
38	Siyangoba Creche	40 000.00				RECOMMENDED	
39	Siyavuya Creche	0.00				NOT RECOMMENDED	BANK FORM INCOMPLETE AND NOT SIGNED
40	Siyazama Creche	0.00				NOT RECOMMENDED	BANK FORM NOT SIGNED
41	Sizamile Creche	0.00				NOT RECOMMENDED	APPLICATION AND BANK FORM AND CONSTITUTION NOT IN THE SAME NAME. NOTE CONDITIONAL RECOMMENDATION OF CHILD WELFARE.
42	Tembalethu Creche	0.00				NOT RECOMMENDED	BANK FORM NOT SIGNED
43	Thanduxolo Daycare	0.00				NOT RECOMMENDED	BANK FORM INCOMPLETE, REQUIRE PROOF OF NPO REG, FEEDBACK REPORT BY APRIL 2019
44	Umtha Wemfundo Educare	0.00				NOT RECOMMENDED	CORRECTION: DID NOT PROVIDE PROOF OF EXPENDITURE ON PREVIOUS FUNDS RECEIVED
45	Umthombo Wemfundo Educare	0.00				NOT RECOMMENDED	APPLICATION FORM NOT SIGNED BY CHAIRPERSON
46	Unakho Day Care for Disable	40 000.00				RECOMMENDED	
47	Yethu Educare	0.00				CONDITIONAL RECOMMENDATION	REQUIRE FEEDBACK BY APRIL 2019

48	Zenzele Educare	40 000.00				RECOMMENDED	
		720 000.00	0.00	0.00	0.00		
DISABILITY							
49	Care Career Connection NPC	0.00				NOT RECOMMENDED	CORRECTION: DID NOT PROVIDE PROOF OF EXPENDITURE ON PREVIOUS FUNDS RECEIVED
50	Change Abilities	40 000.00				RECOMMENDED	
51	Huis Horison	40 000.00				RECOMMENDED	
52	Maties Parasport	0.00				NOT RECOMMENDED	FIN STATEMENTS FOR 9 MONTH PERIOD AND NOT SIGNED OFF, NO REGISTRATION DOCUMENTS
53	Stellenbosch Work Centre for Adult Persons with Disabilities	0.00				CONDITIONAL RECOMMENDATION	REQUIRE FEEDBACK BY APRIL 2019
54	Winelands Parasport NPC	0.00				NOT RECOMMENDED	BANK FORM NOT SIGNED, APPLICATION REQUIRE SIGNATURE OF CHAIRPERSON. REQUEST FUNDING FOR PERIOD THAT THE FUNDING IS NOT AVAILABLE.
		80 000.00	0.00	0.00	0.00		
ELDERLY							
55	ACVV Franschhoek	0.00				CONDITIONAL RECOMMENDATION	REQUIRE FEEDBACK BY APRIL 2019
56	Idas Valley Golden Boys and Girls	0.00				NOT RECOMMENDED	BANK FORM INCOMPLETE
57	Utopia	0.00				NOT RECOMMENDED	NO PROPOSAL INDICATING NEEDS

58	Young Ideas	0.00				NOT RECOMMENDED	CONSTITUTION, REGISTRATION, AND FINANCIAL STATEMENTS OMITTED, INCOMPLETE APPLICATION AND NO PROPOSAL
		0.00	0.00	0.00	0.00		
YOUTH							
59	Climb Higher Youth Development Centre	0.00				NOT RECOMMENDED	BANK FORM NOT SIGNED AND NOT LATEST FIN STATEMENTS
60	Emund Rice Camps	40 000.00				RECOMMENDED	
61	Franschhoek High School	0.00				NOT RECOMMENDED	REQUIRE BANK FORM
62	Green Door Literacy and Creative Education Community Project	0.00				CONDITIONAL RECOMMENDATION	REQUIRE FINAL FEEDBACK BY APRIL 2019
63	Groendal Secondary	0.00				NOT RECOMMENDED	REQUIRE PROOF OF EXPENDITURE FOR PREVIOUS FUNDING RECEIVED.
64	Help 2 Read	40 000.00				RECOMMENDED	
65	Ikusasa	0.00				NOT RECOMMENDED	APPLICATION SIGNED BY ONE, BANK FORM NOT SIGNED, CONSTITUTION AND BOARD MEMBER LIST PROVIDED CONTAIN DIFFERENT ROLES.
66	Inspired 2 Become	0.00				NOT RECOMMENDED	FEEDBACK FOR GRANT FUNDING SPENT OUTSIDE OF WCO 24, FINANCIALS DRAFT COPY.

MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL PERIOD 2019 – 2022

67	Kuyasa Horizon	0.00	0.00	0.00	0.00	NOT RECOMMENDED	LATE SUBMISSION. OUTDATED FINANCIAL STATEMENT AND REQUIRE PROOF OF EXPENDITURE OF PREVIOUS FUNDING RECEIVED.
68	Masakhe Foundation	0.00				NOT RECOMMENDED	APPLICATION INCOMPLETE
69	Prochorus Community Development	0.00				NOT RECOMMENDED	BANK FORM INCOMPLETE AND NOT SIGNED
70	Training 4 Changes	0.00				NOT RECOMMENDED	FEEDBACK CONTAIN RECEIPT FROM APPLICANT - NOT SUFFICIENT PROOF OF EXPENDITURE.
71	Ubuntu Hiking	0.00				NOT RECOMMENDED	APPLICATION FORM NOT SIGNED
72	United Christian Student's Association of SA, The	0.00				NOT RECOMMENDED	APPLICATION NOT SIGNED BY TWO, REQUIRE ADDITIONAL DETAILS OF BOARD MEMBERS
73	Usiko Stellenbosch	0.00				NOT RECOMMENDED	BANK FORM NOT SIGNED, NO PROOF OF EXPENDITURE
74	Wemmershoek Primary	0.00				NOT RECOMMENDED	APPLICATION FORM INCOMPLETE
		80 000.00	0.00	0.00	0.00		
SUBSTANCE ABUSE							
75	ABBA a project of BADISA Stellenbosch	0.00				NOT RECOMMENDED	EXPENDITURE FEEDBACK DISCREPANCY
		0.00	0.00	0.00	0.00		
GENDER							
76	Kayamandi Women and Children Development Project	0.00				NOT RECOMMENDED	REQUEST LATEST FIN STATEMENT, BUSINESS PLAN OUTSTANDING

77	Safe House La Brie De Dieu	0.00				NOT RECOMMENDED	NON ATTENDANCE OF COMPULSORY BRIEFING SESSION, REQUEST FUNDING FOR Jan 2019. GRANT AVAILABLE FOR JULY 2019
		0.00	0.00	0.00	0.00		
FOOD SECURITY							
78	Feeding In Action	40 000.00				RECOMMENDED	
		40 000.00	0.00	0.00	0.00		
PEOPLE LIVING ON THE STREET							
79	Stellenbosch Night Shelter	0.00	1 251 871.00	1 365 206.00	0.00	PREVIOUSLY APPROVED	
80	Stellumthombo NPC	40 000.00				RECOMMENDED	
		40 000.00	1 251 871.00	1 365 206.00	0.00		
SAFETY AND SECURITY							
81	February Street Neighbourhood Watch	0.00	0.00	0.00	0.00	NOT RECOMMENDED	CAT B REQUIRE AUDITED FIN STATEMENTS ALONG WITH DETAILED BUSINESS PLAN FOR 3 YEARS.FIN HISTORY COVERS 6 MONTHS OF BANK RELATED COSTS. CONSTITUTION INDICATE EXCO OF 6, ONLY LIST 5
82	Flatwatch Neighbourhood Watch	0.00				NOT RECOMMENDED	EST 2017, FIN STATEMENT COVERS 4 MONTH PERIOD
83	Tenantville Neighbourhood Watch	0.00				NOT RECOMMENDED	CONSTITUTION DOES NOT INDICATED REQUIRED RULES OF ORGANIZATION, BUT INDIVIDUAL CODE OF CONDUCT. FINANCIAL STATEMENTS FOR 2019? AND COVERS 3 MONTHS

84	Weltevrede Neighbourhood Watch	0.00				NOT RECOMMENDED	FIN STATEMENT FOR YEAR ENDING MARCH 2020?
		0.00	0.00	0.00	0.00		
SKILLS DEVELOPMENT							
85	Bergzicht Training	40 000.00				RECOMMENDED	
86	Pinotage Youth Development Academy	40 000.00				RECOMMENDED	
87	Stellemploy	40 000.00				RECOMMENDED	
		120 000.00	0.00	0.00	0.00		
SUBTOTAL SOCIAL DEVELOPMENT		R 1 200 000.00	R 1 251 871.00	R 1 365 206.00	R 0.00		

HEALTH							
88	At Heart	0.00				NOT RECOMMENDED	APPLICATION FORM NOT SIGNED. REQUIRE FINAL FEEDBACK BY APRIL 2019. AWAITING AUDITED STATEMENTS
89	CANSA	0.00				NOT RECOMMENDED	CONSTITUTION REQUIRES 9 DIRECTORS, NOT LISTED. BANK ACC NAME DIFFERENT TO CONSTITUTION AND FINANCIALS
90	Community Keepers	40 000.00				RECOMMENDED	
91	Good Hope Psychological Service	0.00				NOT RECOMMENDED	BANK FORM INCOPLETE. ONLY ONE SIGNATURE ON APPLICATION. REQUIRE FINAL FEEDBACK BY APRIL 2019.
92	Seasons Pregnancy Centre	40 000.00				RECOMMENDED	

93	Stellenbosch Hospice	0.00				NOT RECOMMENDED	REQUIRE FEEDBACK REPORT APRIL 2019. DID NOT DECLARE CLLR W PETERSEN.
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SUBTOTAL HEALTH	R 80 000.00	R 0.00	R 0.00	R 0.00
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ENVIRONMENT

94	Stellenbosch Horticultural & Industrial Society	0.00				NOT RECOMMENDED	APPLICATION INCOMPLETE AND UNSIGNED. CREDITOR FORM NOT STAMPED. FIN STATEMENTS NOT INDICATING THE REPORTING PERIOD AND SIGNED OFF BY PERSON WITH UNCLEAR CREDENTIALS.
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SUBTOTAL ENVIRONMENT	R 0.00	R 0.00	R 0.00	R 0.00
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SPORT ARTS AND CULTURE

SPORT CLUBS

95	Blue Stars United Netball Club	0.00				CONDITIONAL RECOMMENDATION	REQUIRE FINAL FEEDBACK REPORT BY APRIL 2019
96	Calling Education NPC	40 000.00				RECOMMENDED	
97	Cape Winelands Farmworkers Sport & Recreation Ass	0.00				CONDITIONAL RECOMMENDATION	FIN STATEMENT NOT SIGNED. STATEMENT DOES NOT INDICATE REPORTING PERIOD AND CONTAINS CONTRADICTIONS.
98	Celtic United FC	0.00				NOT RECOMMENDED	NO FINANCIAL STATEMENTS AND SUBMITTED A BUDGET FOR 2017
99	Coronation Cricket Club	0.00				CONDITIONAL RECOMMENDATION	REQUIRE FINAL FEEDBACK REPORT BY APRIL 2019
100	Excelsior Cricket Club	0.00				CONDITIONAL RECOMMENDATION	REQUIRE FINAL FEEDBACK REPORT BY APRIL 2019

101	FC Malaga	0.00				NOT RECOMMENDED	CONSTITUTION NOT SIGNED, NO FINANCIALS
102	Glen Eagles Soccer Club	0.00				CONDITIONAL RECOMMENDATION	REQUIRE FINAL FEEDBACK REPORT BY APRIL 2019
103	Groot Drakenstein Games Club	40 000.00				RECOMMENDED	
104	Jametown AFC	0.00				CONDITIONAL RECOMMENDATION	REQUIRE FINAL FEEDBACK REPORT BY APRIL 2019
105	Klapmuts Cricket Club	40 000.00				RECOMMENDED	
106	Nietvoorbij United FC	0.00				NOT RECOMMENDED	CREDITOR CONTROL FORM OUTSTANDING
107	Pniel Villagers RFC	40 000.00				RECOMMENDED	
108	Stellenbosch and District Cricket Club	40 000.00				RECOMMENDED	
109	Stellenbosch District Coronation RFC	0.00				CONDITIONAL RECOMMENDATION	REQUIRE FINAL FEEDBACK REPORT BY APRIL 2019
110	Stellenbosch Homing Union	0.00				NOT RECOMMENDED	NO REGISTRATION OR CREDITOR CONTROL FORM. MISUNDERSTOOD REQUIREMENT.
		200 000.00	0.00	0.00	0.00		
ARTS AND CULTURE							
111	Breughel Sentrum	0.00				NOT RECOMMENDED	3 SETS OF FIN STATEMENTS WITH CONTRADICTING FIN YEARS. NO BUSINESS PLAN . APPLICATION NOT SIGNED BY SECONDI.
112	Celebration Gospel Choir	0.00				NOT RECOMMENDED	CREDITOR CONTROL FORM INCOMPLETE AND NOT SIGNED. REQUIRE PROOF OF EXPENDITURE. FIN STATEMENTS NOT CLEAR ON START AND END OF FIN YEAR.

113	Smart Mission Entertainment	0.00				NOT RECOMMENDED	FIN STATEMENT NOT SIGNED. STATEMENT DOES NOT INDICATE REPORTING PERIOD AND CONTAINS CONTRADICTIONS.
		0.00	0.00	0.00	0.00		
SUTOTAL SPORT ARTS AND CULTURE		R 200 000.00	R 0.00	R 0.00	R 0.00		

R 1 480 000.00	R 1 251 871.00	R 1 365 206.00	R 0.00
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APPEALS RECEIVED BY 30 APRIL 2019							
SOCIAL DEVELOPMENT							
GENERAL							
1	Bottelary Heuwels Renosterveld Bewarea	39 900.00				RECOMMENDED	PROOF OF EXPENDITURE FOR PREVIOUS FUNDING RECEIVED.
6	Legacy Community Development	40 000.00				RECOMMENDED	FEEDBACK AND FIN STATEMENT SUBMITTED,
		79 900.00	0.00	0.00	0.00		
ECD							
16	Indiphakamele Creche	40 000.00				RECOMMENDED	BANK FORM AND FEEDBACK SUBMITTED. NOTE CORRECTION FROM PREVIOUS REPORT.
17	Isibane Sempumelelo	40 000.00				RECOMMENDED	BANK FORM SUBMITTED
23	Liyema Creche	0.00				NOT RECOMMENDED	QUESTIONABLE FINANCIAL STATEMENTS
25	Luthando Educare	40 000.00				RECOMMENDED	FINAL FEEDBACK RECEIVED

26	Masifunde Creche	40 000.00				CONDITIONAL RECOMMENDATION	CONDITION ON MOA TO SUBMIT FINAL FEEDBACK: RELOCATION DUE TO EVICTION BY LANDLORD
28	Minkie's Educare Centre	40 000.00				RECOMMENDED	CONSTITUTION SUBMITTED
34	Samnkies Creche	40 000.00				RECOMMENDED	BANK FORM SUBMITTED
39	Siyavuya Creche	40 000.00				RECOMMENDED	BANK FORM SUBMITTED
40	Siyazama Creche	32 000.00				RECOMMENDED	BANK FORM SUBMITTED
42	Tembaletu Creche	40 000.00				RECOMMENDED	BANK FORM SUBMITTED
43	Thanduxolo Daycare	40 000.00				RECOMMENDED	REQUIRED DOCUMENTS RECEIVED
44	Umtha Wemfundo Educare	30 000.00				RECOMMENDED	FINAL FEEDBACK RECEIVED
45	Umthombo Wemfundo Educare	40 000.00				RECOMMENDED	APPLICATION FORM SIGNED
47	Yethu Educare	0.00				NOT RECOMMENDED	NO PROOF OF EXPENDITURE RECEIVED
		462 000.00	0.00	0.00	0.00		

DISABILITY

49	Care Career Connection NPC	0.00				NOT RECOMMENDED	PROOF OF EXPENDITURE NOT INCLUDED IN FEEDBACK
52	Maties Parasport	0.00				NOT RECOMMENDED	FIN STATEMENTS RECEIVED. REGISTRATION DOC IN NAME OF DIFFERENT ORGANIZATION
53	Stellenbosch Work Centre for Adult Persons with Disabilities	40 000.00				RECOMMENDED	FINAL FEEDBACK RECEIVED

		40 000.00	0.00	0.00	0.00		
GENDER							
76	Kayamandi Women and Children Development Project	0.00				NOT RECOMMENDED	REQUEST LATEST FIN STATEMENT, BUSINESS PLAN OUTDATED
		0.00	0.00	0.00	0.00		
ELDERLY							
55	ACVV Franschhoek	40 000.00				RECOMMENDED	FINAL FEEDBACK RECEIVED
		40 000.00	0.00	0.00	0.00		
YOUTH							
61	Franschhoek High School	40 000.00				RECOMMENDED	BANK FORM SUBMITTED
62	Green Door Literacy and Creative Education Community Project	0.00				NOT RECOMMENDED	NOT PROOF OF EXPENDITURE
69	Prochorus Community Development	0.00				NOT RECOMMENDED	BANK FORM INCOMPLETE AND NOT SIGNED
70	Training 4 Changes	40 000.00				RECOMMENDED	PROOF OF EXPENDITURE RECEIVED
71	Ubuntu Hiking	40 000.00				RECOMMENDED	APPLICATION FORM SIGNED
		120 000.00	0.00	0.00	0.00		
SUBSTANCE ABUSE							
75	ABBA a project of BADISA Stellenbosch	40 000.00				RECOMMENDED	FEEDBACK CORRECTED
		40 000.00	0.00	0.00	0.00		
		781 900.00					
HEALTH							
88	At Heart	40 000.00				RECOMMENDED	APPLICATION FORM SIGNED. FINAL FEEDBACK SUBMITTED. AUDITED

						STATEMENTS SUBMITTED	
91	Good Hope Psychological Service	0.00				NOT RECOMMENDED	BANK FORM STILL INCOMPLETE. ONLY ONE SIGNATURE ON APPLICATION. NO FEEDBACK OR PROOF OF EXPENDITURE ON FUNDS RECEIVED.
93	Stellenbosch Hospice	40 000.00				RECOMMENDED	FEEDBACK REPORT SUBMITTED ALONG WITH DECLARATION: CLLR W PETERSEN.
		80 000.00	0.00	0.00	0.00		

SPORT ARTS AND CULTURE							
SPORT CLUBS							
95	Blue Stars United RFC	0.00				NOT RECOMMENDED	NOTE CORRECTION REQUIRED RE NAME OF APPLICANT. PROOF OF EXPENDITURE DO NOT SPEAK TO REPORTING PERIOD.
97	Cape Winelands Farmworkers Sport & Recreation Ass	40 000.00				RECOMMENDED	FINAL FEEDBACK PROVIDED
98	Celtic United FC	40 000.00				RECOMMENDED	FINANCIAL STATEMENT AND CORRECT BUDGET SUBMITTED
99	Coronation Cricket Club	34 620.00				RECOMMENDED	FINAL FEEDBACK REPORT PROVIDED
100	Excelsior Cricket Club	40 000.00				RECOMMENDED	FINAL FEEDBACK REPORT RECEIVED
102	Glen Eagles Soccer Club	0.00				NOT RECOMMENDED	PROOF OF EXPENDITURE 2017 AND NOT SPEAKING TO FEEDBACK REPORT
		154 620.00	0.00	0.00	0.00		

ARTS AND CULTURE GROUPS/ORGANIZATIONS							
113	Smart Mission Entertainment	0.00				NOT RECOMMENDED	FIN STATEMENT SIGNED. STATEMENT DOES NOT INDICATE REPORTING PERIOD AND CONTAINS CONTRADICTIONS.
		0.00	0.00	0.00	0.00		
SUBTOTAL SPROT ARTS & CULTURE		154 620.00	0.00	0.00	0.00		

R 1 016 520.00	R 0.00	R 0.00	R 0.00
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FEEDBACK REPORTS 2018-2019 NOT RECEIVED							
18	Khanyisa Creche	0.00				NOT RECOMMENDED	CREDITOR CONTROL FORM INCOMPLETE, REQUIRE FEEDBACK REPORT BY APRIL 2019
104	Jametown AFC	0.00				NOT RECOMMENDED	NO FEEDBACK PROVIDED
109	Stellenbosch District Coronation RFC	0.00				NOT RECOMMENDED	NO FEEDBACK PROVIDED
112	Celebration Gospel Choir	0.00				NOT RECOMMENDED	PROOF OF EXPENDITURE NOT PROVIDED

CAT A	CAT B YR1	CAT B YR2	
R 2 496 520.00	R 1 251 871.00	R 1 365 206.00	R 0.00

K: COUNCILLOR AND BOARD MEMBER ALLOWANCES AND EMPLOYEE BENEFITS

Summary of Employee and Councillor remuneration	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		10 590	10 747	11 326	11 031	11 031	11 031	12 934	13 692	14 495
Pension and UIF Contributions		288	385	505	1 926	1 926	1 926	800	848	899
Medical Aid Contributions		264	202	204	183	183	183	87	92	98
Motor Vehicle Allowance		3 615	3 704	4 060	4 268	4 268	4 268	4 667	4 947	5 244
Cellphone Allowance		960	1 057	1 058	1 121	1 251	1 251	1 263	1 339	1 419
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		127	-	155	164	164	164	186	197	209
Sub Total - Councillors		15 844	16 094	17 308	18 693	18 823	18 823	19 936	21 115	22 363
% increase	4		1.6%	7.5%	8.0%	0.7%	-	5.9%	5.9%	5.9%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		7 803	6 447	8 260	8 941	8 941	8 941	4 445	4 712	4 995
Pension and UIF Contributions		331	595	870	1 155	1 155	1 155	852	903	957
Medical Aid Contributions		151	-	-	65	65	65	78	82	87
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		465	59	215	446	446	446	-	-	-
Motor Vehicle Allowance	3	391	664	776	1 004	1 004	1 004	1 006	1 066	1 130
Cellphone Allowance	3	62	76	156	152	152	152	134	142	150
Housing Allowances	3	-	20	-	-	-	-	-	-	-
Other benefits and allowances	3	73	-	131	81	81	81	34	36	38
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	33 512	33 512	33 512	46 247	49 562	52 455
Sub Total - Senior Managers of Municipality		9 278	7 861	10 407	45 356	45 356	45 356	52 796	56 504	59 814
% increase	4		(15.3%)	32.4%	335.8%	-	-	16.4%	7.0%	5.9%
Other Municipal Staff										
Basic Salaries and Wages		252 402	283 522	302 475	348 862	331 151	331 151	354 828	364 677	385 955
Pension and UIF Contributions		37 505	40 290	41 461	49 840	49 840	49 840	59 439	63 005	66 681
Medical Aid Contributions		16 591	18 812	20 027	21 718	21 718	21 718	26 328	27 908	29 537
Overtime		19 401	22 552	32 633	42 625	42 625	42 625	51 545	54 638	57 827
Performance Bonus		-	29	108	-	-	-	-	-	-
Motor Vehicle Allowance	3	10 253	10 401	9 143	11 455	11 455	11 455	13 074	13 859	14 666
Cellphone Allowance	3	641	674	788	737	737	737	869	922	975
Housing Allowances	3	1 921	2 123	2 233	2 329	2 329	2 329	2 875	3 047	3 225
Other benefits and allowances	3	19 450	21 537	25 305	32 504	32 563	32 563	39 440	41 807	44 247
Payments in lieu of leave		-	-	-	5 248	5 248	5 248	2 007	2 127	2 251
Long service awards		21	-	-	271	271	271	66	70	75
Post-retirement benefit obligations	6	-	-	-	5 864	5 864	5 864	-	-	-
Sub Total - Other Municipal Staff		358 185	399 941	434 171	521 452	503 800	503 800	550 472	572 060	605 439
% increase	4		11.7%	8.6%	20.1%	(3.4%)	-	9.3%	3.9%	5.8%
Total Parent Municipality		383 307	423 896	461 886	585 500	567 978	567 978	623 204	649 679	687 616

K: COUNCILLOR AND BOARD MEMBER ALLOWANCES AND EMPLOYEE BENEFITS

(continued)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4		486 681	86 752	210 510	–	–	783 943
Chief Whip			420 306	97 763	261 803	–	–	779 872
Executive Mayor			586 037	104 463	222 115	–	–	912 615
Deputy Executive Mayor			486 681	86 752	250 430	–	–	823 863
Executive Committee			3 439 335	704 443	1 603 163	–	–	5 746 941
Total for all other councillors			5 955 774	1 058 435	794 160	–	–	7 808 369
Total Councillors	8	–	11 374 814	2 138 608	3 342 181	–	–	16 855 603
Senior Managers of the Municipality	5							
Municipal Manager (MM)			1 528 281	312 860	166 030	114 490	–	2 121 661
Chief Finance Officer			1 716 865	–	155 609	–	–	1 872 474
Director: Community and Protection			1 148 037	223 867	179 769	114 490	–	1 666 163
Director: Corporate			1 148 037	223 867	179 769	–	–	1 551 673
Director: Infrastructure Services			1 148 037	223 867	179 769	–	–	1 551 673
Director: Planning and Development			1 356 632	–	224 494	114 490	–	1 695 616
<i>List of each official with packages >= senior manager</i>								
Designation - 05			–	–	–	–	–	–
Designation - 06			–	–	–	–	–	–
Designation - 07			–	–	–	–	–	–
Designation - 08			–	–	–	–	–	–
Designation - 09			–	–	–	–	–	–
Designation - 10			–	–	–	–	–	–
Designation - 11			–	–	–	–	–	–
Designation - 12			–	–	–	–	–	–
Designation - 13			–	–	–	–	–	–
Designation - 14			–	–	–	–	–	–
Designation - 15			–	–	–	–	–	–
Total Senior Managers of the Municipality	8,10	–	8 045 889	984 461	1 085 440	343 470	–	10 459 260

L: MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

MONTHLY CASH FLOWS	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Cash Receipts By Source																
Property rates	15 326	28 137	30 641	23 427	30 256	30 318	15 643	22 710	20 308	23 861	30 559	70 693	341 877	370 982	396 199	
Service charges - electricity revenue	28 111	51 610	56 203	42 971	55 497	55 610	28 693	41 656	37 250	43 766	56 052	129 669	627 089	679 059	734 050	
Service charges - water revenue	8 692	15 958	17 378	13 287	17 160	17 195	8 872	12 880	11 518	13 533	17 331	40 094	193 896	210 590	224 152	
Service charges - sanitation revenue	4 885	8 968	9 766	7 467	9 643	9 663	4 986	7 238	6 473	7 605	9 740	22 531	108 963	118 610	126 668	
Service charges - refuse revenue	2 979	5 469	5 956	4 554	5 881	5 893	3 041	4 414	3 948	4 638	5 940	13 742	66 456	74 833	82 219	
Rental of facilities and equipment	810	1 488	1 620	1 239	1 600	1 603	827	1 201	1 074	1 262	1 616	3 738	18 078	19 163	20 313	
Interest earned - external investments	1 980	3 635	3 959	3 027	3 909	3 917	2 021	2 934	2 624	3 083	3 948	9 134	44 171	36 730	36 330	
Interest earned - outstanding debtors	485	890	970	741	958	959	495	719	643	755	967	2 237	10 819	11 613	12 464	
Fines, penalties and forfeits	1 456	2 673	2 911	2 226	2 874	2 880	1 486	2 157	1 929	2 267	2 903	6 716	32 478	34 102	35 807	
Licences and permits	242	444	484	370	478	479	247	359	321	377	483	1 116	5 398	5 722	6 065	
Agency services	128	235	256	195	252	253	130	189	169	199	255	590	2 852	3 023	3 204	
Transfer receipts - operational	51 627	3 292	-	8 297	2 325	45 392	4 630	1 743	50 886	4 146	-	-	172 339	179 316	183 641	
Other revenue	1 561	2 865	3 120	2 386	3 081	3 087	1 593	2 313	2 068	2 430	3 112	7 199	34 815	36 784	38 871	
Cash Receipts by Source	118 282	125 664	133 263	110 187	133 915	177 250	72 664	100 513	139 209	107 921	132 906	307 458	1 659 230	1 780 525	1 899 983	
Other Cash Flows by Source																
Transfer receipts - capital	31 269	-	-	25 987	15 629	600	-	-	41 616	25 987	-	-	141 088	73 948	79 199	
Borrowing long term/refinancing												160 000	160 000	120 000	100 000	
Total Cash Receipts by Source	149 551	125 664	133 263	136 174	149 544	177 850	72 664	100 513	180 825	133 908	132 906	307 458	1 800 318	1 854 473	1 979 182	
Cash Payments by Type																
Employee related costs	43 618	43 120	45 638	43 237	68 949	44 374	50 404	49 211	49 892	56 403	55 516	6 659	557 021	579 002	612 798	
Remuneration of councillors	1 527	1 527	1 526	1 526	1 606	1 644	1 595	1 801	1 808	1 837	1 808	1 732	19 936	21 115	22 363	
Finance charges						19 939						19 939	39 877	54 668	66 655	
Bulk purchases - Electricity	-	41 613	43 618	24 676	23 586	27 013	21 016	24 537	23 870	41 343	45 101	59 471	375 842	405 909	438 382	
Bulk purchases - Water & Sewer	-	3 390	3 553	2 010	1 921	2 200	1 712	1 999	1 944	3 368	3 674	4 844	30 616	35 678	41 245	
Other materials	1 130	1 011	1 936	1 873	1 302	884	1 299	2 586	7 162	2 717	3 041	10 047	34 990	36 919	39 020	
Contracted services	634	2 239	9 295	23 796	23 796	23 796	23 796	23 796	23 796	26 175	28 555	28 285	237 957	251 947	254 544	
Transfers and grants - other municipalities				-	-	-	-	-	-	-	-	-	-	-	-	
Transfers and grants - other	2 512	-	7 502	-	-	-	-	-	-	-	-	34	10 049	10 628	11 242	
Other expenditure	5 601	12 368	12 368	14 135	15 902	15 902	14 135	14 135	7 970	9 935	14 135	1 528	138 115	147 385	160 247	
Cash Payments by Type	55 022	105 268	125 436	111 253	137 062	135 753	113 957	118 064	116 442	141 778	151 830	132 539	1 444 404	1 543 249	1 646 497	
Other Cash Flows/Payments by Type																
Capital assets	-	1 632	20 616	31 270	34 367	41 298	18 602	31 369	69 215	66 473	104 412	139 021	558 277	414 613	426 338	
Repayment of borrowing	-	-	-	-	-	10 442	-	-	-	-	-	10 442	20 883	26 311	31 078	
Total Cash Payments by Type	55 022	106 901	146 052	142 522	171 429	187 492	132 559	149 433	185 657	208 251	256 243	282 002	2 023 563	1 984 173	2 103 912	
NET INCREASE/(DECREASE) IN CASH HELD	94 528	18 763	(12 789)	(6 348)	(21 885)	(9 643)	(59 895)	(48 920)	(4 833)	(74 343)	(123 337)	25 456	(223 245)	(129 700)	(124 730)	
Cash/cash equivalents at the month/year begin:	433 363	527 892	546 655	533 866	527 518	505 633	495 990	436 095	387 174	382 342	307 998	184 662	433 363	210 118	80 418	
Cash/cash equivalents at the month/year end:	527 892	546 655	533 866	527 518	505 633	495 990	436 095	387 174	382 342	307 998	184 662	210 118	210 118	80 418	(44 313)	

M: CONTRACTS HAVING FUTURE AND BUDGETARY IMPLICATIONS

Description	Ref	Preceding Years	Current Year 2018/19	2019/20 Medium Term Revenue & Expenditure Framework			Total Contract Value
		Total	Original Budget	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22	Estimate
R thousand	1,3						
Parent Municipality:							
Revenue Obligation By Contract	2						
<i>Contract 1</i>							-
<i>Contract 2</i>							-
<i>Contract 3 etc</i>							-
Total Operating Revenue Implication		-	-	-	-	-	-
Expenditure Obligation By Contract	2						
<i>Lawula Systems</i>		Rates Approved					-
<i>Robotech</i>		Rates Approved					-
<i>Syntell</i>		Rates Approved					-
<i>TMT Services</i>		Rates Approved					-
<i>Strike Technologies</i>		6 490	6 815	-			13 305
<i>Geodebt Solutions CC</i>		2 809	2 978	-			5 787
<i>Country Building Suppliers</i>		1 050	1 050	-			2 100
<i>Polorama Wholesalers</i>		1 050	1 103	-			2 153
Total Operating Expenditure Implication		11 399	11 945	-	-	-	23 344
Capital Expenditure Obligation By Contract	2						
<i>Lawula Systems</i>		Rates Approved					-
<i>Robotech</i>		Rates Approved					-
<i>Syntell</i>		Rates Approved					-
<i>TMT Services</i>		Rates Approved					-
<i>Strike Technologies</i>		750	750	-			1 500
<i>Eya Bantu Professional Services George</i>		Rates Approved					-
<i>Schweitzer Engineering Lab</i>		Rates Approved					-
<i>Eya Bantu Professional Services George</i>		1 500	1 500	-			3 000
Total Capital Expenditure Implication		2 250	2 250	-	-	-	4 500
Total Parent Expenditure Implication		13 649	14 195	-	-	-	27 844

N: DETAIL CAPITAL BUDGET 2019-2022

CAPITAL BUDGET 2019 - 2022
MUNICIPAL MANAGER

Department	Name	Strategic Objectives	2019/2020	2020/2021	2021/2022	MTREF Total
Executive Support: Office of the Municipal Manager	Furniture, Tools and Equipment	Good Governance and Compliance	35 000	40 000	40 000	115 000
			35 000	40 000	40 000	115 000

**CAPITAL BUDGET 2019 - 2022
PLANNING AND DEVELOPMENT SERVICES**

Department	Name	Strategic Objectives	2019/2020	2020/2021	2021/2022	MTREF Total
Economic Development and Tourism	Furniture, Tools and Equipment	Good Governance and Compliance	45 000	35 000	-	80 000
Economic Development and Tourism	Establishment of Informal Trading Sites: Klapmuts	Valley of Possibility	3 000 000	-	-	3 000 000
Economic Development and Tourism	Establishment of Informal Trading Sites: Groendal	Valley of Possibility	2 000 000	-	-	2 000 000
Economic Development and Tourism	Local Economic Development Hub Jamestown	Valley of Possibility	-	4 500 000	-	4 500 000
Economic Development and Tourism	Establishment of Informal Trading Sites: Kayamandi	Valley of Possibility	4 500 000	-	-	4 500 000
Economic Development and Tourism	Upgrading of the Kayamandi Economic Tourism Corridor	Valley of Possibility	150 000	250 000	-	400 000
New Housing	Furniture, Tools and Equipment	Good Governance and Compliance	50 000	51 800	58 800	160 600
Spatial Planning: Planning and Development	Furniture, Tools and Equipment	Good Governance and Compliance	55 000	35 000	-	90 000
Land Use Management	Furniture, Tools & Equipment	Good Governance and Compliance	150 000	130 000	125 000	405 000
			9 950 000	5 001 800	183 800	15 135 600

**CAPITAL BUDGET 2019 - 2022
INFRASTRUCTURE SERVICES**

Department	Name	Strategic Objectives	2019/2020	2020/2021	2021/2022	MTREF Total
Infrastructure Plan, Dev and Implement	Basic Services Improvements: Langrug	Dignified Living	4 300 000	5 500 000	5 500 000	15 300 000
Infrastructure Plan, Dev and Implement	Langrug Dam	Valley of Possibility	3 500 000	-	-	3 500 000
Infrastructure Plan, Dev and Implement	Idas Valley IRDP / FLISP	Dignified Living	8 500 000	5 000 000	-	13 500 000
Infrastructure Plan, Dev and Implement	Computer - Hardware/Equipment: Human Settlements & Property	Good Governance and Compliance	50 000	50 000	50 000	150 000
Infrastructure Plan, Dev and Implement	Furniture,Tools and Equipment: Human Settlements and Property	Good Governance and Compliance	20 000	20 000	23 000	63 000
Infrastructure Plan, Dev and Implement	Northern Extension: Feasibility	Valley of Possibility	-	-	500 000	500 000
Infrastructure Plan, Dev and Implement	Enkanini ABS	Dignified Living	250 000	250 000	250 000	750 000
Infrastructure Plan, Dev and Implement	Enkanini subdivision, consolidation and rezoning	Valley of Possibility	-	-	5 000 000	5 000 000
Infrastructure Plan, Dev and Implement	Kayamandi Town Centre - Civil Infrastructure	Valley of Possibility	2 000 000	3 000 000	5 000 000	10 000 000
Infrastructure Plan, Dev and Implement	Kayamandi: Watergang and Zone O	Dignified Living	3 650 000	5 000 000	4 000 000	12 650 000
Infrastructure Plan, Dev and Implement	Cloetesville IRDP Planning	Dignified Living	260 000	280 000	6 790 000	7 330 000
Infrastructure Plan, Dev and Implement	Klapmuts: Erf 2181 (298 serviced sites)	Dignified Living	6 451 528	6 451 528	-	12 903 056
Infrastructure Plan, Dev and Implement	Jamestown: Mountainview Installation of water and sewer services	Dignified Living	100 000	-	-	100 000
Infrastructure Plan, Dev and Implement	Access to Basic Services	Dignified Living	250 000	265 000	280 900	795 900
Infrastructure Plan, Dev and Implement	Smartie town, Cloetesville	Dignified Living	5 500 000	-	-	5 500 000
Infrastructure Plan, Dev and Implement	Housing Projects	Dignified Living	500 000	500 000	500 000	1 500 000
Infrastructure Plan, Dev and Implement	Jamestown: Housing	Dignified Living	600 000	7 980 000	10 500 000	19 080 000
Infrastructure Plan, Dev and Implement	Upgrading of The Steps/Orlean Lounge	Dignified Living	7 000 000	7 500 000	-	14 500 000
Infrastructure Plan, Dev and Implement	Longlands Vlotenburg: Housing Internal Services	Dignified Living	4 000 000	-	-	4 000 000
Infrastructure Plan, Dev and Implement	Northern Extension: Feasibility	Valley of Possibility	500 000	3 500 000	3 000 000	7 000 000
Infrastructure Plan, Dev and Implement	Town Centre Stellenbosch (Social Housing)	Dignified Living	-	-	3 000 000	3 000 000
Waste Management: Solid Waste Management	Skips (5,5kl)	Green and Sustainable Valley	400 000	400 000	200 000	1 000 000
Waste Management: Solid Waste Management	Stellenbosch WC024 Material Recovery Facility	Green and Sustainable Valley	22 000 000	-	-	22 000 000
Waste Management: Solid Waste Management	Transfer Station: Stellenbosch	Green and Sustainable Valley	1 000 000	10 000 000	10 000 000	21 000 000
Waste Management: Solid Waste Management	Vehicles	Good Governance and Compliance	3 000 000	3 000 000	3 000 000	9 000 000

Department	Name	Strategic Objectives	2019/2020	2020/2021	2021/2022	MTREF Total
Waste Management: Solid Waste Management	Expansion of the landfill site (New cells)	Green and Sustainable Valley	2 000 000	8 000 000	16 000 000	26 000 000
Waste Management: Solid Waste Management	Waste Minimization Projects	Green and Sustainable Valley	1 000 000			1 000 000
Waste Management: Solid Waste Management	Integrated Waste Management Plan	Green and Sustainable Valley	-	-	100 000	100 000
Waste Management: Solid Waste Management	Landfill Gas To Energy	Green and Sustainable Valley	-	500 000	500 000	1 000 000
Waste Management: Solid Waste Management	Upgrade Refuse disposal site (Existing Cell)- Rehab	Green and Sustainable Valley	1 500 000	2 000 000	1 000 000	4 500 000
Waste Management: Solid Waste Management	Waste Management Software	Green and Sustainable Valley	-	-	200 000	200 000
Waste Management: Solid Waste Management	Waste to Energy - Implementation	Green and Sustainable Valley	-	3 000 000	1 000 000	4 000 000
Waste Management: Solid Waste Management	Waste to Energy - Planning	Green and Sustainable Valley	500 000	-	-	500 000
Waste Management: Solid Waste Management	Waste Biofuels	Green and Sustainable Valley	-	-	300 000	300 000
Waste Management: Solid Waste Management	Furniture, Tools and Equipment : Solid Waste	Green and Sustainable Valley	35 000	45 000	45 000	125 000
Waste Management: Solid Waste Management	Street Refuse Bins	Good Governance and Compliance	300 000	2 000 000	2 000 000	4 300 000
Water and Wastewater Services: Sanitation	Upgrade of WWTW Wemmershoek	Valley of Possibility	5 000 000	15 000 000	-	20 000 000
Water and Wastewater Services: Sanitation	Sewerpipe Replacement: Dorp Straat	Dignified Living	9 000 000	12 000 000	6 000 000	27 000 000
Water and Wastewater Services: Sanitation	Upgrade Auto-Samplers	Valley of Possibility	100 000	100 000	150 000	350 000
Water and Wastewater Services: Sanitation	Specialized vehicle: Jet Machine	Valley of Possibility	1 000 000	-	-	1 000 000
Water and Wastewater Services: Sanitation	Industrial Effluent Monitoring	Dignified Living	500 000	750 000	1 000 000	2 250 000
Water and Wastewater Services: Sanitation	Upgrade of WWTW: Pniel & Decommissioning Of Franschoek	Valley of Possibility	40 000 000	44 684 431	50 000 000	134 684 431
Water and Wastewater Services: Sanitation	Idas Valley Merriman Outfall Sewer	Dignified Living	10 000 000	-	-	10 000 000
Water and Wastewater Services: Sanitation	New Development Bulk Sewer Supply WC024	Dignified Living	2 000 000	2 000 000	2 000 000	6 000 000
Water and Wastewater Services: Sanitation	Vehicles	Good Governance and Compliance	-	-	1 000 000	1 000 000

Department	Name	Strategic Objectives	2019/2020	2020/2021	2021/2022	MTREF Total
Water and Wastewater Services: Sanitation	Sewer Pumpstation & Telemetry Upgrade	Dignified Living	1 000 000	1 000 000	1 000 000	3 000 000
Water and Wastewater Services: Sanitation	New Plankenburg Main Outfall Sewer	Valley of Possibility	10 000 000	-	-	10 000 000
Water and Wastewater Services: Sanitation	Sewerpipe Replacement	Dignified Living	3 000 000	3 000 000	4 000 000	10 000 000
Water and Wastewater Services: Sanitation	Furniture, Tools and Equipment : Sanitation	Good Governance and Compliance	1 200 000	1 200 000	1 200 000	3 600 000
Water and Wastewater Services: Sanitation	Kayamandi Bulk Sewer	Dignified Living	-	500 000	10 000 000	10 500 000
Water and Wastewater Services: Sanitation	Update Sewer Masterplan and IMQS	Dignified Living	1 500 000	1 500 000	1 500 000	4 500 000
Water and Wastewater Services: Sanitation	Dorp Street Bulk Sewer Upgrade	Dignified Living	-	-	500 000	500 000
Water and Wastewater Services: Sanitation	Effluent Recycling of Waste Water 10MI per day	Dignified Living	-	-	500 000	500 000
Water and Wastewater Services: Sanitation	Northern Extension: Phase 2 Sanitation Infrastructure	Dignified Living	-	-	2 000 000	2 000 000
Water and Wastewater Services: Sanitation	Update Sewer Masterplan	Dignified Living	-	-	500 000	500 000
Water and Wastewater Services: Sanitation	Upgrade of WWTW: Klapmuts	Valley of Possibility	100 000	500 000	1 000 000	1 600 000
Water and Wastewater Services: Sanitation	Klapmuts Bulk Sewer Upgrade	Dignified Living	-	1 000 000	10 000 000	11 000 000
Water and Wastewater Services: Sanitation	Bulk Sewer Outfall: Jamestown	Dignified Living	30 000 000	30 000 000	6 000 000	66 000 000
Water and Wastewater Services: Water	Bulk water supply Klapmuts	Valley of Possibility	10 000 000	15 000 000	5 000 000	30 000 000
Water and Wastewater Services: Water	Water Conservation & Demand Management	Green and Sustainable Valley	10 000 000	5 000 000	5 000 000	20 000 000
Water and Wastewater Services: Water	Bulk water Supply Pipe : Cloetesville/ Idas Valley	Valley of Possibility	-	-	1 000 000	1 000 000
Water and Wastewater Services: Water	Reservoirs and Dam Safety	Valley of Possibility	1 500 000	1 500 000	1 500 000	4 500 000
Water and Wastewater Services: Water	Upgrade and Replace Water Meters	Valley of Possibility	2 500 000	2 500 000	3 000 000	8 000 000
Water and Wastewater Services: Water	Update Water Masterplan and IMQS	Valley of Possibility	1 500 000	1 500 000	1 500 000	4 500 000
Water and Wastewater Services: Water	WSDP (tri-annually)	Valley of Possibility	400 000	400 000	400 000	1 200 000
Water and Wastewater Services: Water	Bulk water Supply Pipe Line & Pumpstations: Franschoek	Valley of Possibility	6 000 000	12 000 000	-	18 000 000
Water and Wastewater Services: Water	Chlorination Installation: Upgrade	Valley of Possibility	500 000	500 000	500 000	1 500 000
Water and Wastewater Services: Water	New Developments Bulk Water Supply WC024	Valley of Possibility	2 000 000	2 000 000	2 000 000	6 000 000
Water and Wastewater Services: Water	Waterpipe Replacement	Valley of Possibility	5 000 000	6 000 000	7 000 000	18 000 000
Water and Wastewater Services: Water	Water Telemetry Upgrade	Valley of Possibility	500 000	500 000	750 000	1 750 000
Water and Wastewater Services: Water	Furniture, Tools and Equipment : Reticulation	Good Governance and Compliance	100 000	100 000	100 000	300 000

Department	Name	Strategic Objectives	2019/2020	2020/2021	2021/2022	MTREF Total
Water and Wastewater Services: Water	Vehicles	Good Governance and Compliance	1 000 000	1 000 000	1 000 000	3 000 000
Water and Wastewater Services: Water	Upgrade of Franschoek Reservoirs and Pipelines	Valley of Possibility	-	-	1 000 000	1 000 000
Water and Wastewater Services: Water	Dwarsriver Bulk Supply Augmentation and Network Upgrades	Valley of Possibility	-	1 000 000	30 000 000	31 000 000
Water and Wastewater Services: Water	Water Treatment Works: Idas Valley	Valley of Possibility	2 000 000	11 000 000	15 000 000	28 000 000
Water and Wastewater Services: Water	Bulk Water Supply Pipe: Idas Valley/Papegaaiberg and Network Upgrades	Valley of Possibility	-	-	1 000 000	1 000 000
Water and Wastewater Services: Water	Northern Extension: Phase 2 Water Infrastructure	Valley of Possibility	-	-	2 000 000	2 000 000
Water and Wastewater Services: Water	Bulk water supply pipe and Reservoir: Kayamandi	Valley of Possibility	15 000 000	7 500 000	-	22 500 000
Water and Wastewater Services: Water	Upgrading of Koelenhof Water Scheme	Valley of Possibility	-	500 000	15 000 000	15 500 000
Water and Wastewater Services: Water	New Reservoir: Polkadraai	Valley of Possibility	20 000 000	20 000 000	10 000 000	50 000 000
Water and Wastewater Services: Water	Bulk Water Supply Pipeline & Reservoir - Jamestown	Valley of Possibility	1 000 000	10 000 000	10 000 000	21 000 000
Water and Wastewater Services: Water	Water Treatment Works: Paradyskloof	Valley of Possibility	-	500 000	14 000 000	14 500 000
Water and Wastewater Services: Water	New Reservoir Rosendal	Valley of Possibility	1 000 000	15 000 000	6 000 000	22 000 000
Roads and Stormwater	Reseal Roads -Franschoek CBD	Valley of Possibility	1 000 000	-	-	1 000 000
Roads and Stormwater	Reseal Roads -Onder Papegaaiberg	Valley of Possibility	1 000 000	-	-	1 000 000
Roads and Stormwater	Resealing (WC024)	Valley of Possibility	1 000 000	1 000 000	-	2 000 000
Roads and Stormwater	Upgrade Stormwater Water Conveyance System	Valley of Possibility	1 000 000	2 000 000	-	3 000 000
Roads and Stormwater	Lanquedoc Access road and Bridge	Valley of Possibility	2 000 000	-	-	2 000 000
Roads and Stormwater	Furniture, Tools and Equipment : Tr&Stw	Good Governance and Compliance	300 000	300 000	300 000	900 000
Roads and Stormwater	R44 Access Upgrades	Valley of Possibility	5 000 000	-	-	5 000 000
Roads and Stormwater	Adhoc Reconstruction Of Roads (WC024)	Valley of Possibility	4 000 000	6 000 000	6 000 000	16 000 000
Roads and Stormwater	Reseal Roads - Cloetesville	Valley of Possibility	1 000 000	-	3 000 000	4 000 000
Roads and Stormwater	Reseal Roads - Idasvalley	Valley of Possibility	1 000 000	-	2 750 000	3 750 000
Roads and Stormwater	Upgrade Gravel Roads - Devon Valley	Valley of Possibility	1 500 000	-	-	1 500 000
Roads and Stormwater	Technopark Access Road	Valley of Possibility	5 000 000	-	-	5 000 000
Roads and Stormwater	Reseal Roads Stellenbosch	Valley of Possibility	2 000 000	-	-	2 000 000
Roads and Stormwater	Schuilplaats Road Link	Valley of Possibility	2 000 000	-	-	2 000 000

Department	Name	Strategic Objectives	2019/2020	2020/2021	2021/2022	MTREF Total
Roads and Stormwater	Specialized Vehicle	Good Governance and Compliance	3 000 000	-	-	3 000 000
Roads and Stormwater	Structural Rehabilitation - Bridges	Valley of Possibility	5 000 000	-	-	5 000 000
Roads and Stormwater	Reseal Roads Kylemore	Valley of Possibility	1 000 000	-	-	1 000 000
Roads and Stormwater	Reseal Roads Paradyskloof	Valley of Possibility	1 000 000	-	-	1 000 000
Traffic Engineering	Main Road Intersection Improvements: Franschoek	Valley of Possibility	1 700 000	-	-	1 700 000
Traffic Engineering	Main Road Intersection Improvements:Pniel / Kylemore	Valley of Possibility	-	-	400 000	400 000
Traffic Engineering	Directional Information Signage	Valley of Possibility	200 000	200 000	-	400 000
Traffic Engineering	Furniture, Tools and Equipment : Traffic Engineering	Good Governance and Compliance	100 000	100 000	-	200 000
Traffic Engineering	Signalisation implementation	Good Governance and Compliance	200 000	250 000	-	450 000
Traffic Engineering	Specialised Equipment: Roadmarking Machine + Trailer	Valley of Possibility	-	-	300 000	300 000
Traffic Engineering	Traffic Calming Projects: Implementation	Safe Valley	1 500 000	2 000 000	-	3 500 000
Traffic Engineering	Traffic Management Improvement Programme	Safe Valley	500 000	500 000	-	1 000 000
Traffic Engineering	Traffic Signal Control: Upgrading of Traffic Signals	Safe Valley	500 000	500 000	-	1 000 000
Traffic Engineering	Accident Information System	Safe Valley	750 000	250 000	250 000	1 250 000
Traffic Engineering	Pedestrian Crossing Implementation	Safe Valley	1 000 000	100 000	-	1 100 000
Traffic Engineering	Vehicles	Safe Valley	-	-	250 000	250 000
Traffic Engineering	Road Transport Safety Master Plan - WC024	Safe Valley	250 000	250 000	-	500 000
Traffic Engineering	Universal Access Implementation	Valley of Possibility	100 000	100 000	-	200 000
Traffic Engineering	Main Road Intersection Improvements: Stellenbosch	Valley of Possibility	12 000 000	-	-	12 000 000
Traffic Engineering	Specialized Vehicle	safe Valley	-	-	500 000	500 000
Traffic Engineering	Asset Management: Traffic Signaling Systems	Good Governance and Compliance	-	-	700 000	700 000
Transport Planning	Non Motorised Transportation (NMT) Implementation	Green and Sustainable Valley	3 000 000	2 000 000	2 000 000	7 000 000
Transport Planning	Northern Extension: Public Transport Network	Valley of Possibility	-	-	2 000 000	2 000 000
Transport Planning	Khayamandi Pedestrian Crossing (R304, River and Railway Line)	Safe Valley	2 000 000	500 000	-	2 500 000
Transport Planning	Bicycle Lockup Facilities	Safe Valley	-	-	200 000	200 000
Transport Planning	Bus and Taxi Shelters	Safe Valley	200 000	200 000	200 000	600 000

Department	Name	Strategic Objectives	2019/2020	2020/2021	2021/2022	MTREF Total
Transport Planning	Comprehensive Integrated Transport Master Plan	Green and Sustainable Valley	900 000	1 000 000	600 000	2 500 000
Transport Planning	Update Roads Master Plan for WC024	Valley of Possibility	1 000 000	1 000 000	1 000 000	3 000 000
Transport Planning	Jamestown South Transport Network	Valley of Possibility	1 000 000	2 000 000	-	3 000 000
Transport Planning	Taxi Rank: Klapmuts	Valley of Possibility	2 500 000	1 500 000	-	4 000 000
Transport Planning	Taxi Rank: Kayamandi	Valley of Possibility	1 500 000	-	-	1 500 000
Transport Planning	NMT Asset Management & NMT Public Transport	Good Governance and Compliance	1 500 000	-	-	1 500 000
Electrical Services	Buildings & Facilities Electrical Supply - Stellenbosch	Valley of Possibility	500 000	500 000	100 000	1 100 000
Electrical Services	DSM Geyser Control	Green and Sustainable Valley	500 000	100 000	100 000	700 000
Electrical Services	New 66kV substation - Dwars Rivier	Valley of Possibility	1 100 000	2 700 000	14 000 000	17 800 000
Electrical Services	General Systems Improvements - Stellenbosch	Valley of Possibility	3 000 000	3 000 000	3 000 000	9 000 000
Electrical Services	Meter Panels	Green and Sustainable Valley	400 000	500 000	500 000	1 400 000
Electrical Services	Replace Ineffective Meters & Energy Balance of mini-substations	Green and Sustainable Valley	500 000	600 000	-	1 100 000
Electrical Services	Vehicle Fleet	Good Governance and Compliance	-	-	1 000 000	1 000 000
Electrical Services	Infrastructure Improvement - Franschhoek	Valley of Possibility	1 500 000	1 500 000	2 000 000	5 000 000
Electrical Services	Lighting on Public Places	Safe Valley	1 000 000	1 000 000	1 000 000	3 000 000
Electrical Services	General System Improvements - Franschhoek	Valley of Possibility	2 000 000	2 000 000	2 000 000	6 000 000
Electrical Services	System Control Centre & Upgrade Telemetry	Good Governance and Compliance	1 000 000	1 000 000	500 000	2 500 000
Electrical Services	Ad-Hoc Provision of Streetlighting	Safe Valley	1 000 000	1 000 000	1 000 000	3 000 000
Electrical Services	Automatic Meter Reader	Green and Sustainable Valley	400 000	400 000	400 000	1 200 000
Electrical Services	Network Cable Replace 11 Kv	Valley of Possibility	3 000 000	3 000 000	3 000 000	9 000 000
Electrical Services	Energy Balancing Between Metering and Mini-Substations	Valley of Possibility	500 000	500 000	500 000	1 500 000
Electrical Services	Energy Efficiency and Demand Side Management	Green and Sustainable Valley	2 000 000	2 000 000	-	4 000 000
Electrical Services	Small Capital: Fte Electrical Engineering Services	Valley of Possibility	250 000	300 000	350 000	900 000
Electrical Services	Kwarentyn Sub cables: 11kV 3 core 185mmsq PILC(Table19) copper cabling, 3.8km	Valley of Possibility	-	-	5 500 000	5 500 000
Electrical Services	Integrated National Electrification Programme	Valley of Possibility	11 160 000	4 000 000	4 000 000	19 160 000
Electrical Services	Integrated National Electrification Programme (Enkanini)	Valley of Possibility	4 480 000	6 400 000	-	10 880 000

Department	Name	Strategic Objectives	2019/2020	2020/2021	2021/2022	MTREF Total
Executive Support: Engineering Services: General	Furniture, Tools & Equipment	Good Governance and Compliance	110 000	100 000	-	210 000
Executive Support: Engineering Services: General	Update of Engineering Infrastructure GIS Data	Good Governance and Compliance	200 000	300 000	-	500 000
Executive Support: Engineering Services: General	Implementation of Ward Priorities	Good Governance and Compliance	490 000	-	-	490 000
			378 856 528	353 625 959	369 238 900	1 101 721 387

**CAPITAL BUDGET 2019 - 2022
COMMUNITY AND PROTECTION SERVICES**

Department	Name	Strategic Objectives	2019/2020	2020/2021	2021/2022	MTREF Total
Parks and Cemeteries	Extension of Cemetery Infrastructure	Dignified Living	1 500 000	1 500 000	3 000 000	6 000 000
Parks and Cemeteries	New Cemetery: Klapmuts	Dignified Living	500 000	-	5 000 000	5 500 000
Parks and Cemeteries	Purchase of Equipment	Good Governance and Compliance	200 000	-	-	200 000
Community and Protection Services: General	Enlarge Office Space (Jan Marais Reserve)	Good Governance and Compliance	1 500 000	250 000	-	1 750 000
Community and Protection Services: General	Furniture, Tools and Equipment	Good Governance and Compliance	50 000	50 000	50 000	150 000
Community and Protection Services: General	Implementation of Ward Priorities	Good Governance and Compliance	2 025 000	-	-	2 025 000
Community Development	Furniture Tools and Equipment	Good Governance and Compliance	35 000	35 000	50 000	120 000
Community Development	SRD Vehicle	Valley of Possibility	300 000	-	-	300 000
Community Services: Library Services	Upgrading: Cloetesville Library	Valley of Possibility	1 000 000	-	-	1 000 000
Community Services: Library Services	Franschhoek: Furniture Tools and Equipment	Good Governance and Compliance	65 000	65 000	-	130 000
Community Services: Library Services	Pniel: Furniture, Tools and Equipment	Good Governance and Compliance	-	-	35 000	35 000
Community Services: Library Services	Idas Valley: Furniture, Tools and Equipment	Good Governance and Compliance	55 000	55 000	-	110 000
Community Services: Library Services	Libraries: CCTV	safe Valley	400 000	300 000	-	700 000
Community Services: Library Services	Libraries: Small Capital	Valley of Possibility	75 000	85 000	-	160 000
Community Services: Library Services	Library Books	Valley of Possibility	150 000	160 000	170 000	480 000
Community Services: Library Services	Plein Street: Furniture, Tools and Equipment	Good Governance and Compliance	60 000	-	-	60 000
Community Services: Library Services	Vehicles	Good Governance and Compliance	-	300 000	250 000	550 000
Community Services: Library Services	Upgrading: Kayamandi Library	Valley of Possibility	-	250 000	-	250 000
Community Services: Library Services	Cloetesville: Furniture, Tools and Equipment	Good Governance and Compliance	45 000	50 000	-	95 000
Community Services: Library Services	Groendal: Furniture Tools and Equipment	Good Governance and Compliance	65 000	75 000	-	140 000
Community Services: Library Services	Kayamandi: Furniture, Tools and Equipment	Good Governance and Compliance	45 000	-	-	45 000
Community Services: Library Services	Replacement of geysers	Good Governance and Compliance	-	-	100 000	100 000
Fire and Rescue Services	Specialized Vehicle	Safe Valley	2 500 000	800 000	-	3 300 000

Department	Name	Strategic Objectives	2019/2020	2020/2021	2021/2022	MTREF Total
Disaster Management	Vehicle Fleet	Good Governance and Compliance	400 000	-	-	400 000
Environmental Management: Nature Conservation	4x4 bakkie	Good Governance and Compliance	-	-	400 000	400 000
Environmental Management: Nature Conservation	Specialized Vehicle	Green and Sustainable Valley	-	-	1 100 000	1 100 000
Environmental Management: Nature Conservation	Workshop : FTE	Good Governance and Compliance	100 000	100 000	100 000	300 000
Environmental Management: Nature Conservation	Vehicle Fleet	Good Governance and Compliance	-	-	800 000	800 000
Environmental Management: Nature Conservation	Upgrading of Jonkershoek Picnic Site	Good Governance and Compliance	750 000	2 000 000	-	2 750 000
Environmental Management: Nature Conservation	Air and Noise Control: FTE	Green and Sustainable Valley	10 000	20 000	20 000	50 000
Environmental Management: Nature Conservation	Papegaaiberg Nature Reserve	Green and Sustainable Valley	2 000 000	1 000 000	-	3 000 000
Environmental Management: Nature Conservation	Mont Rochelle Nature Reserve: Upgrade of Facilities.	Green and Sustainable Valley	1 500 000	-	-	1 500 000
Parks and Cemeteries	Urban Greening: Beautification: Main Routes and Tourist Routes	Green and Sustainable Valley	150 000	150 000	250 000	550 000
Parks and Cemeteries	Irrigation Systems	Green and Sustainable Valley	-	-	100 000	100 000
Parks and Cemeteries	Storage Containers: Fertilisers & Pesticides.	Green and Sustainable Valley	35 000	-	-	35 000
Environmental Management: Urban Greening	Vehicle Fleet	Good Governance and Compliance	-	-	350 000	350 000
Fire and Rescue Services	Major Fire Pumper	Safe Valley	4 500 000	-	-	4 500 000
Fire and Rescue Services	Upgrading of Stellenbosch Fire Station	Safe Valley	5 000 000	-	-	5 000 000
Fire and Rescue Services	Furniture, Tools and Equipment	Good Governance and Compliance	100 000	-	-	100 000
Fire and Rescue Services	Hydraulic Ladder Fire Truck	Safe Valley	12 000 000	-	-	12 000 000
Fire and Rescue Services	Rescue equipment	Safe Valley	300 000	300 000	-	600 000
Recreation, Sports Grounds & Halls	Upgrading of Halls	Valley of Possibility	-	-	250 000	250 000
Recreation, Sports Grounds & Halls	Vehicle Fleet	Good Governance and Compliance	-	-	250 000	250 000
Recreation, Sports Grounds & Halls	Furniture, Tools and Equipment	Good Governance and Compliance	250 000	250 000	200 000	700 000
Law Enforcement and Security	Install Computerized Access Security Systems and CCTV Cameras At Municipal Buildings	Safe Valley	1 000 000	950 000	950 000	2 900 000
Law Enforcement and Security	Law Enforcement Tools and Equipment	Safe Valley	600 000	350 000	350 000	1 300 000
Law Enforcement and Security	Law Enforcement: Vehicle Fleet	Safe Valley	2 000 000	2 500 000	1 000 000	5 500 000
Law Enforcement and Security	Security Upgrades	Safe Valley	200 000	250 000	250 000	700 000

Department	Name	Strategic Objectives	2019/2020	2020/2021	2021/2022	MTREF Total
Law Enforcement and Security	Furniture Tools and Equipment	Good Governance and Compliance	350 000	300 000	300 000	950 000
Law Enforcement and Security	Pound Upgrade	Safe Valley	-	-	1 000 000	1 000 000
Law Enforcement and Security	Install and Upgrade CCTV Cameras In WC024	Safe Valley	1 000 000	1 500 000	1 500 000	4 000 000
Parks and Cemeteries	Furniture, Tools and Equipment	Good Governance and Compliance	50 000	50 000	50 000	150 000
Parks and Cemeteries	Purchase of Specialised Vehicles	Good Governance and Compliance	2 000 000	1 000 000	1 000 000	4 000 000
Parks and Cemeteries	Upgrading of Parks	Green and Sustainable Valley	2 350 000	1 650 000	1 650 000	5 650 000
Parks and Cemeteries	Landscaping of Circles in Stellenbosch	Green and Sustainable Valley	-	-	150 000	150 000
Parks and Cemeteries	Purchase of Specialised Equipment	Good Governance and Compliance	100 000	-	-	100 000
Parks and Cemeteries	River developement	Green and Sustainable Valley	-	-	250 000	250 000
Parks and Cemeteries	Integrated Parks	Green and Sustainable Valley	5 000 000	-	-	5 000 000
Parks and Cemeteries	Artificial grass on parks and gardens	Green and Sustainable Valley	-	-	300 000	300 000
Parks and Cemeteries	Fencing on Various Parks and Gardens	Green and Sustainable Valley	-	-	200 000	200 000
Parks and Cemeteries	Pathways on Parks & gardens	Green and Sustainable Valley	50 000	-	100 000	150 000
Parks and Cemeteries	Spray/Water Parks	Green and Sustainable Valley	1 000 000	5 000 000	1 000 000	7 000 000
Recreation, Sports Grounds & Halls	Vehicle Fleet	Good Governance and Compliance	250 000	250 000	-	500 000
Recreation, Sports Grounds & Halls	Recreational Equipment Sport	Valley of Possibility	80 000	-	-	80 000
Recreation, Sports Grounds & Halls	Sight Screens/Pitch Covers Sports Grounds	Valley of Possibility	200 000	-	-	200 000
Recreation, Sports Grounds & Halls	Upgrade of Irrigation System	Green and Sustainable Valley	-	-	200 000	200 000
Recreation, Sports Grounds & Halls	Furniture, Tools and equipment	Good Governance and Compliance	100 000	-	-	100 000
Recreation, Sports Grounds & Halls	Sport: Community Services Special Equipment	Valley of Possibility	200 000	-	-	200 000
Recreation, Sports Grounds & Halls	Upgrade of Sport Facilities	Valley of Possibility	4 000 000	3 000 000	3 000 000	10 000 000
Recreation, Sports Grounds & Halls	Upgrade of swimming pool	Valley of Possibility	2 000 000	500 000	-	2 500 000
Recreation, Sports Grounds & Halls	Upgrading of Tennis Courts: Idas Valley & Cloetesville	Valley of Possibility	550 000	-	-	550 000
Recreation, Sports Grounds & Halls	Borehole: Rural Sportsgrounds	Green and Sustainable Valley	550 000	550 000	550 000	1 650 000

Department	Name	Strategic Objectives	2019/2020	2020/2021	2021/2022	MTREF Total
Recreation, Sports Grounds & Halls	Fencing: Sport Grounds (WC024)	Valley of Possibility	1 000 000	1 000 000	1 000 000	3 000 000
Recreation, Sports Grounds & Halls	Upgrading of Lanquedoc Sports Grounds	Valley of Possibility	600 000	-	-	600 000
Traffic Services	Mobile Radios	Safe Valley	200 000	200 000	200 000	600 000
Traffic Services	Furniture, Tools and Equipment	Good Governance and Compliance	300 000	200 000	200 000	700 000
Traffic Services	Replacement of Patrol Vehicles	Safe Valley	920 000	1 200 000	-	2 120 000
			64 315 000	28 245 000	27 675 000	120 235 000

**CAPITAL BUDGET 2019 - 2022
CORPORATE SERVICES**

Department	Name	Strategic Objectives	2019/2020	2020/2021	2021/2022	MTREF Total
Corporate Services: General	Implementation of Ward Priorities	Good Governance and Compliance	320 000			320 000
Properties and Municipal Building Maintenance	New Community Hall Klampmuts	Valley of Possibility	1 000 000	-	-	1 000 000
Properties and Municipal Building Maintenance	Structural Improvement: General	Dignified Living	1 000 000	1 000 000	1 500 000	3 500 000
Properties and Municipal Building Maintenance	Structural Upgrade: Heritage Building	Valley of Possibility	500 000	500 000	200 000	1 200 000
Properties and Municipal Building Maintenance	Upgrading Fencing	Valley of Possibility	300 000	300 000	300 000	900 000
Properties and Municipal Building Maintenance	Structural Upgrading: Community Hall Lamotte	Valley of Possibility	1 700 000	300 000	-	2 000 000
Properties and Municipal Building Maintenance	Furniture Tools and Equipment: Property Management	Valley of Possibility	250 000	250 000	250 000	750 000
Properties and Municipal Building Maintenance	Flats: Interior Upgrading	Dignified Living	3 000 000	1 500 000	-	4 500 000
Properties and Municipal Building Maintenance	Rebuild: Kleine Libertas Theatre	Valley of Possibility	4 000 000	5 000 000	3 000 000	12 000 000
Properties and Municipal Building Maintenance	Structural improvements at the Van der Stel Sport grounds	Valley of Possibility	200 000	1 000 000	1 000 000	2 200 000
Properties and Municipal Building Maintenance	Flats: Cloetesville Fencing	Safe Valley	-	-	100 000	100 000
Properties and Municipal Building Maintenance	Upgrading of Eike Town Town Hall	Valley of Possibility	1 000 000	2 000 000	-	3 000 000
Properties and Municipal Building Maintenance	Upgrading of Traffic Offices: Stellenbosch	Good Governance and Compliance	2 000 000	6 000 000	2 000 000	10 000 000
Properties and Municipal Building Maintenance	La Motte Clubhouse	Valley of Possibility	3 700 000	300 000	-	4 000 000
Properties and Municipal Building Maintenance	Public Ablution Facilities: Franschoek	Dignified Living	500 000	500 000	-	1 000 000
Properties and Municipal Building Maintenance	Upgrading of Stellenbosch Town Hall	Valley of Possibility	2 000 000	1 000 000	-	3 000 000
Properties and Municipal Building Maintenance	Kayamandi: Upgrading of Makapula Hall	Valley of Possibility	200 000	1 000 000	1 000 000	2 200 000
Properties and Municipal Building Maintenance	Upgrading of Community Facilities: Jonkershoek	Valley of Possibility	200 000	1 000 000	1 000 000	2 200 000
Properties and Municipal Building Maintenance	Purchasing of land	Dignified Living	77 500 000	-	-	77 500 000
Properties and Municipal Building Maintenance	Upgrade Millenium Hall Priel	Valley of Possibility	-	300 000	3 000 000	3 300 000
Properties and Municipal Building Maintenance	Idas Valley Community Hall	Valley of Possibility	-	-	500 000	500 000
Properties and Municipal Building Maintenance	Structural Improvement: Beltana	Valley of Possibility	-	500 000	10 000 000	10 500 000
Information and Communications Technology (ICT)	Purchase and Replacement of Computer/software and Peripheral devices	Good Governance and Compliance	500 000	500 000	600 000	1 600 000
Information and Communications Technology (ICT)	Public WI-FI Network	Good Governance and Compliance	600 000	600 000	600 000	1 800 000
Information and Communications Technology (ICT)	Upgrade and Expansion of IT Infrastructure Platforms	Good Governance and Compliance	4 500 000	4 000 000	4 000 000	12 500 000
			104 970 000	27 550 000	29 050 000	161 570 000

**CAPITAL BUDGET 2019 - 2022
FINANCIAL SERVICES**

Department	Name	Stategic Objectives	2019/2020	2020/2021	2021/2022	MTREF Total
Financial Services: General	Furniture, Tools and Equipment	Good Governance and Compliance	150 000	150 000	150 000	450 000
			150 000	150 000	150 000	450 000

O: LEGISLATION COMPLIANCE

Compliance with the MFMA implementation requirements has been substantially adhered to through the following activities:

- Budget and Treasury Office - A Budget Office and Treasury Office has been established in accordance with the MFMA.
- Budgeting - The annual budget is prepared in accordance with the requirements prescribed by National Treasury and the MFMA.
- Financial reporting - 100% compliance with regards to monthly, quarterly and annual reporting to the Executive Mayor, Mayoral Committee, Council, Provincial and National Treasury.
- Annual Report - The annual report is prepared in accordance with the MFMA and National Treasury requirements.

P: OTHER SUPPORTING DOCUMENTS

1. Additional information/schedules in accordance with the budget and reporting regulations:

- SA1 - Supporting detail to Budgeted Financial Performance
- SA2 - Matrix Financial Performance Budget (revenue source/expenditure type and type)
- SA3 - Supporting detail to Budgeted Financial Position
- SA4 - Reconciliation of IDP strategic objectives and budget (revenue)
- SA5 - Reconciliation of IDP strategic objectives and budget (operational expenditure)
- SA6 - Reconciliation of IDP strategic objectives and budget (capital expenditure)
- SA7 - Measurable Performance Objectives
- SA8 - Performance indicators and benchmarks
- SA9 - Social, economic and demographic statistics and assumptions
- SA10 - Funding measurement
- SA11 - Property Rates Summary
- SA12a- Property rates by category (2018/2019)
- SA12b- Property rates by category (2019/2020)
- SA13a Service Tariffs by category
- SA13b Service Tariffs by category-explanatory
- SA14 - Household bills
- SA15 - Investment particulars by type
- SA16 - Investment particulars by maturity
- SA17 - Borrowing
- SA18 - Transfers and grant receipts
- SA19 - Expenditure on transfers and grant programme
- SA20 - Reconciliation of transfers grant receipts and unspent funds
- SA21 - Transfers and grants made by the municipality
- SA22 - Summary councillor and staff benefits
- SA23 - Salaries, allowances & benefits (political office bearers/councillors/senior managers)
- SA24 - Summary of personnel numbers
- SA25 - Consolidated budgeted monthly revenue and expenditure
- SA26 - Budgeted monthly revenue and expenditure (municipal vote)

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- SA27 - Budgeted monthly revenue and expenditure (functional classification)
 - SA28 - Budgeted monthly capital expenditure (municipal vote)
 - SA29 - Budgeted monthly capital expenditure (functional classification)
 - SA30 - Budgeted monthly cash flow
 - SA31 - Not applicable
 - SA32 - List of external mechanism
 - SA33 - Contracts having future budgetary implications
 - SA34a- Capital expenditure on new asset class
 - SA34b- Capital expenditure on the renewal of existing assets by asset class
 - SA34c- Repairs and maintenance expenditure by asset class
 - SA34d- Depreciation by asset class
 - SA34e- Capital expenditure on the upgrading of existing assets by asset class
 - SA35 - Future financial implications of the capital budget
 - SA36 - Detailed Capital Budget
 - SA37 - Projects delayed from previous financial years
 - SA38 - Consolidated detailed operational projects

Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment		149 552	149 139	157 550	189 600	189 600	189 600	189 600	194 802	202 594	210 698
Lease amortisation		-	-	-	-	-	-	-	2 383	2 478	2 577
Capital asset impairment		-	-	-	9 218	9 218	9 218	9 218	9 772	10 359	10 981
Depreciation resulting from revaluation of PPE	10	-	-	-	-	-	-	-	-	-	-
Total Depreciation & asset impairment	1	149 552	149 139	157 550	198 819	198 819	198 819	198 819	206 956	215 430	224 255
Bulk purchases											
Electricity Bulk Purchases		304 376	323 673	313 553	339 872	339 872	339 872	339 872	375 842	405 909	438 382
Water Bulk Purchases		20 401	24 155	16 129	43 410	43 410	43 410	43 410	30 616	35 678	41 245
Total bulk purchases	1	324 777	347 828	329 682	383 282	383 282	383 282	383 282	406 458	441 586	479 627
Transfers and grants											
Cash transfers and grants		6 216	6 933	6 261	9 102	9 102	9 102	9 102	10 049	10 628	11 242
Non-cash transfers and grants		-	-	-	-	-	-	-	-	-	-
Total transfers and grants	1	6 216	6 933	6 261	9 102	9 102	9 102	9 102	10 049	10 628	11 242
Contracted services											
<i>Outsourced Services</i>		-	44 938	39 198	34 018	53 115	53 115	53 115	77 468	82 661	88 385
<i>Consultants and Professional Services</i>		-	43 122	26 014	120 415	125 723	125 723	125 723	30 860	34 164	33 709
<i>Contractors</i>		-	61 098	57 799	65 863	72 237	72 237	72 237	123 641	132 704	141 785
sub-total	1	-	149 158	123 010	220 297	251 074	251 074	251 074	231 969	249 529	263 878
Allocations to organs of state:		-	-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-	-
Other		49 621	-	-	-	-	-	-	-	-	-
Total contracted services		49 621	149 158	123 010	220 297	251 074	251 074	251 074	231 969	249 529	263 878
Other Expenditure By Type											
Collection costs		-	-	-	-	-	-	-	2 940	3 087	3 241
Contributions to 'other' provisions		-	-	-	-	-	-	-	38 574	9 164	9 707
Consultant fees		-	-	-	-	-	-	-	-	-	-
Audit fees		-	-	-	-	-	-	-	6 275	6 540	6 816
General expenses	3	242 620	134 189	201 199	-	-	-	-	-	-	-
Other Expenditure		-	-	-	170 316	165 293	165 293	165 293	-	-	-
Communication		-	-	-	-	-	-	-	-	-	-
Advertising, Publicity and Marketing		-	-	-	-	-	-	-	-	-	-
Travel and Subsistence		-	-	-	-	-	-	-	-	-	-
External Computer Service		-	-	-	-	-	-	-	12 771	13 188	14 512
Entertainment		-	-	-	-	-	-	-	446	487	529
Operating Leases		-	-	-	-	-	-	-	18 416	20 043	21 820
Statutory Payments other than Tax		-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Operational Cost		-	-	-	-	-	-	-	97 268	135 505	147 792
Gains and Losses : Losses		-	-	-	-	-	-	-	-	-	-
Total 'Other' Expenditure	1	242 620	134 189	201 199	170 316	165 293	165 293	165 293	176 689	188 014	204 417
by Expenditure Item											
Employee related costs	8	-	-	-	-	-	-	-	-	-	-
Other materials		-	-	-	-	-	-	-	-	-	-
Contracted Services		-	-	-	-	-	-	-	-	-	-
Other Expenditure		-	-	-	91 427	91 427	91 427	91 427	91 240	97 216	102 533
Total Repairs and Maintenance Expenditure	9	-	-	-	91 427	91 427	91 427	91 427	91 240	97 216	102 533

WC024 Stellenbosch - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 1 - Office of the Municipal Manager	Vote 2 - Planning and Development Services	Vote 3 - Infrastructure Services	Vote 4 - Community and Protection Services	Vote 5 - Corporate Services	Vote 6 - Financial Services	Vote 6 - Financial Services	Total
R thousand	1								
Revenue By Source									
Property rates		-	-	-	-	-	356 122		356 122
Service charges - electricity revenue		-	-	639 886	-	-	-		639 886
Service charges - water revenue		-	-	201 975	-	-	-		201 975
Service charges - sanitation revenue		-	-	113 503	-	-	-		113 503
Service charges - refuse revenue		-	-	69 225	-	-	-		69 225
Rental of facilities and equipment	1		487	7 500	1 386	9 457	-		18 831
Interest earned - external investments		-	-	-	-	-	44 171		44 171
Interest earned - outstanding debtors		-	9 667	1	1 176	-	427		11 270
Dividends received		-	-	-	-	-	-		-
Fines, penalties and forfeits		-	125	-	108 103	29	3		108 260
Licences and permits		-	-	5 217	-	181	-		5 398
Agency services		-	-	-	2 852	-	-		2 852
Other revenue	7		6 231	1 595	24 253	729	2 000		34 815
Transfers and subsidies		380	12 035	106 564	5 403	-	47 957		172 339
Gains on disposal of PPE		-	-	-	-	-	-		-
Total Revenue (excluding capital transfers and contribution)		387	28 545	1 145 465	143 174	10 396	450 680	-	1 778 647
Expenditure By Type									
Employee related costs		36 737	67 358	153 317	175 194	78 213	92 449	-	603 268
Remuneration of councillors		-	-	-	-	19 936	-	-	19 936
Debt impairment		-	4 537	14 972	50 857	-	1 701	-	72 067
Depreciation & asset impairment		1 857	3 454	170 778	12 210	15 850	2 808	-	206 956
Finance charges		-	-	39 877	-	-	-	-	39 877
Bulk purchases		-	-	406 458	-	-	-	-	406 458
Other materials		361	2 443	18 577	11 018	1 906	685	-	34 990
Contracted services		5 530	11 654	129 845	58 529	18 157	14 242	-	237 957
Transfers and subsidies		-	8 536	-	1 513	-	-	-	10 049
Other expenditure		7 773	10 898	38 183	48 605	49 992	21 239	-	176 689
Loss on disposal of PPE		-	-	-	-	-	-	-	-
Total Expenditure		52 258	108 879	972 006	357 926	184 055	133 124	-	1 808 247
Surplus/(Deficit)		(51 870)	(80 334)	173 459	(214 752)	(173 659)	317 556	-	(29 600)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		-	67 500	51 060	4 528	-	18 000	-	141 088
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(51 870)	(12 834)	224 519	(210 224)	(173 659)	335 556	-	111 488

WC024 Stellenbosch - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand											
ASSETS											
<u>Call investment deposits</u>											
Call deposits		-	-	-	-	-	-	-	-	-	-
Other current investments		480 000	322 475	505 618	417 496	405 173	405 173	405 173	323 254	301 256	300 562
Total Call investment deposits	2	480 000	322 475	505 618	417 496	405 173	405 173	405 173	323 254	301 256	300 562
<u>Consumer debtors</u>											
Consumer debtors		181 303	181 445	251 589	241 728	241 728	241 728	241 728	263 296	276 015	287 033
Less: Provision for debt impairment		68 286	61 387	65 237	75 926	75 926	75 926	75 926	114 500	155 129	199 298
Total Consumer debtors	2	249 588	242 833	316 826	165 802	165 802	165 802	317 655	148 796	120 887	87 735
<u>Debt impairment provision</u>											
Balance at the beginning of the year		69 436	68 286	61 387	55 917	55 917	55 917	55 917	75 926	75 926	75 926
Contributions to the provision		(1 150)	(6 898)	3 850	-	-	-	-	-	-	-
Bad debts written off		-	-	-	20 009	20 009	20 009	20 009	38 574	40 629	44 170
Balance at end of year		68 286	61 387	65 237	75 926	75 926	75 926	75 926	114 500	116 555	120 096
<u>Property, plant and equipment (PPE)</u>											
PPE at cost/valuation (excl. finance leases)		5 215 458	5 608 774	6 036 597	6 621 348	6 656 858	6 656 858	6 656 858	7 201 635	7 595 917	7 997 855
Leases recognised as PPE		-	-	-	-	-	-	-	-	-	-
Less: Accumulated depreciation		1 038 237	1 180 600	1 326 321	1 544 736	1 544 736	1 544 736	1 544 736	1 733 062	1 935 186	2 145 395
Total Property, plant and equipment (PPE)	2	4 177 221	4 428 174	4 710 275	5 076 612	5 112 122	5 112 122	5 112 122	5 468 573	5 660 732	5 852 460
LIABILITIES											
<u>Current liabilities - Borrowing</u>											
Short term loans (other than bank overdraft)		-	-	-	-	-	-	-	-	-	-
Current portion of long-term liabilities		11 908	13 084	14 502	15 245	15 245	15 245	15 245	26 311	31 078	34 163
Total Current liabilities - Borrowing		11 908	13 084	14 502	15 245	15 245	15 245	15 245	26 311	31 078	34 163
<u>Trade and other payables</u>											
Trade Payables		204 034	282 087	239 904	241 570	241 570	241 570	241 570	254 131	267 855	282 319
Other Creditors		-	-	-	-	-	-	-	-	-	-
Unspent conditional transfers		45 953	88 493	101 603	-	-	-	-	-	-	-
VAT		-	-	-	-	-	-	-	-	-	-
Total Trade and other payables	2	249 987	370 581	341 506	241 570	241 570	241 570	241 570	254 131	267 855	282 319
<u>Non current liabilities - Borrowing</u>											
Borrowing		186 386	173 302	158 800	321 540	321 540	321 540	321 540	449 591	538 513	604 350
Finance leases (including PPP asset element)		-	-	-	-	-	-	-	-	-	-
Total Non current liabilities - Borrowing	4	186 386	173 302	158 800	321 540	321 540	321 540	321 540	449 591	538 513	604 350
<u>Provisions - non-current</u>											
Retirement benefits		228 569	220 223	219 187	235 109	235 109	235 109	235 109	247 335	260 691	274 768
List other major provision items		-	-	-	-	-	-	-	-	-	-
Refuse landfill site rehabilitation		76 283	78 169	79 165	44 570	44 570	44 570	44 570	46 888	49 420	52 089
Other		-	-	-	-	-	-	-	-	-	-
Total Provisions - non-current		304 852	298 392	298 352	279 680	279 680	279 680	279 680	294 223	310 111	326 857
CHANGES IN NET ASSETS											
<u>Accumulated Surplus/(Deficit)</u>											
Accumulated Surplus/(Deficit) - opening balance		4 536 998	4 685 548	4 917 704	5 397 764	5 406 680	5 406 680	5 406 680	5 425 970	5 591 263	5 669 960
GRAP adjustments		-	-	-	-	-	-	-	-	-	-
Restated balance		4 536 998	4 685 548	4 917 704	5 397 764	5 406 680	5 406 680	5 406 680	5 425 970	5 591 263	5 669 960
Surplus/(Deficit)		153 204	217 967	263 579	5 020	19 290	19 290	19 290	111 488	47 893	56 372
Appropriations to Reserves		-	-	-	-	-	-	-	-	-	-
Transfers from Reserves		-	-	-	-	-	-	-	-	-	-
Depreciation offsets		-	-	-	-	-	-	-	-	-	-
Other adjustments		-	-	-	-	-	-	-	53 805	30 804	32 742
Accumulated Surplus/(Deficit)	1	4 690 202	4 903 515	5 181 283	5 402 784	5 425 970	5 425 970	5 425 970	5 591 263	5 669 960	5 759 074
<u>Reserves</u>											
Housing Development Fund		-	-	-	-	-	-	-	-	-	-
Capital replacement		-	-	-	-	-	-	-	-	-	-
Self-insurance		-	-	-	-	-	-	-	-	-	-
Other reserves		-	-	-	-	-	-	-	-	-	-
Revaluation		-	-	-	-	-	-	-	-	-	-
Total Reserves	2	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	4 690 202	4 903 515	5 181 283	5 402 784	5 425 970	5 425 970	5 425 970	5 591 263	5 669 960	5 759 074
Total capital expenditure includes expenditure on nationally significant priorities:											
Provision of basic services		-	-	-	-	-	-	-	-	-	-

WC024 Stellenbosch - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand												
Green and Sustainable Valley	Green and Sustainable Valley			63 756	69 840	106 145	87 039	87 039	87 039	92 235	97 456	103 246
Valley of Possibility	Valley of Possibility			826 123	891 183	890 588	998 544	1 013 089	1 013 089	1 166 851	1 176 660	1 258 584
Dignified Living	Dignified Living			85 340	68 830	77 354	86 927	86 927	86 927	89 235	94 678	99 765
Safe Valley	Safe Valley			105 102	112 374	116 610	115 958	115 958	115 958	120 736	127 451	134 764
Good Governance and Compliance	Good Governance and Compliance			332 645	390 452	419 217	432 882	435 382	435 382	450 678	476 908	508 366
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	1 412 966	1 532 679	1 609 913	1 721 350	1 738 394	1 738 394	1 919 735	1 973 154	2 104 724

WC024 Stellenbosch - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22	
R thousand													
Green and Sustainable Valley	Green and Sustainable Valley			74 772	79 824	148 521	127 873	127 873	127 873	134 693	142 684	148 675	
Valley of Possibility	Valley of Possibility			647 567	679 885	558 757	879 770	882 544	882 544	929 325	1 000 659	1 059 812	
Dignified Living	Dignified Living			123 490	111 736	144 272	166 758	166 758	166 758	175 098	184 028	191 076	
Safe Valley	Safe Valley			175 675	179 051	227 413	248 251	248 251	248 251	260 235	274 792	301 690	
Good Governance and Compliance	Good Governance and Compliance			238 256	264 216	267 371	293 678	293 678	293 678	308 896	323 099	347 098	
Allocations to other priorities													
Total Expenditure				1	1 259 761	1 314 712	1 346 334	1 716 330	1 719 104	1 719 104	1 808 247	1 925 262	2 048 352

WC024 Stellenbosch - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand												
Green and Sustainable Valley	Green and Sustainable Valley	A		23 731	23 731	19 856	10 535	12 590	12 590	63 780	43 915	43 815
Valley of Possibility	Valley of Possibility	B		21 020	21 028	28 935	381 784	423 353	423 353	242 601	236 099	266 895
Dignified Living	Dignified Living	C		281 694	341 861	362 590	99 042	85 632	85 632	182 362	94 977	85 321
Safe Valley	Safe Valley	D		15 560	18 566	10 596	30 145	34 125	34 125	39 820	14 650	7 750
Good Governance and Compliance	Good Governance and Compliance	E		6 015	5 017	11 705	6 535	7 850	7 850	29 715	24 972	22 557
		P										
Allocations to other priorities			3									
Total Capital Expenditure			1	348 019	410 203	433 682	528 041	563 550	563 550	558 277	414 613	426 338

WC024 Stellenbosch - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Vote 1 - Municipal Manager										
Function 1 - Budget Performance										
Sub-function 1 - Capital Expenditure		36 051	148 801	32 557	85 000	285 000	285 000	285 000	35 000	40 000
<i>Insert measure/s description</i>										
Sub-function 2 - Operational Expenditure		8 238 911	17 254 619	18 393 857	30 232 351	33 607 414	33 607 414	52 257 775	53 488 863	55 780 101
<i>Insert measure/s description</i>										
Sub-function 3 - Operational Revenue		-	-	-	360 000	360 000	360 000	387 360	416 799	448 476
<i>Insert measure/s description</i>										
Vote 2 - Planning and Development Services										
Function 1 - Budget Performance										
Sub-function 1 - Capital Expenditure		1 315 413	2 860 286	5 570 904	13 030 000	13 517 538	13 517 538	13 517 538	9 950 000	5 001 600
<i>Insert measure/s description</i>										
Sub-function 2 - Operational Expenditure		35 427 645	56 227 204	55 540 580	104 508 518	118 915 222	118 915 222	109 278 726	112 576 917	120 939 194
<i>Insert measure/s description</i>										
Sub-function 3 - Operational Revenue		6 422 798	10 266 502	11 227 770	71 543 195	89 260 819	89 260 819	96 044 641	103 344 034	111 198 181
<i>Insert measure/s description</i>										
Vote 3 - Human Settlements										
Function 1 - Budget Performance										
Sub-function 1 - Capital Expenditure		27 822 003	36 410 428							
<i>Insert measure/s description</i>										
Sub-function 2 - Operational Expenditure		75 822 801	65 441 660							
<i>Insert measure/s description</i>										
Sub-function 3 - Operational Revenue		59 713 665	38 679 360							
<i>Insert measure/s description</i>										
Vote 4 - Community & Protection										
Function 1 - Budget Performance										
Sub-function 1 - Capital Expenditure		14 904 068	19 302 239	337 743 802	52 690 000	45 902 450	45 902 450	45 902 450	64 315 000	28 245 000
<i>Insert measure/s description</i>										
Sub-function 2 - Operational Expenditure		228 451 039	261 992 054	736 873 119	370 026 172	364 119 842	364 119 842	357 525 777	379 804 910	404 175 565
<i>Insert measure/s description</i>										
Sub-function 3 - Operational Revenue		117 022 448	126 660 294	147 486 883	137 269 341	137 269 341	137 269 341	147 701 811	158 927 149	171 005 612
<i>Insert measure/s description</i>										
Vote 5 - Infrastructure services										
Function 1 - Budget Performance										
Sub-function 1 - Capital Expenditure		297 722 194	347 392 959	80 696 265	431 440 751	470 553 955	470 553 955	470 553 955	378 857 056	353 625 915
<i>Insert measure/s description</i>										
Sub-function 2 - Operational Expenditure		791 659 110	727 774 390	61 463 447	939 734 241	912 529 941	912 529 941	972 005 815	1 046 404 189	1 115 437 235
<i>Insert measure/s description</i>										
Sub-function 3 - Operational Revenue		883 729 455	968 043 473	36 445 615	1 077 892 328	1 064 407 034	1 064 407 034	1 196 524 526	1 200 828 032	1 283 093 310
<i>Insert measure/s description</i>										
Vote 5 - Corporate services										
Function 1 - Budget Performance										
Sub-function 1 - Capital Expenditure		4 931 170	3 934 279	5 950 664	30 081 869	32 391 287	32 391 287	38 859 418	103 970 000	27 950 000
<i>Insert measure/s description</i>										
Sub-function 2 - Operational Expenditure		81 672 533	114 053 416	302 208 434	175 476 943	176 481 880	176 481 880	184 054 859	195 929 917	209 548 123
<i>Insert measure/s description</i>										
Sub-function 3 - Operational Revenue		1 540 410	2 090 375	-	360 000	360 000	360 000	387 360	416 799	448 476
<i>Insert measure/s description</i>										
Vote 7 - Financial services										
Function 1 - Budget Performance										
Sub-function 1 - Capital Expenditure		1 288 598	154 201	446 150	450 000	900 000	900 000	900 000	150 000	150 000
<i>Insert measure/s description</i>										
Sub-function 2 - Operational Expenditure		38 489 209	96 539 452	115 809 302	96 351 921	113 450 151	113 450 151	133 124 272	137 056 848	142 471 654
<i>Insert measure/s description</i>										
Sub-function 3 - Operational Revenue		344 536 819	405 271 470	3 809 785	422 123 138	437 435 138	437 435 138	468 680 208	498 451 904	526 942 249
<i>Insert measure/s description</i>										
And so on for the rest of the Votes										

1. Include a measurable performance objective for each revenue source (within a relevant function) and each vote (MFMA s17(3)(b))

WC024 Stellenbosch - Entities measureable performance objectives

Description	Unit of measurement	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Entity 1 - (name of entity) <i>Insert measure/s description</i>										
Entity 2 - (name of entity) <i>Insert measure/s description</i>										
Entity 3 - (name of entity) <i>Insert measure/s description</i>										
And so on for the rest of the Entities										

WC024 Stellenbosch - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	2.5%	2.4%	2.4%	2.4%	2.1%	2.1%	2.1%	3.4%	4.2%	4.8%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	2.7%	2.4%	2.3%	2.8%	2.4%	2.4%	2.4%	3.8%	4.7%	5.3%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	20.4%	0.0%	0.0%	36.7%	35.0%	35.0%	35.0%	38.4%	35.2%	28.8%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity											
Current Ratio	Current assets/current liabilities	3.2	2.4	2.2	2.5	2.5	2.5	2.5	2.2	2.1	1.9
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	3.2	2.4	2.2	2.5	2.5	2.5	2.5	2.2	2.1	1.9
Liquidity Ratio	Monetary Assets/Current Liabilities	1.9	1.4	1.3	1.3	1.3	1.3	1.3	1.1	1.0	0.9
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		99.3%	95.7%	92.8%	96.0%	96.0%	96.0%	96.0%	96.9%	97.5%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		100.2%	95.8%	92.5%	96.0%	96.0%	96.0%	96.0%	96.9%	97.5%	97.5%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	28.9%	28.8%	21.8%	21.5%	21.4%	21.4%	21.4%	20.2%	19.0%	17.9%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))	97.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
Creditors to Cash and Investments		159.2%	94.2%	1040.2%	57.0%	55.7%	55.7%	55.7%	68.7%	74.3%	84.1%
Other Indicators											
	Total Volume Losses (kW)	30935978	23530743	30935978	30935978	30935978	30935978	30935978	21177668.7	21177668.7	21177668.7
	Total Cost of Losses (Rand '000)										
Electricity Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated	0	0	-	-	-	-	-	-	-	-
	Total Volume Losses (kℓ)	3 215	2 648	3 215	3 215	3 215	3 215	3 215	2 384	2 384	2 384
	Total Cost of Losses (Rand '000)	0	0	0	0	0	0	0	0	0	0
Water Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated	0	0	-	-	-	-	-	-	-	-
Employee costs	Employee costs/(Total Revenue - capital revenue)	28.1%	28.7%	29.0%	34.8%	33.6%	33.6%	33.6%	33.9%	33.1%	32.8%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	29.3%	29.7%	30.1%	35.9%	34.8%	34.8%	34.8%	35.0%	34.2%	33.9%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	4.2%	4.1%	2.8%	5.6%	5.6%	5.6%	5.6%	5.1%	5.1%	5.1%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	13.0%	11.8%	11.5%	13.8%	13.4%	13.4%	13.4%	13.9%	14.2%	14.4%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	17.4	19.1	19.7	20.9	20.9	20.9	19.3	21.5	21.5	23.1
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	37.6%	36.9%	28.0%	27.0%	27.3%	27.3%	27.3%	25.4%	23.6%	22.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1.6	3.3	0.3	3.7	3.8	3.8	3.8	3.1	2.8	2.4

WC024 Stellenbosch - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2015/16	2016/17	2017/18	Current Year 2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population		Statistics South Africa	119	201	156	171	174	184	195	207	207	207
Females aged 5 - 14		Statistics South Africa	10	18	11	12	12	13	14	15	15	15
Males aged 5 - 14		Statistics South Africa	10	16	11	12	13	13	14	15	15	15
Females aged 15 - 34		Statistics South Africa	26	39	33	36	38	40	42	45	45	45
Males aged 15 - 34		Statistics South Africa	24	42	33	36	37	39	42	44	44	44
Unemployment		Statistics South Africa	9	16	10	11	12	12	13	14	14	14
Monthly household income (no. of households)												
No income	1, 12	Statistics South Africa, regional economic growth	6 897	3 557	8 961	9 820	10 124	10 731	11 375	12 058	12 299	12 545
R1 - R1 600		Statistics South Africa, regional economic growth	1 095	245	914	2 065	2 093	2 219	2 352	2 493	2 543	2 594
R1 601 - R3 200		Statistics South Africa, regional economic growth	2 731	1 126	1 517	1 614	1 666	1 766	1 872	1 984	2 024	2 065
R3 201 - R6 400		Statistics South Africa, regional economic growth	4 833	3 728	4 415	4 699	4 849	5 140	5 448	5 775	5 891	6 009
R6 401 - R12 800		Statistics South Africa, regional economic growth	6 662	4 484	7 160	7 620	7 864	8 336	8 836	9 366	9 553	9 744
R12 801 - R25 600		Statistics South Africa, regional economic growth	5 630	6 463	6 742	7 176	7 406	7 850	8 321	8 821	8 997	9 177
R25 601 - R51 200		Statistics South Africa, regional economic growth	3 750	4 144	4 994	5 316	5 486	5 815	6 164	6 534	6 665	6 799
R52 201 - R102 400		Statistics South Africa, regional economic growth	2 099	2 578	3 671	3 907	4 032	4 274	4 530	4 802	4 898	4 996
R102 401 - R204 800		Statistics South Africa, regional economic growth	855	1 680	2 874	3 058	3 156	3 345	3 546	3 759	3 834	3 911
R204 801 - R409 600		Statistics South Africa, regional economic growth	260	69	1 432	1 523	1 572	1 666	1 766	1 872	1 910	1 948
R409 601 - R819 200		Statistics South Africa, regional economic growth	130	242	430	458	473	501	531	563	575	587
> R819 200		Statistics South Africa, regional economic growth	134	245	305	325	335	355	376	399	407	415
Poverty profiles (no. of households)												
< R2 060 per household per month	13		10 722	8 656	15 807	16824.00	17362.00	18403.72	19507.94	20678.42	21256.00	21850.00
Insert description	2					<R1600	<R1600	<R1600	<R1600	<R1600	<R1600	<R1600
Household/demographics (000)												
Number of people in municipal area		Statistics South Africa, regional population growth rate	118 803	200 524	155 718	171	176	187	198	210	210	210
Number of poor people in municipal area		Statistics South Africa, regional population growth rate										
Number of households in municipal area		Statistics South Africa, regional population growth rate	35 156	36 413	43 417	48	49	52	55	58	58	58
Number of poor households in municipal area		Statistics South Africa, regional population growth rate	10 722	8 656	15 807	17	18	19	20	21	21	21
Definition of poor household (R per month)						<R1600	<R1600	<R1600	<R1600	<R1600	<R1600	<R1600
Housing statistics												
Formal	3		23 634	32 918	32 620	35 749	36 857	39 068	41 413	43 897	46 531	49 323
Informal			11 522	3 495	10 796	11 832	12 199	12 931	13 707	14 529	15 401	16 325
Total number of households			35 156	36 413	43 417	47 581	49 056	51 999	55 119	58 426	61 932	65 648
Dwellings provided by municipality	4											
Dwellings provided by province/s												
Dwellings provided by private sector	5											
Total new housing dwellings			-	-	-	-	-	-	-	-	-	-

Economic	6											
Inflation/inflation outlook (CPIX)					5.6%	5.4%	5.3%	5.3%	5.2%	5.4%	5.4%	
Interest rate - borrowing					10.5%	11.0%	11.0%	10.5%	10.5%	10.5%	10.5%	
Interest rate - investment					6.5%	7.0%	8.0%	8.5%	8.5%	8.5%	8.5%	
Remuneration increases					6.9%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	
Consumption growth (electricity)					0.0%	0.0%	-1.0%	1.0%	1.0%	1.0%	1.0%	
Consumption growth (water)					0.0%	0.0%	0.5%	-1.0%	-1.0%	-1.0%	-1.0%	
Collection rates	7											
Property tax/service charges					98.0%	98.0%	97.0%	96.0%	96.0%	96.0%	96.0%	
Rental of facilities & equipment					83.0%	83.0%	83.0%	97.0%	97.0%	97.0%	97.0%	
Interest - external investments					100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
Interest - debtors					97.0%	97.0%	97.0%	96.0%	96.0%	96.0%	96.0%	
Revenue from agency services					100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

Detail on the provision of municipal services for A10

Total municipal services	Ref.		2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework			
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22	
		Household service targets (000)										
		<u>Water:</u>										
		Piped water inside dwelling	33 967	36 779	38 618	39 599	39 599	39 599	40 626	40 676	40 726	
		Piped water inside yard (but not in dwelling)	3 738	3 854	4 047	4 249	4 249	4 249	4 461	4 561	4 664	
8		Using public tap (at least min.service level)	6 623	6 828	7 169	4 528	4 528	4 528	4 778	4 878	4 980	
10		Other water supply (at least min.service level)	-	-	-	1 774	1 774	1 774	684	834	1 017	
		<i>Minimum Service Level and Above sub-total</i>	44 328	47 461	49 834	50 150	50 150	50 150	50 550	50 950	51 387	
9		Using public tap (< min.service level)	1 520	1 305	1 370	1 270	1 270	1 270	1 170	1 070	979	
10		Other water supply (< min.service level)	-	-	-	-	-	-	-	-	-	
		No water supply	304	292	307	257	257	257	207	157	119	
		<i>Below Minimum Service Level sub-total</i>	1 824	1 597	1 677	1 527	1 527	1 527	1 377	1 227	1 098	
		Total number of households	46 152	49 058	51 511	51 677	51 677	51 677	51 927	52 177	52 485	
		<u>Sanitation/sewerage:</u>										
		Flush toilet (connected to sewerage)	40 184	43 679	45 863	46 206	46 206	46 206	46 256	46 306	46 356	
		Flush toilet (with septic tank)	1 817	1 873	1 967	2 065	2 065	2 065	2 165	2 265	2 370	
		Chemical toilet	341	352	370	388	388	388	407	420	433	
		Pit toilet (ventilated)	222	229	240	150	150	150	50	-	-	
		Other toilet provisions (> min.service level)	1 103	1 137	1 194	1 468	1 468	1 468	1 898	2 236	2 633	
		<i>Minimum Service Level and Above sub-total</i>	43 667	47 270	49 634	50 277	50 277	50 277	50 777	51 227	51 792	
		Bucket toilet	1 172	1 172	1 231	900	900	900	800	700	613	
		Other toilet provisions (< min.service level)	177	182	191	150	150	150	50	-	-	
		No toilet provisions	550	434	456	350	350	350	300	250	208	
		<i>Below Minimum Service Level sub-total</i>	1 899	1 788	1 877	1 400	1 400	1 400	1 150	950	821	
		Total number of households	45 566	49 058	51 511	51 677	51 677	51 677	51 927	52 177	52 613	
		<u>Energy:</u>										
		Electricity (at least min.service level)	12 371	13 639	14 321	14 571	14 571	14 571	14 821	15 071	15 325	
		Electricity - prepaid (min.service level)	30 522	32 860	34 503	34 753	34 753	34 753	35 003	35 253	35 505	
		<i>Minimum Service Level and Above sub-total</i>	42 893	46 499	48 824	49 324	49 324	49 324	49 824	50 324	50 830	
		Electricity (< min.service level)	221	223	234	150	150	150	150	150	150	
		Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-	-	
		Other energy sources	2 490	2 336	2 453	2 203	2 203	2 203	1 953	1 703	1 485	

<u>Refuse:</u>									
Removed at least once a week	40 140	43 660	39 475	47 149	47 149	47 149	47 649	48 149	48 654
<i>Minimum Service Level and Above sub-total</i>	40 140	43 660	39 475	47 149	47 149	47 149	47 649	48 149	48 654
Removed less frequently than once a week	908	768	-	-	-	-	-	-	-
Using communal refuse dump	1 205	1 074	1 128	1 078	1 078	1 078	1 028	978	930
Using own refuse dump	2 188	2 256	2 369	2 200	2 200	2 200	2 100	2 000	1 905
Other rubbish disposal	817	842	884	800	800	800	750	700	653
No rubbish disposal	444	458	481	450	450	450	400	350	306
<i>Below Minimum Service Level sub-total</i>	5 562	5 398	4 862	4 528	4 528	4 528	4 278	4 028	3 794
Total number of households	45 702	49 058	44 337	51 677	51 677	51 677	51 927	52 177	52 448

WC024 Stellenbosch Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	128 187	299 431	23 062	423 733	433 363	433 363	433 363	370 118	360 418	335 687
Cash + investments at the yr end less applications - R'000	18(1)b	2	481 614	351 030	230 978	48 144	38 567	38 567	73 416	98 359	81 774	90 141
Cash year end/monthly employee/supplier payments	18(1)b	3	1.6	3.3	0.3	3.7	3.8	3.8	3.8	3.1	2.8	2.4
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	153 204	217 967	263 579	5 020	19 290	19 290	19 290	111 488	47 893	56 372
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	4.6%	2.0%	2.1%	(7.2%)	(6.0%)	(6.0%)	4.3%	2.1%	1.5%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	92.2%	87.1%	85.2%	90.1%	90.0%	90.0%	90.0%	91.7%	92.3%	92.4%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	8.5%	7.6%	4.1%	7.2%	7.2%	7.2%	7.2%	5.2%	5.1%	5.0%
Capital payments % of capital expenditure	18(1)c:19	8	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	20.4%	0.0%	0.0%	36.7%	35.0%	35.0%	35.0%	38.4%	35.2%	28.8%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								100.0%	100.0%	100.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	8.2%	(18.3%)	4.1%	0.0%	0.0%	0.0%	2.6%	0.5%	0.2%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	60.6%	(38.6%)	66.8%	0.0%	0.0%	0.0%	7.7%	6.8%	6.5%
R&M % of Property Plant & Equipment	20(1)(vi)	13	1.3%	1.3%	0.9%	1.8%	1.8%	1.8%	1.8%	1.7%	1.7%	1.8%
Asset renewal % of capital budget	20(1)(vi)	14	65.9%	39.8%	6.7%	7.0%	5.9%	5.9%	0.0%	6.1%	8.1%	11.5%

WC024 Stellenbosch - Supporting Table SA11 Property rates summary

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Valuation:										
Date of valuation:	1	02/07/2012								
Financial year valuation used		2014/2015	02/07/2012	02/07/2012	02/07/2012			02/07/2016		
Municipal by-laws s6 in place? (Y/N)	2	Y	2015/2016	Y	Y			Y		
Municipal/assistant valuer appointed? (Y/N)		Y	Y	Y	Y			Y		
Municipal partnership s38 used? (Y/N)			Y	N	N	N	N	N	N	N
No. of assistant valuers (FTE)	3	1	2	2	2	2	2	2	2	2
No. of data collectors (FTE)	3	7	8	8	8	8	8	8	8	8
No. of internal valuers (FTE)	3	-	-	-	-	-	-	-	-	-
No. of external valuers (FTE)	3	1	1	1	1	1	1	1	1	1
No. of additional valuers (FTE)	4	-	-	-	-	-	-	-	-	-
Valuation appeal board established? (Y/N)		Y	Y	Y	Y			Y		
Implementation time of new valuation roll (mths)		12	24	12	12			12		
No. of properties	5	30 072	32 363	33 403	33 403	33 403	33 403	34 750	34 750	34 750
No. of sectional title values	5	6 554	7 105	7 617	7 617	7 617	7 617	7 930	7 930	7 930
No. of unreasonably difficult properties s7(2)		-	-	-	-	-	-	-	-	-
No. of supplementary valuations		-	2	2	2	2	2	2	2	2
No. of valuation roll amendments		-	-	-	-	-	-	-	-	-
No. of objections by rate payers		-	-	-	-	-	-	-	-	-
No. of appeals by rate payers		-	-	-	-	-	-	-	-	-
No. of successful objections	8	-	-	-	-	-	-	-	-	-
No. of successful objections > 10%	8	-	-	-	-	-	-	-	-	-
Supplementary valuation		-	-	-	-	-	-	-	-	-
Public service infrastructure value (Rm)	5	0	0	33	33	33	33	33	33	33
Municipality owned property value (Rm)		0	0	1 161	1 161	1 161	1 161	1 161	1 161	1 161
Valuation reductions:										
Valuation reductions-public infrastructure (Rm)		10	10	33	33	33	33	33	33	33
Valuation reductions-nature reserves/park (Rm)		7	11	-	-	-	-	-	-	-
Valuation reductions-mineral rights (Rm)		-	-	-	-	-	-	-	-	-
Valuation reductions-R15,000 threshold (Rm)		338	365	382	382	382	382	382	382	382
Valuation reductions-public worship (Rm)		319	334	189	189	189	189	189	189	189
Valuation reductions-other (Rm)		-	-	2	2	2	2	2	2	2
Total valuation reductions:		675	721	605	605	605	605	605	605	605
Total value used for rating (Rm)	5	48 475	48 963	69 851	69 851	69 851	69 851	72 672	72 672	72 672
Total land value (Rm)	5	20 647	20 656	10 583	10 583	10 583	10 583	11 000	11 000	11 000
Total value of improvements (Rm)	5	27 664	28 233	59 873	59 873	59 873	59 873	62 300	62 300	62 300
Total market value (Rm)	5	48 311	48 889	70 456	70 456	70 456	70 456	73 300	73 300	73 300
Rating:										
Residential rate used to determine rate for other categories? (Y/N)	5	Y	Y	Y	Y			Y		
Differential rates used? (Y/N)		Y	Y	Y	Y			Y		
Limit on annual rate increase (s20)? (Y/N)			Y	Y	Y			Y		
Special rating area used? (Y/N)		N	Y	Y	Y			Y		
Phasing-in properties s21 (number)		0	0	0	0			0		
Rates policy accompanying budget? (Y/N)		Y	Y	Y	Y			Y		
Fixed amount minimum value (R'000)		80		80	80			200		
Non-residential prescribed ratio s19? (%)		0.0%		25.0%	25.0%			25.0%		
Rate revenue:										
Rate revenue budget (R '000)	6	298 586	297 495 800	345 900	345 900	345 900	345 900	388 653	388 653	388 653
Rate revenue expected to collect (R'000)	6	269 909		345 905	345 905	345 905	345 905	388 659	388 659	388 659
Expected cash collection rate (%)		96.0%	98.0%	97.0%	97.0%	97.0%	97.0%	97.0%	97.0%	97.0%
Special rating areas (R'000)	7	-	-	4 908	4 908	4 908	4 908	4 908	4 908	4 908
Rebates, exemptions - indigent (R'000)		1 324	1 174	3 467	3 467	3 467	3 467	3 467	3 467	3 467
Rebates, exemptions - pensioners (R'000)		2 083	2 694	3 635	3 635	3 635	3 635	3 635	3 635	3 635
Rebates, exemptions - bona fide farm. (R'000)		126	134	-	-	-	-	-	-	-
Rebates, exemptions - other (R'000)		27 425	24 643	28 793	28 793	28 793	28 793	28 793	28 793	28 793
Phase-in reductions/discounts (R'000)		-	-	-	-	-	-	-	-	-
Total rebates, exemptns, reductns, discs (R'000)		30 958	28 645	35 894	35 894	35 894	35 894	35 894	35 894	35 894

WC024 Stellenbosch - Supporting Table SA12a Property rates by category (current year)

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.	Small Holdings	Special Rating Areas	Agricultural
Current Year 2018/19																				
Valuation:																				
No. of properties		27 027	-	2 784	1 827	70	1 495	198	-	-	-	-	-	-	-	2	-	-	-	-
No. of sectional title property values		6 643	-	974	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of unreasonably difficult properties s7(2)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of supplementary valuations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplementary valuation (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of valuation roll amendments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of objections by rate-payers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of appeals by rate-payers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of appeals by rate-payers finalised		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of successful objections	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of successful objections > 10%	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Estimated no. of properties not valued		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Years since last valuation (select)		2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Frequency of valuation (select)		4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Method of valuation used (select)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Base of valuation (select)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Phasing-in properties s21 (number)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Combination of rating types used? (Y/N)		Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Flat rate used? (Y/N)		N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N
Is balance rated by uniform rate/variable rate?		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions:																				
Valuation reductions-public infrastructure (Rm)		-	-	-	-	-	-	33	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-nature reserves/park (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-mineral rights (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-R15,000 threshold (Rm)		382	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-public worship (Rm)		8	-	182	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-other (Rm)		-	-	-	-	-	-	2	-	-	-	-	-	-	-	-	-	-	-	-
Total valuation reductions:																				
Total value used for rating (Rm)	6	42 848	-	12 591	12 232	1 021	1 140	-	-	-	-	-	-	-	-	18	-	-	-	-
Total land value (Rm)	6	947	-	648	8 873	103	-	12	-	-	-	-	-	-	-	-	-	-	-	-
Total value of improvements (Rm)	6	42 291	-	12 125	3 360	918	1 140	23	-	-	-	-	-	-	-	18	-	-	-	-
Total market value (Rm)	6	43 237	-	12 773	12 232	1 021	1 140	35	-	-	-	-	-	-	-	18	-	-	-	-
Rating:																				
Average rate	3	0.004473	-	0.009802	0.001098	0.009669	0.006593	-	-	-	-	-	-	-	-	0.001098	-	-	-	-
Rate revenue budget (R'000)		191 641	-	123 423	13 431	9 875	7 516	-	-	-	-	-	-	-	-	20	-	-	-	-
Rate revenue expected to collect (R'000)		185 891	-	119 720	13 028	9 579	7 291	-	-	-	-	-	-	-	-	19	-	-	-	-
Expected cash collection rate (%)	4	97.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special rating areas (R'000)		3 301	-	1 322	215	71	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - indigent (R'000)		3 467	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - pensioners (R'000)		3 635	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - bona fide farm. (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - other (R'000)		13 572	-	9 759	67	-	5 395	-	-	-	-	-	-	-	-	-	-	-	-	-
Phase-in reductions/discounts (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total rebates,exemptns,eductns,discs (R'000)		20 674	-	9 759	67	-	5 395	-	-	-	-	-	-	-	-	-	-	-	-	-

WC024 Stellenbosch - Supporting Table SA12b Property rates by category (budget year)

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.	Small Holdings	Special Rating Areas	Agricultural	Multiple Purposes	Other Categories
Budget Year 2019/20																						
Valuation:																						
No. of properties		27 027	-	2 784	1 827	70	1 495	198	-	-	-	-	-	-	-	2	-	-	-	-	-	-
No. of sectional title property values		6 643	-	974	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of unreasonably difficult properties s7(2)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of supplementary valuations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplementary valuation (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of valuation roll amendments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of objections by rate-payers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of appeals by rate-payers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of appeals by rate-payers finalised		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of successful objections	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of successful objections > 10%	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Estimated no. of properties not valued		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Years since last valuation (select)		2013																				
Frequency of valuation (select)		4																				
Method of valuation used (select)																						
Base of valuation (select)																						
Phasing-in properties s21 (number)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Combination of rating types used? (Y/N)		Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Flat rate used? (Y/N)		N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N
Is balance rated by uniform rate/variable rate?																						
Valuation reductions:																						
Valuation reductions-public infrastructure (Rm)		-	-	-	-	-	-	33	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-nature reserves/park (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-mineral rights (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-R15,000 threshold (Rm)		382	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-public worship (Rm)		8	-	182	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-other (Rm)	2	-	-	-	-	-	-	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total valuation reductions:																						
Total value used for rating (Rm)	6	42 848	-	12 591	12 232	1 021	1 140	-	-	-	-	-	-	-	-	18	-	-	-	-	-	-
Total land value (Rm)	6	947	-	648	8 873	103	-	12	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total value of improvements (Rm)	6	42 291	-	12 125	3 360	918	1 140	23	-	-	-	-	-	-	-	18	-	-	-	-	-	-
Total market value (Rm)	6	43 237	-	12 773	12 232	1 021	1 140	35	-	-	-	-	-	-	-	18	-	-	-	-	-	-
Rating:																						
Average rate	3	0.004473	-	0.009802	0.001098	0.009669	0.006593	-	-	-	-	-	-	-	-	0.001098	-	-	-	-	-	-
Rate revenue budget (R '000)		191 640 700	-	123 422 900	13 431 100	9 875 200	7 516 000	-	-	-	-	-	-	-	-	19 500	-	-	-	-	-	-
Rate revenue expected to collect (R'000)		185 891	-	119 720	13 028	9 579	7 291	-	-	-	-	-	-	-	-	19	-	-	-	-	-	-
Expected cash collection rate (%)	4	97.0%																				
Special rating areas (R'000)		3 301	-	1 322	215	71	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - indigent (R'000)		3 467	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - pensioners (R'000)		3 635	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - bona fide farm. (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - other (R'000)		13 572	-	9 759	67	-	5 395	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Phase-in reductions/discounts (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total rebates, exemptns, reductns, discs (R'000)		20 674	-	9 759	67	-	5 395	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

WC024 Stellenbosch - Supporting Table SA13a Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2015/16	2016/17	2017/18	Current Year 2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
							Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Property rates (rate in the Rand)									
Residential properties	1	Rate in rand	0.0057	0.0060	0.0045	0.0048	0.0051	0.0054	0.0058
Residential properties - vacant land		Rate in rand	0.0113	0.0120	0.0090	0.0095	0.0102	0.0108	0.0115
Formal/informal settlements		n/a	n/a	n/a					
Small holdings		depends on	depends on	n/a					
Farm properties - used		Rate in rand	0.0014	0.0015	0.0011	0.0012	0.0013	0.0014	0.0014
Farm properties - not used		Rate in rand	0.0014	0.0015	0.0011	0.0012	0.0013	0.0014	0.0014
Industrial properties		Rate in rand	0.0177	0.0120	0.0099	0.0105	0.0112	0.0119	0.0127
Business and commercial properties		Rate in rand	0.0113	0.0120	0.0099	0.0105	0.0112	0.0119	0.0127
Communal land - residential		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Communal land - small holdings		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Communal land - farm property		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Communal land - business and commercial		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Communal land - other		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
State-owned properties				Res or Bus	Res or Bus	Res or Bus	Res or Bus	Res or Bus	Res or Bus
Municipal properties				Res or Bus	Res or Bus	Res or Bus	Res or Bus	Res or Bus	Res or Bus
Public service infrastructure		Rate in rand		0.0015	0.0011	0.0012	0.0013	0.0014	0.0014
Privately owned towns serviced by the owner				n/a	n/a	n/a	n/a	n/a	n/a
State trust land				n/a	n/a	n/a	n/a	n/a	n/a
Resitution and redistribution properties				n/a	n/a	n/a	n/a	n/a	n/a
Protected areas		Rate in rand		0.0015	0.0011	0.0012	0.0013	0.0014	0.0014
National monuments properties		Rate in rand		0.0120	0.0011	0.0012	0.0118	0.0125	0.0133
Exemptions, reductions and rebates (Rands)									
<i>Residential properties</i>									
R15 000 threshold rebate			15 000	15 000	15 000	15 000	15 000	15 000	15 000
General residential rebate			80 000	80 000	185 000	185 000	185 000	185 000	185 000
Indigent rebate or exemption			no rebate	no rebate	185 000	185 000	185 000	185 000	185 000
Pensioners/social grants rebate or exemption			depends on	depends on	depends on	depends on	depends on	depends on	depends on
Temporary relief rebate or exemption			n/a	n/a	n/a	n/a	n/a	n/a	n/a
Bona fide farmers rebate or exemption			n/a	n/a	n/a	n/a	n/a	n/a	n/a
<i>Other rebates or exemptions</i>									
Water tariffs									
<i>Domestic</i>									
Basic charge/fixd fee (Rands/month)		Rands	50	53	57	61	66	70	74
Service point - vacant land (Rands/month)									
Water usage - flat rate tariff (c/kl)									
Water usage - life line tariff		(describe structure)							
Water usage - Block 1 (c/kl)		0 kiloliters to 6 kiloliters	4	5	5	5	6	6	6
Water usage - Block 2 (c/kl)		7 kiloliters to 20 kiloliters	6	7	7	8	9	9	10
Water usage - Block 3 (c/kl)		21 kiloliters to 40 kiloliters	10	11	12	13	15	16	17
Water usage - Block 4 (c/kl)		41 kiloliters to 60 kiloliters	16	18	19	20	25	27	28
<i>Other</i>	2	61 kiloliters and above	22	24	26	27	53	56	60
Waste water tariffs									
<i>Domestic</i>									
Basic charge/fixd fee (Rands/month)									
Service point - vacant land (Rands/month)									
Waste water - flat rate tariff (c/kl)									
Volumetric charge - Block 1 (c/kl)		0 - 250	1 050	1 134	1 213	1 310	1 428	1 521	1 620
Volumetric charge - Block 2 (c/kl)		251 - 500	1 347	1 455	1 556	1 681	1 832	1 951	2 078
Volumetric charge - Block 3 (c/kl)		501 - 600	1 517	1 639	1 753	1 893	2 064	2 198	2 341

Description	Ref	Provide description of tariff structure where appropriate	2015/16	2016/17	2017/18	Current Year 2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
							Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Volumetric charge - Block 4 (c/kl)		601 - 700	1 684	1 819	1 946	2 102	2 291	2 440	2 598
<i>Other</i>	2								
<u>Electricity tariffs</u>									
<i>Domestic</i>									
Basic charge/fixe fee (Rands/month)									
Service point - vacant land (Rands/month)									
FBE		(how is this targeted?)							
Life-line tariff - meter		0 - 50 kwh (c/kWh)	79	84	84	87	-	-	-
Life-line tariff - prepaid		51 - 350 kwh (c/kWh)	122	131	131	108	133	144	155
Flat rate tariff - meter (c/kwh)		351 - 600 kwh (c/kWh)	148	169	169	165	198	214	231
Flat rate tariff - prepaid (c/kwh)		601 - 99999 kwh (c/kWh)	166	189	189	187	228	247	266
Meter - IBT Block 1 (c/kwh)		0 - 50 kwh (c/kWh)	79	84	84	87	106	115	124
Meter - IBT Block 2 (c/kwh)		51 - 350 kwh (c/kWh)	97	104	104	111	156	168	182
Meter - IBT Block 3 (c/kwh)		351 - 600 kwh (c/kWh)	148	169	169	157	203	219	236
Meter - IBT Block 4 (c/kwh)		601 - 99999 kwh (c/kWh)	168	191	191	185	227	245	265
Meter - IBT Block 5 (c/kwh)									
Prepaid - IBT Block 1 (c/kwh)		0 - 50 kwh (c/kWh)	79	84	84	87	106	114	124
Prepaid - IBT Block 2 (c/kwh)		51 - 350 kwh (c/kWh)	100	107	107	135	136	147	159
Prepaid - IBT Block 3 (c/kwh)		351 - 600 kwh (c/kWh)	141	161	161	165	192	208	224
Prepaid - IBT Block 4 (c/kwh)		601 - 99999 kwh (c/kWh)	166	189	189	185	226	245	264
Prepaid - IBT Block 5 (c/kwh)		(fill in thresholds)							
<i>Other</i>	2								
<u>Waste management tariffs</u>									
<i>Domestic</i>									
Street cleaning charge									
Basic charge/fixe fee									
80l bin - once a week									
250l bin - once a week		Rands	120	127	127	135	181	211	246

WC024 Stellenbosch - Supporting Table SA13b Service Tariffs by category - explanatory

Description	Ref	Provide description of tariff structure where appropriate	2015/16	2016/17	2017/18	Current Year 2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
							Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Exemptions, reductions and rebates (Rands)									
Property rates (R value threshold)			95 000	95 000	200 000	200 000	200 000	200 000	200 000
Water (kilolitres per household per month) - registered			10	10	10	6	6	6	6
Sanitation (kilolitres per household per month)									
Sanitation (Rand per household per month)			90	90	101	109			
Electricity (kwh per household per month)			60	60	100	100	100	100	100
Refuse (average litres per week)			250	250	250	265			
Water tariffs									
Water usage - life line tariff		0 kiloliters to 6 kiloliters	4	5	5	5	6	6	7
Water usage - Block 1 (c/kl)		7 kiloliters to 20 kiloliters	6	7	7	8	9	9	10
Water usage - Block 2 (c/kl)		21 kiloliters to 40 kiloliters	10	11	12	13	15	16	17
Water usage - Block 3 (c/kl)		41 kiloliters to 60 kiloliters	16	18	19	20	25	27	29
Water usage - Block 4 (c/kl)		61 kiloliters and above	22	24	26	27	34	36	39
Water usage - Block 5 (c/kl)									
Waste water tariffs									
Size per erf in m ² - Block 1 (c/kl)		0 - 250	1 050	1 134	1 213	1 310	1 428	1 521	1 620
Size per erf in m ² - Block 2 (c/kl)		251 - 500	1 347	1 455	1 556	1 681	1 832	1 951	2 078
Size per erf in m ² - Block 3 (c/kl)		501 - 600	1 517	1 639	1 753	1 893	2 064	2 198	2 341
Size per erf in m ² - Block 4 (c/kl)		601 - 700	1 684	1 819	1 946	2 102	2 291	2 440	2 598
Size per erf in m ² - Block 5 (c/kl)		701 - 800	1 853	2 001	2 141	2 312	2 520	2 684	2 859
Size per erf in m ² - Block 6 (c/kl)		801 - 900	2 022	2 183	2 336	2 523	2 750	2 928	3 119
Size per erf in m ² - Block 7 (c/kl)		901 - 1000	2 189	2 364	2 529	2 731	2 977	3 170	3 377
Size per erf in m ² - Block 8 (c/kl)		Above - 1000	2 189	2 364	2 529	2 731	2 977	3 170	3 377
Electricity tariffs									
Regular - IBT Block 1 (c/kwh)		0 - 50 kwh (c/kWh)	79	84	87	92	106	115	124
Regular - IBT Block 2 (c/kwh)		51 - 350 kwh (c/kWh)	122	131	111	117	156	168	182
Regular - IBT Block 3 (c/kwh)		351 - 600 kwh (c/kWh)	148	169	157	166	203	219	236
Regular - IBT Block 4 (c/kwh)		601 - 99999 kwh (c/kWh)	166	189	185	195	227	245	265
Life Line Prepaid - IBT Block 1 (c/kwh)		0 - 50 kwh (c/kWh)	79	84	87	92	-	-	-
Life Line Prepaid - IBT Block 2 (c/kwh)		51 - 350 kwh (c/kWh)	97	104	108	115	133	144	155
Life Line Prepaid - IBT Block 3 (c/kwh)		351 - 600 kwh (c/kWh)	148	169	165	172	198	214	231
Life Line Prepaid - IBT Block 4 (c/kwh)		601 - 99999 kwh (c/kWh)	168	191	187	198	228	247	266
Regular Prepaid - IBT Block 1 (c/kwh)		0 - 50 kwh (c/kWh)	79	84	87	92	106	115	124
Regular Prepaid - IBT Block 2 (c/kwh)		51 - 350 kwh (c/kWh)	100	107	111	143	136	147	159
Regular Prepaid - IBT Block 3 (c/kwh)		351 - 600 kwh (c/kWh)	141	161	157	175	192	208	224
Regular Prepaid - IBT Block 4 (c/kwh)		601 - 99999 kwh (c/kWh)			185	196	226	245	264

WC024 Stellenbosch - Supporting Table SA14 Household bills

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20 % incr.	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		285.38	302.50	188.00	198.75	198.75	198.75	6.5%	211.67	225.43	240.08
Electricity: Basic levy		107.00	122.00	119.10	123.22	123.22	123.22	18.3%	145.74	157.40	169.99
Electricity: Consumption		1 377.10	1 506.55	1 534.87	1 647.23	1 647.23	1 647.23	11.6%	1 838.80	1 985.90	2 144.77
Water: Basic levy		49.35	52.81	56.50	64.98	64.98	64.98	0.9%	65.58	69.84	74.38
Water: Consumption		215.34	230.41	246.54	284.86	284.86	284.86	6.5%	303.38	323.10	344.10
Sanitation		144.34	155.89	169.92	185.21	185.21	185.21	6.0%	196.33	209.09	222.68
Refuse removal		119.77	127.20	138.65	151.13	151.13	151.13	16.5%	176.06	205.11	238.96
Other											
sub-total		2 298.28	2 497.36	2 453.58	2 655.38	2 655.38	2 655.38	10.6%	2 937.55	3 175.87	3 434.96
VAT on Services											
Total large household bill:		2 298.28	2 497.36	2 453.58	2 655.38	2 655.38	2 655.38	10.6%	2 937.55	3 175.87	3 434.96
% increase/-decrease			8.7%	(1.8%)	8.2%	-	-	10.6%	8.1%	8.2%	
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		191.04	202.50	188.00	198.75	198.75	198.75	6.5%	211.67	225.43	240.08
Electricity: Basic levy		-	-	-	-	-	-	-	-	-	-
Electricity: Consumption		648.03	708.94	722.27	775.14	775.14	775.14	11.6%	865.29	934.51	1 009.27
Water: Basic levy		49.35	52.80	56.50	64.98	64.98	64.98	0.9%	65.58	69.84	74.38
Water: Consumption		163.67	175.13	187.39	216.16	216.16	216.16	6.5%	230.21	245.17	261.11
Sanitation		130.03	140.43	153.07	166.84	166.84	166.84	6.0%	176.86	188.35	200.59
Refuse removal		119.77	127.20	138.65	151.13	151.13	151.13	16.5%	176.06	205.11	238.96
Other											
sub-total		1 301.89	1 407.00	1 445.87	1 573.00	1 573.00	1 573.00	9.7%	1 725.67	1 868.42	2 024.40
VAT on Services											
Total small household bill:		1 301.89	1 407.00	1 445.87	1 573.00	1 573.00	1 573.00	9.7%	1 725.67	1 868.42	2 024.40
% increase/-decrease			8.1%	2.8%	8.8%	-	-	9.7%	8.3%	8.3%	
Monthly Account for Household - 'Indigent'	3										
Household receiving free basic services											
Rates and services charges:											
Property rates		91.05	96.70	37.60	39.75	39.75	39.75	-	42.33	45.09	48.02
Electricity: Basic levy		-	-	-	-	-	-	-	-	-	-
Electricity: Consumption		263.15	296.30	301.87	323.97	323.97	323.97	-	355.16	383.57	414.26
Water: Basic levy		-	-	-	-	-	-	-	-	-	-
Water: Consumption		79.24	86.37	128.24	147.46	147.46	147.46	-	157.04	167.25	178.12
Sanitation		23.36	25.46	27.75	30.25	30.25	30.25	-	32.07	33.99	36.03
Refuse removal		24.41	26.61	29.00	31.61	31.61	31.61	-	36.83	42.90	49.98
Other								-	-	-	-
sub-total		481.21	531.44	524.47	573.04	573.04	573.04	-	623.43	672.81	726.41
VAT on Services											
Total small household bill:		481.21	531.44	-	-	-	-	-	-	-	-
% increase/-decrease			10.4%	(100.0%)	-	-	-	-	-	-	-

WC024 Stellenbosch - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
Parent municipality										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank		480 000	322 475	505 594	417 496	405 173	405 173	323 254	301 256	300 562
Deposits - Public Investment Commissioners		-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)		-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-
Municipal Bonds		-	-	-	-	-	-	-	-	-
Municipality sub-total	1	480 000	322 475	505 594	417 496	405 173	405 173	323 254	301 256	300 562
Entities										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank		-	-	-	-	-	-	-	-	-
Deposits - Public Investment Commissioners		-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)		-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		480 000	322 475	505 594	417 496	405 173	405 173	323 254	301 256	300 562

WC024 Stellenbosch - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of institution & investment ID	1	Yrs/Months												
Parent municipality														
ABSA Bank		6 Months	Fixed Deposit	Yes	Fixed Rate	0.085	-	0	30 June 2019	80 000	8 415	-	-	88 415
Standard Bank		6 Months	Fixed Deposit	Yes	Fixed Rate	0.085	-	0	30 June 2019	80 000	8 415	-	-	88 415
FNB		6 Months	Fixed Deposit	Yes	Fixed Rate	0.085	-	0	30 June 2019	80 000	8 415	-	-	88 415
Nedbank		6 Months	Fixed Deposit	Yes	Fixed Rate	0.085	-	0	30 June 2019	80 000	8 415	-	-	88 415
Investec		6 Months	Fixed Deposit	Yes	Fixed Rate	0.085	-	0	30 June 2019	100 000	10 511	-	-	110 511
							-			-	-	-	-	-
							-			-	-	-	-	-
Municipality sub-total										420 000	44 171	-	-	464 171
Entities														
							-			-	-	-	-	-
							-			-	-	-	-	-
							-			-	-	-	-	-
							-			-	-	-	-	-
							-			-	-	-	-	-
							-			-	-	-	-	-
Entities sub-total										-	-	-	-	-
TOTAL INVESTMENTS AND INTEREST	1									420 000	44 171	-	-	464 171

WC024 Stellenbosch - Supporting Table SA17 Borrowing

Borrowing - Categorized by type	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
Parent municipality										
Annuity and Bullet Loans		198 294	186 386	173 302	336 785	336 785	336 785	475 902	569 591	638 513
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Municipality sub-total	1	198 294	186 386	173 302	336 785	336 785	336 785	475 902	569 591	638 513
Entities										
Annuity and Bullet Loans		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Borrowing	1	198 294	186 386	173 302	336 785	336 785	336 785	475 902	569 591	638 513
Unspent Borrowing - Categorized by type										
Parent municipality										
Long-Term Loans (annuity/reducing balance)		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
Entities										
Long-Term Loans (annuity/reducing balance)		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Unspent Borrowing	1	-	-	-	-	-	-	-	-	-

WC024 Stellenbosch - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
EXPENDITURE:										
Operating expenditure of Transfers and Grants										
National Government:		88 417	99 065	117 001	131 448	131 448	131 448	144 704	153 354	168 626
Local Government Equitable Share		84 962	95 982	110 631	124 176	124 176	124 176	136 177	149 804	165 076
Municipal Systems Improvement		930	-	-	-	-	-	1 750	2 000	2 000
EPWP Integrated Grant for Municipalities		1 075	1 758	4 820	5 722	5 722	5 722	5 227	-	-
Local Government Financial Management Grant		1 450	1 325	1 550	1 550	1 550	1 550	1 550	1 550	1 550
		-	-	-	-	-	-	-	-	-
Provincial Government:		24 337	31 406	14 487	12 881	12 881	12 881	27 635	25 962	15 015
Library Services: Conditional Grant		8 607	10 009	11 045	12 210	12 210	12 210	12 454	13 577	14 324
Community Development Workers Operational Support Grant		37	56	56	56	56	56	-	-	-
Human Settlements Development Grant		15 135	18 050	3 116	-	-	-	12 438	9 208	-
LG Graduate Internship Grant		-	-	15	-	-	-	-	-	-
WC Financial Management Support Grant		250	220	255	255	255	255	255	-	-
Financial Management Capacity Building Grant		-	-	-	360	360	360	380	-	-
Maintenance and Construction of Transport Infrastructure		308	2 171	-	-	-	-	384	439	439
Environmental Affairs and Development Planning		-	-	-	-	-	-	-	-	-
Spatial Development framework		-	900	-	-	-	-	-	-	-
Municipal Accreditation and Capacity Building Grant		-	-	-	-	-	-	224	238	252
Title Deeds Restoration		-	-	-	-	-	-	-	-	-
Regional Socio-Economic Project/Violence through urban upgrading		-	-	-	-	-	-	1 500	2 500	-
District Municipality:		-	300	-	-	-	-	-	-	-
<i>Hosting of cultural events</i>		-	300	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other grant providers:		800	-	-	-	-	-	-	-	-
<i>Departmental Agencies and Accounts</i>		-	-	-	-	-	-	-	-	-
<i>Foreign Government and International Organisations</i>		-	-	-	-	-	-	-	-	-
<i>Households</i>		-	-	-	-	-	-	-	-	-
<i>Non-profit Institutions</i>		-	-	-	-	-	-	-	-	-
<i>Private Enterprises</i>		800	-	-	-	-	-	-	-	-
<i>Public Corporations</i>		-	-	-	-	-	-	-	-	-
<i>Higher Educational Institutions</i>		-	-	-	-	-	-	-	-	-
<i>Parent Municipality / Entity</i>		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		113 554	130 771	131 488	144 329	144 329	144 329	172 339	179 316	183 641
Capital expenditure of Transfers and Grants										
National Government:		92 785	80 106	51 969	40 107	40 107	40 107	62 526	45 636	49 309
Municipal Infrastructure Grant (MIG)		34 657	34 147	36 358	35 107	35 107	35 107	-	-	-
Regional Bulk Infrastructure Grant		48 128	32 809	-	-	-	-	-	-	-
Energy Efficiency and Demand Side Management Grant		4 000	5 000	4 000	5 000	5 000	5 000	15 640	8 000	9 000
Local Government Financial Management Grant		6 000	8 000	7 236	-	-	-	-	-	-
Shared Economic infrastructure facility		-	150	-	-	-	-	-	-	-
Integrated Urban Development Grant		-	-	4 375	-	-	-	-	-	-
		-	-	-	-	-	-	46 886	37 636	40 309
Provincial Government:		23 727	9 402	20 588	48 094	45 849	45 849	78 562	28 312	29 890
Human Settlements Development Grant		23 727	9 402	20 588	48 094	45 849	45 849	25 462	27 712	29 290
Maintenance and Construction of Transport Infrastructure		-	4 000	2 176	371	-	-	-	-	-
Library Services: Conditional Grant		306	3 280	3 664	-	-	-	-	-	-
Integrated Transport Planning		600	-	600	600	600	600	600	600	600
Fire Services Capacity Building Grant		-	-	800	3 003	3 003	3 003	-	-	-
Public Transport Non Motorised Infrastructure		-	-	820	-	-	-	-	-	-
Development of Sport and Recreational Facilities		-	60	-	-	-	-	-	-	-
Human Settlements Development Grant (Roll over)		-	-	-	-	-	-	52 500	-	-
		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
<i>Hosting of cultural events</i>		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other grant providers:		-	11 631	478	-	-	-	50 000	17 500	17 500
<i>LOTTO</i>		-	607	478	-	-	-	-	-	-
<i>Public contribution</i>		-	11 024	-	-	-	-	50 000	17 500	17 500
<i>0</i>		-	-	-	-	-	-	-	-	-
<i>0</i>		-	-	-	-	-	-	-	-	-
<i>0</i>		-	-	-	-	-	-	-	-	-
<i>0</i>		-	-	-	-	-	-	-	-	-
<i>0</i>		-	-	-	-	-	-	-	-	-
<i>0</i>		-	-	-	-	-	-	-	-	-
<i>0</i>		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		116 512	101 139	73 035	88 201	85 956	85 956	191 088	91 448	96 699
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		230 066	231 910	204 523	232 530	230 285	230 285	363 427	270 764	280 340

WC024 Stellenbosch - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		88 417	99 065	117 001	131 448	131 448	131 448	144 704	153 354	168 626
Conditions met - transferred to revenue		88 417	99 065	117 001	131 448	131 448	131 448	144 704	153 354	168 626
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
Provincial Government:										
Balance unspent at beginning of the year		323	7 532	7 391	-	6 382	6 382	-	-	-
Current year receipts		26 542	24 672	14 446	13 252	27 145	27 145	27 635	25 962	15 015
Conditions met - transferred to revenue		26 865	32 204	21 837	13 252	33 526	33 526	27 635	25 962	15 015
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
District Municipality:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	300	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	300	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
Other grant providers:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		800	-	4 339	-	-	-	-	-	-
Conditions met - transferred to revenue		800	-	4 339	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
Total operating transfers and grants revenue		116 082	131 569	143 176	144 700	164 974	164 974	172 339	179 316	183 641
Total operating transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		92 785	80 106	51 969	40 107	40 107	40 107	62 526	45 636	49 309
Conditions met - transferred to revenue		92 785	80 106	51 969	40 107	40 107	40 107	62 526	45 636	49 309
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
Provincial Government:										
Balance unspent at beginning of the year		20 007	10 320	14 943	-	16 515	16 515	-	-	-
Current year receipts		27 407	23 904	25 418	51 697	49 452	49 452	78 562	28 312	29 890
Conditions met - transferred to revenue		47 414	34 224	40 362	51 697	65 967	65 967	78 562	28 312	29 890
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
District Municipality:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
Other grant providers:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	11 631	478	-	-	-	-	-	-
Conditions met - transferred to revenue		-	11 631	478	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
Total capital transfers and grants revenue		140 199	125 961	92 808	91 804	106 074	106 074	141 088	73 948	79 199
Total capital transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		256 281	257 529	235 984	236 504	271 048	271 048	313 427	253 264	262 840
TOTAL TRANSFERS AND GRANTS - CTBM		-	-	-	-	-	-	-	-	-

WC024 Stellenbosch - Supporting Table SA21 Transfers and grants made by the municipality

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Cash Transfers to other municipalities											
<i>Operational</i>	1	-	-	-	-	-	-	-	-	-	-
<i>Capital</i>		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Entities/Other External Mechanisms											
<i>Operational</i>	2	-	-	-	-	-	-	-	-	-	-
<i>Capital</i>		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
Cash Transfers to other Organs of State											
<i>Operational</i>	3	-	-	-	-	-	-	-	-	-	-
<i>Capital</i>		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Organisations											
<i>Grant-In-Aid: Sundry</i>		1 816	2 172	1 547	4 153	4 153	4 153	4 153	4 336	4 666	4 946
<i>Grant-In-Aid: External Bodies Performing Tourism Functio</i>		3 700	3 830	3 714	3 900	3 900	3 900	3 900	4 600	4 782	5 045
<i>Grant-In-Aid: External Bodies Performing Animal Welfare Functio</i>		700	932	1 000	1 050	1 050	1 050	1 050	1 113	1 180	1 251
Total Cash Transfers To Organisations		6 216	6 933	6 261	9 102	9 102	9 102	9 102	10 049	10 628	11 242
Cash Transfers to Groups of Individuals											
<i>Operational</i>		-	-	-	-	-	-	-	-	-	-
<i>Capital</i>		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL CASH TRANSFERS AND GRANTS	6	6 216	6 933	6 261	9 102	9 102	9 102	9 102	10 049	10 628	11 242
Non-Cash Transfers to other municipalities											
<i>Operational</i>	1	-	-	-	-	-	-	-	-	-	-
<i>Capital</i>		-	-	-	-	-	-	-	-	-	-
Total Non-Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to Entities/Other External Mechanisms											
<i>Operational</i>	2	-	-	-	-	-	-	-	-	-	-
<i>Capital</i>		-	-	-	-	-	-	-	-	-	-
Total Non-Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to other Organs of State											
<i>Operational</i>	3	-	-	-	-	-	-	-	-	-	-
<i>Capital</i>		-	-	-	-	-	-	-	-	-	-
Total Non-Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Non-Cash Grants to Organisations											
<i>Operational</i>	4	-	-	-	-	-	-	-	-	-	-
<i>Capital</i>		-	-	-	-	-	-	-	-	-	-
Total Non-Cash Grants To Organisations		-	-	-	-	-	-	-	-	-	-
Groups of Individuals											
<i>Operational</i>	5	-	-	-	-	-	-	-	-	-	-
<i>Capital</i>		-	-	-	-	-	-	-	-	-	-
Total Non-Cash Grants To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL NON-CASH TRANSFERS AND GRANTS		-	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS	6	6 216	6 933	6 261	9 102	9 102	9 102	9 102	10 049	10 628	11 242

WC024 Stellenbosch - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		10 590	10 747	11 326	11 031	11 031	11 031	12 934	13 692	14 495
Pension and UIF Contributions		288	385	505	1 926	1 926	1 926	800	848	899
Medical Aid Contributions		264	202	204	183	183	183	87	92	98
Motor Vehicle Allowance		3 615	3 704	4 060	4 268	4 268	4 268	4 667	4 947	5 244
Cellphone Allowance		960	1 057	1 058	1 121	1 251	1 251	1 263	1 339	1 419
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		127	-	155	164	164	164	186	197	209
Sub Total - Councillors		15 844	16 094	17 308	18 693	18 823	18 823	19 936	21 115	22 363
% increase	4		1.6%	7.5%	8.0%	0.7%	-	5.9%	5.9%	5.9%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		7 803	6 447	8 260	8 941	8 941	8 941	4 445	4 712	4 995
Pension and UIF Contributions		331	595	870	1 155	1 155	1 155	852	903	957
Medical Aid Contributions		151	-	-	65	65	65	78	82	87
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		465	59	215	446	446	446	-	-	-
Motor Vehicle Allowance	3	391	664	776	1 004	1 004	1 004	1 006	1 066	1 130
Cellphone Allowance	3	62	76	156	152	152	152	134	142	150
Housing Allowances	3	-	20	-	-	-	-	-	-	-
Other benefits and allowances	3	73	-	131	81	81	81	34	36	38
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	33 512	33 512	33 512	46 247	49 562	52 455
Sub Total - Senior Managers of Municipality		9 278	7 861	10 407	45 356	45 356	45 356	52 796	56 504	59 814
% increase	4		(15.3%)	32.4%	335.8%	-	-	16.4%	7.0%	5.9%
Other Municipal Staff										
Basic Salaries and Wages		252 402	283 522	302 475	348 862	331 151	331 151	354 828	364 677	385 955
Pension and UIF Contributions		37 505	40 290	41 461	49 840	49 840	49 840	59 439	63 005	66 681
Medical Aid Contributions		16 591	18 812	20 027	21 718	21 718	21 718	26 328	27 908	29 537
Overtime		19 401	22 552	32 633	42 625	42 625	42 625	51 545	54 638	57 827
Performance Bonus		-	29	108	-	-	-	-	-	-
Motor Vehicle Allowance	3	10 253	10 401	9 143	11 455	11 455	11 455	13 074	13 859	14 666
Cellphone Allowance	3	641	674	788	737	737	737	869	922	975
Housing Allowances	3	1 921	2 123	2 233	2 329	2 329	2 329	2 875	3 047	3 225
Other benefits and allowances	3	19 450	21 537	25 305	32 504	32 563	32 563	39 440	41 807	44 247
Payments in lieu of leave		-	-	-	5 248	5 248	5 248	2 007	2 127	2 251
Long service awards		21	-	-	271	271	271	66	70	75
Post-retirement benefit obligations	6	-	-	-	5 864	5 864	5 864	-	-	-
Sub Total - Other Municipal Staff		358 185	399 941	434 171	521 452	503 800	503 800	550 472	572 060	605 439
% increase	4		11.7%	8.6%	20.1%	(3.4%)	-	9.3%	3.9%	5.8%
Total Parent Municipality		383 307	423 896	461 886	585 500	567 978	567 978	623 204	649 679	687 616

WC024 Stellenbosch - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4		486 681	86 752	210 510	-	-	783 943
Chief Whip			420 306	97 763	261 803	-	-	779 872
Executive Mayor			586 037	104 463	222 115	-	-	912 615
Deputy Executive Mayor			486 681	86 752	250 430	-	-	823 863
Executive Committee			3 439 335	704 443	1 603 163	-	-	5 746 941
Total for all other councillors			5 955 774	1 058 435	794 160	-	-	7 808 369
Total Councillors	8	-	11 374 814	2 138 608	3 342 181	-	-	16 855 603
Senior Managers of the Municipality	5							
Municipal Manager (MM)			1 528 281	312 860	166 030	114 490	-	2 121 661
Chief Finance Officer			1 716 865	-	155 609	-	-	1 872 474
Director: Community and Protection			1 148 037	223 867	179 769	114 490	-	1 666 163
Director: Corporate			1 148 037	223 867	179 769	-	-	1 551 673
Director: Infrastructure Services			1 148 037	223 867	179 769	-	-	1 551 673
Director: Planning and Development			1 356 632	-	224 494	114 490	-	1 695 616
<i>List of each official with packages >= senior manager</i>								
Designation - 05			-	-	-	-	-	-
Designation - 06			-	-	-	-	-	-
Designation - 07			-	-	-	-	-	-
Designation - 08			-	-	-	-	-	-
Designation - 09			-	-	-	-	-	-
Designation - 10			-	-	-	-	-	-
Designation - 11			-	-	-	-	-	-
Designation - 12			-	-	-	-	-	-
Designation - 13			-	-	-	-	-	-
Designation - 14			-	-	-	-	-	-
Designation - 15			-	-	-	-	-	-
Total Senior Managers of the Municipality	8,10	-	8 045 889	984 461	1 085 440	343 470		10 459 260

WC024 Stellenbosch - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2017/18			Current Year 2018/19			Budget Year 2019/20		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		43	43	-	43	43	-	43	43	-
Board Members of municipal entities	4	-	-	-	-	-	-	-	-	-
Municipal employees	5									
Municipal Manager and Senior Managers	3	5	5	-	5	5	-	5	5	-
Other Managers	7	11	11	2	11	11	2	11	11	2
Professionals		105	74	6	105	74	6	110	74	6
<i>Finance</i>		27	17	3	27	17	3	27	17	3
<i>Spatial/town planning</i>		10	15	-	10	15	-	10	15	-
<i>Information Technology</i>		7	7	-	7	7	-	7	7	-
<i>Roads</i>		5	2	1	5	2	1	5	2	1
<i>Electricity</i>		2	1	-	2	1	-	2	1	-
<i>Water</i>		3	3	-	3	3	-	3	3	-
<i>Sanitation</i>		1	-	-	1	-	-	1	-	-
<i>Refuse</i>		4	1	-	4	1	-	4	1	-
<i>Other</i>		46	28	2	46	28	2	51	28	2
Technicians		163	163	-	163	163	-	177	163	-
<i>Finance</i>		-	-	-	-	-	-	-	-	-
<i>Spatial/town planning</i>		11	11	-	11	11	-	11	11	-
<i>Information Technology</i>		-	-	-	-	-	-	-	-	-
<i>Roads</i>		23	23	-	23	23	-	23	23	-
<i>Electricity</i>		29	29	-	29	29	-	29	29	-
<i>Water</i>		59	59	-	59	59	-	59	59	-
<i>Sanitation</i>		-	-	-	-	-	-	-	-	-
<i>Refuse</i>		11	11	-	11	11	-	11	11	-
<i>Other</i>		30	30	-	30	30	-	44	30	-
Clerks (Clerical and administrative)		241	241	85	241	241	85	241	241	85
Service and sales workers		160	160	96	160	160	96	160	160	96
Skilled agricultural and fishery workers		-	-	-	-	-	-	-	-	-
Craft and related trades		-	-	-	-	-	-	-	-	-
Plant and Machine Operators		58	58	-	58	58	-	58	58	-
Elementary Occupations		423	423	12	423	423	12	479	423	12
TOTAL PERSONNEL NUMBERS	9	1 209	1 178	201	1 209	1 178	201	1 284	1 178	201
% increase					-	-	-	6.2%	-	-
Total municipal employees headcount	6, 10									
Finance personnel headcount	8, 10									
Human Resources personnel headcount	8, 10									

WC024 Stellenbosch - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand																
Revenue By Source																
Property rates		106 289	22 246	22 659	20 676	22 511	23 063	23 674	23 117	24 533	(2 050)	23 654	45 750	356 122	382 456	408 452
Service charges - electricity revenue		47 452	52 094	51 993	40 053	38 974	41 125	37 775	80 535	45 179	38 921	52 484	113 301	639 886	692 917	749 031
Service charges - water revenue		11 152	12 828	19 942	19 636	19 016	20 121	17 133	18 813	17 230	14 383	16 236	15 484	201 975	217 103	231 085
Service charges - sanitation revenue		11 350	10 215	10 685	10 560	10 746	9 080	9 327	8 841	10 037	8 322	8 552	5 789	113 503	122 278	130 586
Service charges - refuse revenue		6 922	5 538	6 230	5 538	5 538	5 538	5 538	6 230	5 538	5 538	5 538	5 538	69 225	77 147	84 762
Rental of facilities and equipment		1 359	355	943	876	933	806	838	817	859	814	9 416	816	18 831	19 961	21 159
Interest earned - external investments		4 330	436	3 961	3 483	3 888	4 027	4 713	8 033	303	162	8 362	2 472	44 171	36 730	36 330
Interest earned - outstanding debtors		910	955	947	887	960	842	1 030	1 000	1 021	957	923	839	11 270	12 096	12 983
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		674	748	1 759	4 203	1 719	844	1 571	2 008	2 519	1 468	3 501	87 246	108 260	113 673	119 357
Licences and permits		-	-	54	54	586	498	54	1 403	1 080	-	-	1 669	5 398	5 722	6 065
Agency services		-	-	1	-	713	200	-	719	228	119	168	705	2 852	3 023	3 204
Transfers and subsidies		51 627	3 292	-	8 297	2 325	45 392	4 630	1 743	50 886	4 146	-	-	172 339	179 316	183 641
Other revenue		800	2 109	1 224	1 346	1 633	2 918	1 546	1 992	2 538	2 324	585	15 798	34 815	36 784	38 871
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		242 866	110 817	120 396	115 610	109 542	154 456	107 829	155 253	161 950	75 104	129 418	295 407	1 778 647	1 899 207	2 025 525
Expenditure By Type																
Employee related costs		43 618	43 120	45 638	43 237	68 949	44 374	50 404	49 211	49 892	56 403	55 516	52 906	603 268	628 564	665 252
Remuneration of councillors		1 527	1 527	1 526	1 526	1 606	1 644	1 595	1 801	1 808	1 837	1 808	1 732	19 936	21 115	22 363
Debt impairment		-	-	1	0	6 486	10 810	-	-	36 033	1 626	6 843	10 267	72 067	76 391	80 975
Depreciation & asset impairment		39	32	21	216	131	103 478	-	-	-	-	-	103 040	206 956	215 430	224 255
Finance charges		-	2	148	128	-	19 939	-	-	(285)	-	156	19 789	39 877	54 668	66 655
Bulk purchases		-	45 003	47 171	26 686	25 507	29 214	22 728	26 536	25 814	44 710	48 775	64 315	406 458	441 586	479 627
Other materials		1 130	1 011	1 936	1 873	1 302	884	1 299	2 586	7 162	2 717	3 041	10 047	34 990	36 919	39 020
Contracted services		634	2 239	9 295	23 796	23 796	23 796	23 796	23 796	23 796	26 175	28 555	28 285	237 957	251 947	254 544
Transfers and subsidies		2 512	-	7 502	-	-	-	-	-	-	-	-	34	10 049	10 628	11 242
Other expenditure		10 601	12 368	12 368	14 135	15 902	15 902	14 135	14 135	22 970	12 935	14 135	17 102	176 689	188 014	204 417
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		60 061	105 302	125 605	111 597	143 678	250 041	113 957	118 064	167 191	146 404	158 829	307 517	1 808 247	1 925 262	2 048 352
Surplus/(Deficit)		182 805	5 514	(5 209)	4 013	(34 137)	(95 585)	(6 127)	37 189	(5 241)	(71 300)	(29 411)	(12 111)	(29 600)	(26 055)	(22 827)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		31 269	-	-	25 987	15 629	600	-	-	41 616	25 987	-	-	141 088	73 948	79 199
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		214 073	5 514	(5 209)	30 000	(18 508)	(94 985)	(6 127)	37 189	36 375	(45 313)	(29 411)	(12 111)	111 488	47 893	56 372
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	214 073	5 514	(5 209)	30 000	(18 508)	(94 985)	(6 127)	37 189	36 375	(45 313)	(29 411)	(12 111)	111 488	47 893	56 372

WC024 Stellenbosch - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue by Vote																
Vote 1 - Office of the Municipal Manager		0	0	0	0	0	0	0	0	380	0	0	0	387	417	448
Vote 2 - Planning and Development Services		78 437	34 306	38 172	63 278	33 462	35 263	32 917	47 202	65 855	48 262	37 163	68 879	96 045	103 344	111 198
Vote 3 - Infrastructure Services		67 644	5 277	5 701	5 732	22 283	36 170	5 022	5 544	52 148	4 709	12 346	6 964	1 196 525	1 200 828	1 283 093
Vote 4 - Community and Protection Services		97 682	58 950	62 298	59 389	54 688	55 061	55 932	83 410	58 234	39 421	63 085	203 031	147 702	158 927	171 006
Vote 5 - Corporate Services		7 356	6 603	6 724	6 639	6 804	5 702	5 888	5 620	6 424	5 304	5 378	4 071	10 396	11 186	12 037
Vote 6 - Financial Services		23 015	5 680	7 502	6 559	7 933	22 860	8 069	13 476	20 526	3 395	11 446	12 461	468 680	498 452	526 942
Total Revenue by Vote		274 134	110 817	120 396	141 597	125 170	155 056	107 829	155 253	203 566	101 091	129 418	295 407	1 919 735	1 973 154	2 104 724
Expenditure by Vote to be appropriated																
Vote 1 - Office of the Municipal Manager		3 149	3 233	3 560	3 829	5 466	4 892	4 258	4 198	4 676	4 640	4 698	5 660	52 258	53 489	55 780
Vote 2 - Planning and Development Services		7 895	5 853	13 515	8 008	11 355	10 579	8 765	8 721	11 930	9 779	10 323	12 644	109 279	112 577	120 939
Vote 3 - Infrastructure Services		14 328	60 327	67 313	54 005	60 589	163 946	51 258	55 446	66 437	76 794	83 502	207 975	972 006	1 046 404	1 115 437
Vote 4 - Community and Protection Services		16 376	16 796	20 385	22 900	35 245	37 126	24 788	24 847	54 345	28 379	32 821	43 518	357 526	379 805	404 176
Vote 5 - Corporate Services		10 294	10 845	11 758	13 065	16 941	21 685	14 016	14 137	16 982	14 954	15 350	24 027	184 055	195 930	209 548
Vote 6 - Financial Services		8 019	8 249	9 075	9 789	14 082	11 812	10 873	10 715	12 822	11 857	12 137	13 693	133 124	137 057	142 472
Total Expenditure by Vote		60 061	105 302	125 605	111 597	143 678	250 041	113 957	118 064	167 191	146 404	158 829	307 517	1 808 247	1 925 262	2 048 352
Surplus/(Deficit) before assoc.		214 073	5 514	(5 209)	30 000	(18 508)	(94 985)	(6 127)	37 189	36 375	(45 313)	(29 411)	(12 111)	111 488	47 893	56 372
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	214 073	5 514	(5 209)	30 000	(18 508)	(94 985)	(6 127)	37 189	36 375	(45 313)	(29 411)	(12 111)	111 488	47 893	56 372

WC024 Stellenbosch - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue - Functional																
<i>Governance and administration</i>		202 400	103 376	110 777	97 847	98 709	114 277	95 435	144 251	119 004	64 109	121 564	(816 940)	454 808	469 641	484 223
Executive and council		-	-	-	-	-	-	-	-	380	-	-	-	3 566	3 837	4 128
Finance and administration		202 400	103 376	110 777	97 847	98 709	114 277	95 435	144 251	118 624	64 109	121 564	287 566	451 242	465 804	480 094
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		4 151	1 742	-	34 285	1 742	-	4 151	1 743	30 133	30 133	-	24 138	132 219	134 251	144 454
Community and social services		4 151	1 742	-	4 151	1 742	-	4 151	1 743	-	-	-	-	20 917	22 507	24 217
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	1 986	2 137	2 299
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	3 830	4 122	4 435
Housing		-	-	-	30 133	-	-	-	-	30 133	30 133	-	-	105 485	105 485	113 502
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		1 500	-	-	-	-	600	-	-	384	-	-	127 705	130 189	140 083	150 729
Planning and development		1 500	-	-	-	-	-	-	-	-	-	-	-	8 028	8 638	9 294
Road transport		-	-	-	-	-	600	-	-	384	-	-	-	122 133	131 415	141 402
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	28	31	33
<i>Trading services</i>		66 083	5 699	9 620	9 466	24 720	40 179	8 243	9 259	54 045	6 848	7 854	960 431	1 202 446	1 229 101	1 325 234
Energy sources		23 819	2	2	2	2	8 179	2	4	8 179	2	2	5	711 349	700 680	756 653
Water management		10 235	7 196	11 186	11 015	10 667	15 267	9 611	10 553	13 645	8 068	9 107	8 686	222 248	239 139	257 313
Waste water management		23 810	(1 500)	(1 569)	(1 550)	14 051	8 515	(1 369)	(1 298)	24 003	(1 222)	(1 255)	(850)	177 357	190 836	205 339
Waste management		8 218	-	-	-	-	8 218	-	-	8 218	-	-	-	91 493	98 447	105 929
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	74	79	85
Total Revenue - Functional		274 134	110 817	120 396	141 597	125 170	155 056	107 829	155 253	203 566	101 091	129 418	295 333	1 919 735	1 973 154	2 104 724
Expenditure - Functional																
<i>Governance and administration</i>		21 463	22 327	24 393	26 683	36 490	38 390	29 146	29 050	34 479	31 451	32 184	43 380	369 437	394 976	417 300
Executive and council		4 863	4 957	5 285	5 534	7 298	6 873	6 032	6 198	6 843	6 671	6 711	7 890	75 155	80 751	85 608
Finance and administration		15 862	16 563	18 209	20 070	27 828	30 337	21 971	21 721	26 208	23 600	24 239	34 151	280 760	299 431	316 195
Internal audit		738	807	899	1 080	1 363	1 180	1 142	1 132	1 428	1 179	1 235	1 339	13 522	14 793	15 497
<i>Community and public safety</i>		12 836	12 987	16 364	18 568	25 426	26 288	20 184	20 234	24 940	22 586	23 484	21 942	245 839	287 297	304 949
Community and social services		2 968	2 984	3 321	3 405	4 937	4 891	3 779	3 831	4 493	4 286	4 320	6 368	49 583	52 525	55 643
Sport and recreation		1 816	1 974	2 600	3 595	4 361	6 128	3 752	3 816	4 544	4 147	4 358	7 417	48 508	51 514	54 671
Public safety		6 188	6 022	7 818	7 933	11 167	9 838	8 787	8 730	9 398	9 804	9 947	11 970	107 603	140 967	149 890
Housing		1 864	2 007	2 625	3 635	4 960	5 431	3 865	3 857	6 506	4 348	4 858	6 275	40 144	42 291	44 745
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		13 061	11 367	19 770	15 461	25 141	71 761	16 627	16 579	44 731	19 211	23 421	87 487	364 618	351 488	370 624
Planning and development		6 034	3 849	10 893	4 377	6 398	5 152	4 903	4 869	5 433	5 435	5 469	6 379	69 190	70 345	76 257
Road transport		5 634	6 089	7 163	9 039	15 939	64 213	9 480	9 473	36 890	11 265	15 390	65 694	268 707	251 711	262 843
Environmental protection		1 393	1 429	1 715	2 045	2 804	2 396	2 244	2 237	2 407	2 511	2 563	2 976	26 720	29 431	31 524
<i>Trading services</i>		12 702	58 622	65 078	50 884	56 622	113 602	47 999	52 200	63 041	73 156	79 740	154 707	828 354	891 501	955 479
Energy sources		2 375	44 280	47 170	29 894	29 881	40 744	26 442	29 957	30 676	47 204	51 377	74 274	450 275	481 311	517 980
Water management		2 924	6 412	7 364	6 515	8 432	43 561	6 365	6 772	11 659	8 834	10 074	47 984	161 896	179 996	194 090
Waste water management		4 591	4 791	6 051	7 663	10 071	20 896	8 137	8 310	10 994	9 252	9 763	24 128	127 649	142 741	150 768
Waste management		2 811	3 139	4 494	6 812	8 237	8 401	7 055	7 161	9 711	7 866	8 526	10 671	88 534	87 454	92 640
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional		60 061	105 302	125 605	111 597	143 678	250 041	113 957	118 064	167 191	146 404	158 829	307 517	1 808 247	1 925 262	2 048 352
Surplus/(Deficit) before assoc.		214 073	5 514	(5 209)	30 000	(18 508)	(94 985)	(6 127)	37 189	36 375	(45 313)	(29 411)	(12 184)	111 488	47 893	56 372
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	214 073	5 514	(5 209)	30 000	(18 508)	(94 985)	(6 127)	37 189	36 375	(45 313)	(29 411)	(12 184)	111 488	47 893	56 372

WC024 Stellenbosch - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand																
Multi-year expenditure to be appropriated	1															
Vote 1 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Planning and Development Services		-	29	360	546	600	721	325	548	1 209	1 161	1 824	2 346	9 670	4 750	-
Vote 3 - Infrastructure Services		-	953	12 035	18 254	20 062	24 108	10 859	18 312	40 404	38 804	60 951	78 402	323 143	318 961	330 171
Vote 4 - Community and Protection Services		-	53	675	1 024	1 125	1 352	609	1 027	2 266	2 177	3 419	4 398	18 125	13 250	12 400
Vote 5 - Corporate Services		-	287	3 628	5 503	6 048	7 268	3 274	5 521	12 181	11 698	18 375	23 636	97 420	21 000	22 100
Vote 6 - Financial Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Financial Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	2	-	1 322	16 698	25 327	27 836	33 449	15 067	25 408	56 061	53 840	84 569	108 782	448 358	357 961	364 671
Single-year expenditure to be appropriated																
Vote 1 - Office of the Municipal Manager		-	0	1	2	2	3	1	2	4	4	7	8	35	40	40
Vote 2 - Planning and Development Services		-	1	10	16	17	21	9	16	35	34	53	68	280	252	184
Vote 3 - Infrastructure Services		-	164	2 075	3 147	3 459	4 157	1 872	3 157	6 966	6 690	10 509	13 518	55 715	34 665	39 068
Vote 4 - Community and Protection Services		-	136	1 720	2 609	2 868	3 446	1 552	2 617	5 775	5 547	8 712	11 207	46 190	14 995	15 275
Vote 5 - Corporate Services		-	22	281	426	469	563	254	428	944	907	1 424	1 832	7 550	6 550	6 950
Vote 6 - Financial Services		-	0	6	8	9	11	5	9	19	18	28	36	150	150	150
Vote 6 - Financial Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	2	-	324	4 094	6 209	6 824	8 200	3 694	6 229	13 744	13 199	20 733	26 669	109 920	56 652	61 667
Total Capital Expenditure	2	-	1 646	20 792	31 536	34 660	41 650	18 761	31 636	69 804	67 039	105 302	135 450	558 277	414 613	426 338

WC024 Stellenbosch - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital Expenditure - Functional	1															
<i>Governance and administration</i>		-	310	3 916	5 940	6 528	7 845	3 534	5 959	13 148	12 627	19 834	25 513	105 155	27 740	29 240
Executive and council		-	0	1	2	2	3	1	2	4	4	7	8	35	40	40
Finance and administration		-	310	3 915	5 938	6 526	7 842	3 533	5 957	13 144	12 623	19 828	25 504	105 120	27 700	29 200
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	181	2 288	3 471	3 815	4 584	2 065	3 482	7 683	7 378	11 590	14 908	61 445	26 447	27 334
Community and social services		-	8	106	161	177	212	96	161	356	342	537	690	2 845	1 490	1 155
Sport and recreation		-	86	1 080	1 638	1 800	2 164	975	1 643	3 626	3 482	5 470	7 036	29 000	17 955	20 770
Public safety		-	87	1 101	1 669	1 835	2 205	993	1 675	3 695	3 548	5 574	7 169	29 550	6 950	5 350
Housing		-	0	2	3	3	4	2	3	6	6	9	12	50	52	59
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	385	4 858	7 369	8 099	9 732	4 384	7 392	16 311	15 665	24 606	31 650	130 452	73 847	65 369
Planning and development		-	148	1 874	2 843	3 125	3 755	1 691	2 852	6 293	6 044	9 493	12 212	50 332	42 747	44 519
Road transport		-	236	2 984	4 526	4 974	5 977	2 692	4 540	10 018	9 621	15 112	19 439	80 120	31 100	20 850
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	770	9 729	14 756	16 218	19 489	8 778	14 803	32 662	31 369	49 272	63 379	261 225	286 579	304 395
Energy sources		-	103	1 307	1 982	2 179	2 618	1 179	1 988	4 387	4 214	6 619	8 514	35 090	30 900	38 950
Water management		-	236	2 979	4 519	4 967	5 968	2 688	4 533	10 003	9 607	15 090	19 410	80 000	113 500	132 750
Waste water management		-	337	4 261	6 462	7 102	8 535	3 844	6 483	14 304	13 737	21 578	27 756	114 400	113 234	98 350
Waste management		-	94	1 182	1 793	1 970	2 368	1 066	1 798	3 968	3 811	5 986	7 700	31 735	28 945	34 345
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	2	-	1 646	20 792	31 536	34 660	41 650	18 761	31 636	69 804	67 039	105 302	135 450	558 277	414 613	426 338
Funded by:																
National Government		-	184	2 329	3 532	3 882	4 665	2 101	3 543	7 818	7 508	11 794	15 170	62 526	45 636	49 309
Provincial Government		-	232	2 926	4 438	4 877	5 861	2 640	4 452	9 823	9 434	14 818	19 061	78 562	28 312	29 890
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital		-	416	5 254	7 970	8 759	10 526	4 741	7 995	17 641	16 942	26 612	34 231	141 088	73 948	79 199
Public contributions & donations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing		-	472	5 959	9 038	9 933	11 937	5 377	9 067	20 006	19 213	30 179	38 820	160 000	120 000	100 000
Internally generated funds		-	758	9 578	14 528	15 967	19 187	8 643	14 574	32 158	30 884	48 511	62 400	257 189	220 665	247 139
Total Capital Funding		-	1 646	20 792	31 536	34 660	41 650	18 761	31 636	69 804	67 039	105 302	135 450	558 277	414 613	426 338

WC024 Stellenbosch - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21
Cash Receipts By Source													1		
Property rates	15 326	28 137	30 641	23 427	30 256	30 318	15 643	22 710	20 308	23 861	30 559	70 693	341 877	370 982	396 199
Service charges - electricity revenue	28 111	51 610	56 203	42 971	55 497	55 610	28 693	41 656	37 250	43 766	56 052	129 669	627 089	679 059	734 050
Service charges - water revenue	8 692	15 958	17 378	13 287	17 160	17 195	8 872	12 880	11 518	13 533	17 331	40 094	193 896	210 590	224 152
Service charges - sanitation revenue	4 885	8 968	9 766	7 467	9 643	9 663	4 986	7 238	6 473	7 605	9 740	22 531	108 963	118 610	126 668
Service charges - refuse revenue	2 979	5 469	5 956	4 554	5 881	5 893	3 041	4 414	3 948	4 638	5 940	13 742	66 456	74 833	82 219
Rental of facilities and equipment	810	1 488	1 620	1 239	1 600	1 603	827	1 201	1 074	1 262	1 616	3 738	18 078	19 163	20 313
Interest earned - external investments	1 980	3 635	3 959	3 027	3 909	3 917	2 021	2 934	2 624	3 083	3 948	9 134	44 171	36 730	36 330
Interest earned - outstanding debtors	485	890	970	741	958	959	495	719	643	755	967	2 237	10 819	11 613	12 464
Fines, penalties and forfeits	1 456	2 673	2 911	2 226	2 874	2 880	1 486	2 157	1 929	2 267	2 903	6 716	32 478	34 102	35 807
Licences and permits	242	444	484	370	478	479	247	359	321	377	483	1 116	5 398	5 722	6 065
Agency services	128	235	256	195	252	253	130	189	169	199	255	590	2 852	3 023	3 204
Transfer receipts - operational	51 627	3 292	-	8 297	2 325	45 392	4 630	1 743	50 886	4 146	-	-	172 339	179 316	183 641
Other revenue	1 561	2 865	3 120	2 386	3 081	3 087	1 593	2 313	2 068	2 430	3 112	7 199	34 815	36 784	38 871
Cash Receipts by Source	118 282	125 664	133 263	110 187	133 915	177 250	72 664	100 513	139 209	107 921	132 906	307 458	1 659 230	1 780 525	1 899 983
Other Cash Flows by Source															
Transfer receipts - capital	31 269	-	-	25 987	15 629	600	-	-	41 616	25 987	-	-	141 088	73 948	79 199
Borrowing long term/refinancing												160 000	160 000	120 000	100 000
Total Cash Receipts by Source	149 551	125 664	133 263	136 174	149 544	177 850	72 664	100 513	180 825	133 908	132 906	467 458	1 960 318	1 974 473	2 079 182
Cash Payments by Type															
Employee related costs	43 618	43 120	45 638	43 237	68 949	44 374	50 404	49 211	49 892	56 403	55 516	6 659	557 021	579 002	612 798
Remuneration of councillors	1 527	1 527	1 526	1 526	1 606	1 644	1 595	1 801	1 808	1 837	1 808	1 732	19 936	21 115	22 363
Finance charges						19 939						19 939	39 877	54 668	66 655
Bulk purchases - Electricity	-	41 613	43 618	24 676	23 586	27 013	21 016	24 537	23 870	41 343	45 101	59 471	375 842	405 909	438 382
Bulk purchases - Water & Sewer	-	3 390	3 553	2 010	1 921	2 200	1 712	1 999	1 944	3 368	3 674	4 844	30 616	35 678	41 245
Other materials	1 130	1 011	1 936	1 873	1 302	884	1 299	2 586	7 162	2 717	3 041	10 047	34 990	36 919	39 020
Contracted services	634	2 239	9 295	23 796	23 796	23 796	23 796	23 796	23 796	26 175	28 555	28 285	237 957	251 947	254 544
Transfers and grants - other	2 512	-	7 502	-	-	-	-	-	-	-	-	34	10 049	10 628	11 242
Other expenditure	5 601	12 368	12 368	14 135	15 902	15 902	14 135	14 135	7 970	9 935	14 135	1 528	138 115	147 385	160 247
Cash Payments by Type	55 022	105 268	125 436	111 253	137 062	135 753	113 957	118 064	116 442	141 778	151 830	132 539	1 444 404	1 543 249	1 646 497
Other Cash Flows/Payments by Type															
Capital assets	-	1 632	20 616	31 270	34 367	41 298	18 602	31 369	69 215	66 473	104 412	139 021	558 277	414 613	426 338
Repayment of borrowing	-	-	-	-	-	10 442	-	-	-	-	-	10 442	20 883	26 311	31 078
Total Cash Payments by Type	55 022	106 901	146 052	142 522	171 429	187 492	132 559	149 433	185 657	208 251	256 243	282 002	2 023 563	1 984 173	2 103 912
NET INCREASE/(DECREASE) IN CASH HELD	94 528	18 763	(12 789)	(6 348)	(21 885)	(9 643)	(59 895)	(48 920)	(4 833)	(74 343)	(123 337)	185 456	(63 245)	(9 700)	(24 730)
Cash/cash equivalents at the month/year begin:	433 363	527 892	546 655	533 866	527 518	505 633	495 990	436 095	387 174	382 342	307 998	184 662	433 363	370 118	360 418
Cash/cash equivalents at the month/year end:	527 892	546 655	533 866	527 518	505 633	495 990	436 095	387 174	382 342	307 998	184 662	370 118	370 118	360 418	335 687

WC024 Stellenbosch - NOT REQUIRED - municipality does not have entities

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R million										
Financial Performance										
Property rates		-	-	-	-	-	-	-	-	-
Service charges		-	-	-	-	-	-	-	-	-
Investment revenue		-	-	-	-	-	-	-	-	-
Transfers recognised - operational		-	-	-	-	-	-	-	-	-
Other own revenue		-	-	-	-	-	-	-	-	-
Contributions recognised - capital & contributed assets		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		-	-	-	-	-	-	-	-	-
Employee costs		-	-	-	-	-	-	-	-	-
Remuneration of Board Members		-	-	-	-	-	-	-	-	-
Depreciation & asset impairment		-	-	-	-	-	-	-	-	-
Finance charges		-	-	-	-	-	-	-	-	-
Materials and bulk purchases		-	-	-	-	-	-	-	-	-
Transfers and grants		-	-	-	-	-	-	-	-	-
Other expenditure		-	-	-	-	-	-	-	-	-
Total Expenditure		-	-	-	-	-	-	-	-	-
Surplus/(Deficit)		-	-	-	-	-	-	-	-	-
Capital expenditure & funds sources										
Capital expenditure										
Transfers recognised - capital		-	-	-	-	-	-	-	-	-
Public contributions & donations		-	-	-	-	-	-	-	-	-
Borrowing		-	-	-	-	-	-	-	-	-
Internally generated funds		-	-	-	-	-	-	-	-	-
Total sources		-	-	-	-	-	-	-	-	-
Financial position										
Total current assets		-	-	-	-	-	-	-	-	-
Total non current assets		-	-	-	-	-	-	-	-	-
Total current liabilities		-	-	-	-	-	-	-	-	-
Total non current liabilities		-	-	-	-	-	-	-	-	-
Equity		-	-	-	-	-	-	-	-	-
Cash flows										
Net cash from (used) operating		-	-	-	-	-	-	-	-	-
Net cash from (used) investing		-	-	-	-	-	-	-	-	-
Net cash from (used) financing		-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end		-	-	-	-	-	-	-	-	-

WC024 Stellenbosch - Supporting Table SA32 List of external mechanisms

External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation		Number			R thousand
DBSA	15 Yr	Ongoing	Financial of approved Capital Projects by means of and e	31 December 2020	6 915
DBSA	15 Yr	Ongoing	Financial of approved Capital Projects by means of and e	30 June 2025	19 309
DBSA	15 Yr	Ongoing	Financial of approved Capital Projects by means of and e	30 June 2026	54 076
DBSA	15 Yr	Ongoing	Financial of approved Capital Projects by means of and e	18 February 2030	85 965
The Sustainability Institute Innovation Laboratory (Pty) Ltd NEDBANK	3 Yr Mths	Ongoing Ongoing	Provision of off the grid electricity and related equipment t Provisioning of banking services.	30 June 2019 30 June 2020	Offer approved Rates approved

WC024 Stellenbosch - Supporting Table SA33 Contracts having future budgetary implications

Description	Ref	Preceding Years	Current Year 2018/19	2019/20 Medium Term Revenue & Expenditure Framework			Total Contract Value
		Total	Original Budget	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22	Estimate
R thousand	1,3						
Parent Municipality:							
<u>Revenue Obligation By Contract</u>	2						
<i>Contract 1</i>							-
<i>Contract 2</i>							-
<i>Contract 3 etc</i>							-
Total Operating Revenue Implication		-	-	-	-	-	-
<u>Expenditure Obligation By Contract</u>	2						
<i>Lawula Systems</i>		Rates Approved					-
<i>Robotech</i>		Rates Approved					-
<i>Syntell</i>		Rates Approved					-
<i>TMT Services</i>		Rates Approved					-
<i>Strike Technologies</i>		6 490	6 815	-			13 305
<i>Geodebt Solutions CC</i>		2 809	2 978	-			5 787
<i>Country Building Suppliers</i>		1 050	1 050	-			2 100
<i>Polorama Wholesalers</i>		1 050	1 103	-			2 153
Total Operating Expenditure Implication		11 399	11 945	-	-	-	23 344
<u>Capital Expenditure Obligation By Contract</u>	2						
<i>Lawula Systems</i>		Rates Approved					-
<i>Robotech</i>		Rates Approved					-
<i>Syntell</i>		Rates Approved					-
<i>TMT Services</i>		Rates Approved					-
<i>Strike Technologies</i>		750	750	-			1 500
<i>Eya Bantu Professional Services George</i>		Rates Approved					-
<i>Schweitzer Engineering Lab</i>		Rates Approved					-
<i>Eya Bantu Professional Services George</i>		1 500	1 500	-			3 000
Total Capital Expenditure Implication		2 250	2 250	-	-	-	4 500
Total Parent Expenditure Implication		13 649	14 195	-	-	-	27 844

WC024 Stellenbosch - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure	1	48 430	188 905	106 734	260 262	271 406	271 406	188 942	176 237	142 051
Roads Infrastructure		-	13 949	32 742	64 532	84 239	84 239	44 450	29 750	20 450
<i>Roads</i>		-	13 949	15 910	54 207	74 488	74 488	25 350	24 500	19 350
<i>Road Structures</i>		-	-	15 265	7 850	6 435	6 435	16 200	4 700	400
<i>Road Furniture</i>		-	-	1 567	2 475	3 316	3 316	2 900	550	700
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	2 000	2 600	2 600	-	-	-
<i>Drainage Collection</i>		-	-	-	2 000	2 600	2 600	-	-	-
<i>Storm water Conveyance</i>		-	-	-	-	-	-	-	-	-
<i>Attenuation</i>		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		9 850	8 102	6 209	42 500	33 326	33 326	7 280	8 900	8 000
<i>Power Plants</i>		-	-	-	600	600	600	-	-	-
<i>HV Substations</i>		-	-	-	10 000	2 000	2 000	-	-	-
<i>HV Switching Station</i>		-	-	-	-	-	-	-	-	-
<i>HV Transmission Conductors</i>		7 600	8 102	-	-	-	-	-	-	-
<i>MV Substations</i>		-	-	-	-	-	-	-	-	-
<i>MV Switching Stations</i>		-	-	297	1 000	1 000	1 000	-	-	-
<i>MV Networks</i>		2 250	-	2 005	11 500	11 958	11 958	4 480	6 400	-
<i>LV Networks</i>		-	-	3 218	18 750	17 118	17 118	2 000	1 600	7 100
<i>Capital Spares</i>		-	-	689	650	650	650	800	900	900
Water Supply Infrastructure		32 618	35 063	32 855	45 280	41 323	41 323	43 202	74 617	60 681
<i>Dams and Weirs</i>		-	-	-	-	-	-	-	-	-
<i>Boreholes</i>		-	-	-	450	-	-	-	-	-
<i>Reservoirs</i>		400	599	19 088	18 450	19 402	19 402	21 500	38 500	19 500
<i>Pump Stations</i>		-	-	-	-	-	-	-	-	-
<i>Water Treatment Works</i>		2 119	-	-	500	500	500	-	-	-
<i>Bulk Mains</i>		-	-	-	10 400	8 000	8 000	10 000	15 000	5 000
<i>Distribution</i>		30 100	34 463	13 767	15 380	13 421	13 421	11 702	21 117	36 181
<i>Distribution Points</i>		-	-	-	-	-	-	-	-	-
<i>PRV Stations</i>		-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	100	-	-	-	-	-
Sanitation Infrastructure		-	130 181	33 368	97 750	99 898	99 898	62 200	39 450	22 700
<i>Pump Station</i>		-	-	-	-	-	-	-	-	-
<i>Reticulation</i>		-	130 181	2 127	20 365	21 651	21 651	8 500	5 500	12 500
<i>Waste Water Treatment Works</i>		-	-	-	-	-	-	1 200	1 200	1 200
<i>Outfall Sewers</i>		-	-	31 242	77 385	78 247	78 247	52 500	32 750	9 000
<i>Toilet Facilities</i>		-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		5 961	1 611	1 559	7 500	9 020	9 020	31 800	23 500	29 600
<i>Landfill Sites</i>		-	-	723	6 000	8 000	8 000	30 000	8 000	16 000
<i>Waste Transfer Stations</i>		5 961	1 611	503	500	500	500	1 000	10 000	10 100
<i>Waste Processing Facilities</i>		-	-	-	-	-	-	-	-	-
<i>Waste Drop-off Points</i>		-	-	-	-	-	-	300	2 000	2 000
<i>Waste Separation Facilities</i>		-	-	333	1 000	520	520	-	-	-
<i>Electricity Generation Facilities</i>		-	-	-	-	-	-	500	3 500	1 500
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
<i>Rail Lines</i>		-	-	-	-	-	-	-	-	-
<i>Rail Structures</i>		-	-	-	-	-	-	-	-	-
<i>Rail Furniture</i>		-	-	-	-	-	-	-	-	-
<i>Drainage Collection</i>		-	-	-	-	-	-	-	-	-
<i>Storm water Conveyance</i>		-	-	-	-	-	-	-	-	-
<i>Attenuation</i>		-	-	-	-	-	-	-	-	-
<i>MV Substations</i>		-	-	-	-	-	-	-	-	-
<i>LV Networks</i>		-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
<i>Sand Pumps</i>		-	-	-	-	-	-	-	-	-
<i>Piers</i>		-	-	-	-	-	-	-	-	-

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand	1									
<i>Revelments</i>		-	-	-	-	-	-	-	-	-
<i>Promenades</i>		-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	700	1 000	1 000	10	20	620
<i>Data Centres</i>		-	-	-	-	-	-	-	-	-
<i>Core Layers</i>		-	-	-	-	-	-	-	-	-
<i>Distribution Layers</i>		-	-	-	700	1 000	1 000	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	10	20	620

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand	1									
Community Assets		34 453	17 110	14 850	26 030	25 895	25 895	18 475	12 185	6 300
Community Facilities		17 467	13 898	14 769	25 530	25 395	25 395	12 475	7 185	5 300
<i>Halls</i>		8 082	9 565	8 468	1 000	800	800	1 000	-	-
<i>Centres</i>		-	-	596	1 000	66	66	-	-	100
<i>Crèches</i>		-	-	-	-	-	-	-	-	-
<i>Clinics/Care Centres</i>		-	-	-	-	-	-	-	-	-
<i>Fire/Ambulance Stations</i>		700	311	-	-	-	-	-	-	-
<i>Testing Stations</i>		-	-	-	-	-	-	-	-	-
<i>Museums</i>		-	-	-	-	-	-	-	-	-
<i>Galleries</i>		-	-	-	-	-	-	-	-	-
<i>Theatres</i>		-	-	-	700	700	700	4 000	5 000	3 000
<i>Libraries</i>		4 300	1 237	-	60	1 232	1 232	475	385	100
<i>Cemeteries/Crematoria</i>		1 800	767	664	20	20	20	-	-	-
<i>Police</i>		335	379	-	-	-	-	-	-	-
<i>Parks</i>		-	1 638	-	-	-	-	-	-	-
<i>Public Open Space</i>		2 250	-	1 851	1 500	3 916	3 916	2 500	1 800	2 100
<i>Nature Reserves</i>		-	-	-	1 000	1 150	1 150	-	-	-
<i>Public Ablution Facilities</i>		-	-	-	-	-	-	-	-	-
<i>Markets</i>		-	-	-	3 900	3 910	3 910	-	-	-
<i>Stalls</i>		-	-	3 158	7 400	5 254	5 254	4 500	-	-
<i>Abattoirs</i>		-	-	-	-	-	-	-	-	-
<i>Airports</i>		-	-	-	-	-	-	-	-	-
<i>Taxi Ranks/Bus Terminals</i>		-	-	-	6 000	5 373	5 373	-	-	-
<i>Capital Spares</i>		-	-	32	2 950	2 975	2 975	-	-	-
Sport and Recreation Facilities		16 986	3 212	82	500	500	500	6 000	5 000	1 000
<i>Indoor Facilities</i>		-	1 155	-	-	-	-	-	-	-
<i>Outdoor Facilities</i>		16 986	1 925	82	500	500	500	6 000	5 000	1 000
<i>Capital Spares</i>		-	132	-	-	-	-	-	-	-
Heritage assets		-	-	1 337	1 350	1 350	1 350	2 000	1 000	-
Monuments		-	-	-	-	-	-	-	-	-
Historic Buildings		-	-	-	-	-	-	-	-	-
Works of Art		-	-	-	-	-	-	-	-	-
Conservation Areas		-	-	1 337	1 350	1 350	1 350	2 000	1 000	-
Other Heritage		-	-	-	-	-	-	-	-	-
Investment properties		-	-	904	1 045	445	445	2 400	10 780	10 800
Revenue Generating		-	-	-	600	-	-	2 100	10 480	10 500
<i>Improved Property</i>		-	-	-	600	-	-	2 100	10 480	10 500
<i>Unimproved Property</i>		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	904	445	445	445	300	300	300
<i>Improved Property</i>		-	-	904	445	445	445	300	300	300
<i>Unimproved Property</i>		-	-	-	-	-	-	-	-	-
Other assets		13 370	21 875	1 219	1 550	1 797	1 797	9 260	4 780	16 790
Operational Buildings		6 722	16 097	139	500	788	788	5 500	4 500	5 000
<i>Municipal Offices</i>		6 722	8 827	139	-	56	56	500	-	5 000
<i>Pay/Enquiry Points</i>		-	-	-	-	-	-	-	-	-
<i>Building Plan Offices</i>		-	-	-	-	-	-	-	-	-
<i>Workshops</i>		-	-	-	-	-	-	-	-	-
<i>Yards</i>		-	-	-	-	-	-	-	-	-
<i>Stores</i>		-	219	-	-	-	-	-	-	-
<i>Laboratories</i>		-	-	-	-	-	-	-	-	-
<i>Training Centres</i>		-	-	-	-	-	-	5 000	4 500	-
<i>Manufacturing Plant</i>		-	-	-	-	-	-	-	-	-
<i>Depots</i>		-	6 656	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	395	-	500	732	732	-	-	-
Housing		6 648	5 777	1 080	1 050	1 009	1 009	3 760	280	11 790
<i>Staff Housing</i>		-	-	-	-	-	-	-	-	-
<i>Social Housing</i>		6 648	5 783	1 080	1 050	1 009	1 009	3 760	280	11 790
<i>Capital Spares</i>		-	(6)	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	120	50	50	50	-	-	-
Biological or Cultivated Assets		-	-	120	50	50	50	-	-	-

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand	1									
Intangible Assets		-	2 650	50	450	1 382	1 382	-	-	200
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	2 650	50	450	1 382	1 382	-	-	200
<i>Water Rights</i>		-	-	-	-	-	-	-	-	-
<i>Effluent Licenses</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Licenses</i>		-	-	-	-	-	-	-	-	-
<i>Computer Software and Applications</i>		-	2 650	50	300	300	300	-	-	200
<i>Load Settlement Software Applications</i>		-	-	-	-	-	-	-	-	-
<i>Unspecified</i>		-	-	-	150	1 082	1 082	-	-	-
Computer Equipment		1 185	1 800	2 184	-	-	-	50	50	50
Computer Equipment		1 185	1 800	2 184	-	-	-	50	50	50
Furniture and Office Equipment		10 686	5 170	3 620	2 405	4 095	4 095	2 375	2 112	1 752
Furniture and Office Equipment		10 686	5 170	3 620	2 405	4 095	4 095	2 375	2 112	1 752
Machinery and Equipment		3 425	-	6 560	15 584	4 360	4 360	21 480	4 355	4 550
Machinery and Equipment		3 425	-	6 560	15 584	4 360	4 360	21 480	4 355	4 550
Transport Assets		7 050	9 437	17 045	12 770	15 119	15 119	17 230	10 400	11 400
Transport Assets		7 050	9 437	17 045	12 770	15 119	15 119	17 230	10 400	11 400
Land		-	-	4 221	-	-	-	77 650	160	170
Land		-	-	4 221	-	-	-	77 650	160	170
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	118 599	246 945	158 843	321 496	325 898	325 898	339 862	222 058	194 063

WC024 Stellenbosch - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		167 660	58 637	27 782	38 700	48 740	48 740	34 216	33 120	45 000
Roads Infrastructure		29 960	12 196	18 935	11 500	16 515	16 515	8 000	6 000	11 750
Roads		29 960	12 196	18 935	11 500	16 515	16 515	8 000	6 000	11 750
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		34 830	19 428	3 887	20 500	26 388	26 388	9 216	6 120	16 250
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	400	400	400	500	600	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		34 730	19 428	361	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		100	-	3 526	18 100	22 788	22 788	7 715	4 520	15 250
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	2 000	3 200	3 200	1 000	1 000	1 000
Water Supply Infrastructure		29 729	3 543	2 694	4 000	2 610	2 610	5 000	6 000	7 000
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		4 137	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		2 111	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		23 481	3 543	2 694	4 000	2 610	2 610	5 000	6 000	7 000
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		70 788	22 297	2 266	2 700	3 226	3 226	12 000	15 000	10 000
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		70 788	22 297	-	500	500	500	9 000	12 000	6 000
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	2 266	2 000	2 234	2 234	3 000	3 000	4 000
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	200	492	492	-	-	-
Solid Waste Infrastructure		1 903	1 173	-	-	-	-	-	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		1 903	1 173	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		450	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		450	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<i>Distribution Layers</i>		-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
Community Assets		12 308	882	373	300	480	480	-	300	3 500
Community Facilities		4 707	882	10	-	-	-	-	300	3 500
<i>Halls</i>		2 000	-	-	-	-	-	-	300	3 500
<i>Centres</i>		-	-	-	-	-	-	-	-	-
<i>Crèches</i>		-	-	-	-	-	-	-	-	-
<i>Clinics/Care Centres</i>		-	-	-	-	-	-	-	-	-
<i>Fire/Ambulance Stations</i>		-	91	-	-	-	-	-	-	-
<i>Testing Stations</i>		-	-	-	-	-	-	-	-	-
<i>Museums</i>		-	-	-	-	-	-	-	-	-
<i>Galleries</i>		-	-	-	-	-	-	-	-	-
<i>Theatres</i>		-	-	-	-	-	-	-	-	-
<i>Libraries</i>		-	-	-	-	-	-	-	-	-
<i>Cemeteries/Crematoria</i>		150	-	10	-	-	-	-	-	-
<i>Police</i>		-	-	-	-	-	-	-	-	-
<i>Parks</i>		-	136	-	-	-	-	-	-	-
<i>Public Open Space</i>		1 308	-	-	-	-	-	-	-	-
<i>Nature Reserves</i>		-	-	-	-	-	-	-	-	-
<i>Public Ablution Facilities</i>		-	-	-	-	-	-	-	-	-
<i>Markets</i>		-	-	-	-	-	-	-	-	-
<i>Stalls</i>		-	-	-	-	-	-	-	-	-
<i>Abattoirs</i>		-	-	-	-	-	-	-	-	-
<i>Airports</i>		-	-	-	-	-	-	-	-	-
<i>Taxi Ranks/Bus Terminals</i>		-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		1 249	654	-	-	-	-	-	-	-
Sport and Recreation Facilities		7 601	-	363	300	480	480	-	-	-
<i>Indoor Facilities</i>		-	-	-	-	-	-	-	-	-
<i>Outdoor Facilities</i>		7 601	-	363	300	480	480	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
Heritage assets		1 500	1 219	-	-	-	-	-	-	-
Monuments		-	-	-	-	-	-	-	-	-
Historic Buildings		1 500	1 219	-	-	-	-	-	-	-
Works of Art		-	-	-	-	-	-	-	-	-
Conservation Areas		-	-	-	-	-	-	-	-	-
Other Heritage		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
<i>Improved Property</i>		-	-	-	-	-	-	-	-	-
<i>Unimproved Property</i>		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<i>Improved Property</i>		-	-	-	-	-	-	-	-	-
<i>Unimproved Property</i>		-	-	-	-	-	-	-	-	-
Other assets		34 343	95 479	449	300	300	300	100	100	-
Operational Buildings		31 693	95 479	449	300	300	300	100	100	-
<i>Municipal Offices</i>		31 693	-	449	300	300	300	100	100	-
<i>Pay/Enquiry Points</i>		-	-	-	-	-	-	-	-	-
<i>Building Plan Offices</i>		-	-	-	-	-	-	-	-	-
<i>Workshops</i>		-	-	-	-	-	-	-	-	-
<i>Yards</i>		-	-	-	-	-	-	-	-	-
<i>Stores</i>		-	-	-	-	-	-	-	-	-
<i>Laboratories</i>		-	-	-	-	-	-	-	-	-
<i>Training Centres</i>		-	-	-	-	-	-	-	-	-
<i>Manufacturing Plant</i>		-	-	-	-	-	-	-	-	-
<i>Depots</i>		-	475	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	95 004	-	-	-	-	-	-	-
Housing		2 650	-	-	-	-	-	-	-	-
<i>Staff Housing</i>		-	-	-	-	-	-	-	-	-
<i>Social Housing</i>		2 650	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		3 950	-	-	-	-	-	-	-	-
<i>Servitudes</i>		-	-	-	-	-	-	-	-	-
Licences and Rights		3 950	-	-	-	-	-	-	-	-
<i>Water Rights</i>		-	-	-	-	-	-	-	-	-
<i>Effluent Licenses</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Licenses</i>		-	-	-	-	-	-	-	-	-
<i>Computer Software and Applications</i>		3 950	-	-	-	-	-	-	-	-

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<i>Load Settlement Software Applications Unspecified</i>		-	-	-	-	-	-	-	-	-
Computer Equipment		3 450	6 747	-	-	-	-	-	-	-
Computer Equipment		3 450	6 747	-	-	-	-	-	-	-
Furniture and Office Equipment		1 380	-	-	100	100	100	-	-	-
Furniture and Office Equipment		1 380	-	-	100	100	100	-	-	-
Machinery and Equipment		2 250	-	493	-	-	-	-	-	-
Machinery and Equipment		2 250	-	493	-	-	-	-	-	-
Transport Assets		2 580	294	-	-	-	-	-	-	400
Transport Assets		2 580	294	-	-	-	-	-	-	400
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing assets	1	229 420	163 258	29 097	39 400	49 620	49 620	34 316	33 520	48 900
<i>Renewal of Existing Assets as % of total capex</i>		0.0%	39.8%	6.7%	7.5%	8.8%	8.8%	6.1%	8.1%	11.5%
<i>Renewal of Existing Assets as % of deprechn"</i>		153.1%	109.3%	18.5%	19.8%	25.0%	25.0%	17.4%	16.3%	22.9%

WC024 Stellenbosch - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		52 621	50 647	21 383	37 019	32 763	32 763	36 312	38 490	40 800
Roads Infrastructure		7 186	5 596	5 510	5 835	6 864	6 864	14 386	15 249	16 164
Roads		7 186	5 596	5 510	595	595	595	-	-	-
Road Structures		-	-	-	4 190	4 819	4 819	14 386	15 249	16 164
Road Furniture		-	-	-	1 051	1 451	1 451	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	161	1 072	1 072	1 072	802	850	901
Drainage Collection		-	-	-	25	25	25	572	606	643
Storm water Conveyance		-	-	161	1 048	1 048	1 048	230	244	258
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		11 923	11 876	7 510	15 098	10 813	10 813	2 328	2 468	2 616
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		11 923	11 876	7 510	-	-	-	-	-	-
MV Substations		-	-	-	14 170	9 885	9 885	2 328	2 468	2 616
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	928	928	928	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		9 912	5 493	1 215	8 837	8 337	8 337	8 292	8 789	9 317
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	3 107	3 107	3 107	3 294	3 491	3 701
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	538	538	538	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		9 912	5 493	1 215	5 192	4 692	4 692	4 998	5 298	5 616
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		14 385	16 031	6 220	5 122	4 622	4 622	6 100	6 466	6 854
Pump Station		-	-	-	17	17	17	-	-	-
Reticulation		14 385	16 031	6 220	2 536	2 036	2 036	6 100	6 466	6 854
Waste Water Treatment Works		-	-	-	2 569	2 569	2 569	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		9 214	11 651	767	1 054	1 054	1 054	4 403	4 668	4 948
Landfill Sites		-	-	-	1 054	1 054	1 054	4 403	4 668	4 948
Waste Transfer Stations		9 214	11 651	767	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand	1									
Community Assets		1 192	6 909	48	94	94	94	25 857	27 847	28 988
Community Facilities		1 192	6 909	48	94	94	94	25 857	27 847	28 988
Halls		-	-	-	-	-	-	-	-	-
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-
Museums		-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	37	37	37	39	41	44
Cemeteries/Crematoria		-	-	-	-	-	-	-	-	-
Police		-	-	-	-	-	-	-	-	-
Parks		-	-	-	-	-	-	-	-	-
Public Open Space		1 192	6 909	48	-	-	-	-	-	-
Nature Reserves		-	-	-	-	-	-	-	-	-
Public Ablution Facilities		-	-	-	57	57	57	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Stalls		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Airports		-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	25 818	27 806	28 945
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Indoor Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Monuments		-	-	-	-	-	-	-	-	-
Historic Buildings		-	-	-	-	-	-	-	-	-
Works of Art		-	-	-	-	-	-	-	-	-
Conservation Areas		-	-	-	-	-	-	-	-	-
Other Heritage		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Other assets		780	858	9 705	429	429	429	587	622	659
Operational Buildings		780	858	9 705	429	429	429	587	622	659
Municipal Offices		-	-	-	429	429	429	587	622	659
Pay/Enquiry Points		-	-	-	-	-	-	-	-	-
Building Plan Offices		-	-	-	-	-	-	-	-	-
Workshops		-	-	-	-	-	-	-	-	-
Yards		-	-	-	-	-	-	-	-	-
Stores		-	-	-	-	-	-	-	-	-
Laboratories		-	-	-	-	-	-	-	-	-
Training Centres		-	-	-	-	-	-	-	-	-
Manufacturing Plant		-	-	-	-	-	-	-	-	-
Depots		-	-	-	-	-	-	-	-	-
Capital Spares		780	858	9 705	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Staff Housing		-	-	-	-	-	-	-	-	-
Social Housing		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	91	30	30	42	45	48
Biological or Cultivated Assets		-	-	-	91	30	30	42	45	48
Intangible Assets		65	725	-	665	660	660	503	533	565
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		65	725	-	665	660	660	503	533	565
Water Rights		-	-	-	-	-	-	-	-	-
Effluent Licenses		-	-	-	-	-	-	-	-	-
Solid Waste Licenses		-	-	-	-	-	-	-	-	-
Computer Software and Applications		65	725	-	665	660	660	503	533	565

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<i>R thousand</i>	1									
<i>Load Settlement Software Applications Unspecified</i>		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	5 038	22 894	20 239	20 239	17 268	18 346	19 487
Furniture and Office Equipment		-	-	5 038	22 894	20 239	20 239	17 268	18 346	19 487
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	6 883	10 437	11 355	11 355	10 671	11 333	11 987
Transport Assets		-	-	6 883	10 437	11 355	11 355	10 671	11 333	11 987
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	1	54 658	59 139	43 056	71 629	65 570	65 570	91 240	97 216	102 533
<i>R&M as a % of PPE</i>		1.3%	1.3%	0.9%	1.4%	1.3%	1.3%	1.8%	1.8%	1.8%
<i>R&M as % Operating Expenditure</i>		4.3%	4.5%	3.2%	4.2%	3.8%	3.8%	5.3%	5.4%	5.3%

WC024 Stellenbosch - Supporting Table SA34d Depreciation by asset class

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand	1									
Depreciation by Asset Class/Sub-class										
Infrastructure		102 041	119 246	124 640	149 293	149 293	149 293	155 265	161 476	167 935
Roads Infrastructure		46 840	47 049	50 627	61 360	61 360	61 360	63 815	66 367	69 022
Roads		46 840	47 049	50 627	60 374	60 374	60 374	62 789	65 301	67 913
Road Structures		-	-	-	6	6	6	6	6	7
Road Furniture		-	-	-	980	980	980	1 019	1 060	1 102
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	1 210	1 557	1 557	1 557	1 619	1 684	1 751
Drainage Collection		-	-	1 210	1 437	1 437	1 437	1 494	1 554	1 616
Storm water Conveyance		-	-	-	120	120	120	125	130	135
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		21 177	21 780	21 161	27 433	27 433	27 433	28 531	29 672	30 859
Power Plants		-	-	-	823	823	823	856	890	926
HV Substations		-	-	-	26 610	26 610	26 610	27 675	28 782	29 933
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		14 401	14 890	21 161	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		6 776	6 890	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		18 686	34 723	35 498	41 885	41 885	41 885	43 560	45 303	47 115
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	24 036	24 036	24 036	24 998	25 997	27 037
Pump Stations		-	-	-	7	7	7	7	7	8
Water Treatment Works		-	-	-	17 755	17 755	17 755	18 465	19 204	19 972
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		18 686	34 723	35 498	87	87	87	91	94	98
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		15 338	15 694	12 121	14 586	14 586	14 586	15 170	15 776	16 408
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		15 338	15 694	12 121	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	4 557	4 557	4 557	4 739	4 929	5 126
Outfall Sewers		-	-	-	10 029	10 029	10 029	10 430	10 847	11 281
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	4 022	2 472	2 472	2 472	2 571	2 674	2 780
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	15	15	15	16	16	17
Waste Processing Facilities		-	-	1 014	1 268	1 268	1 268	1 319	1 372	1 427
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	3 008	1 188	1 188	1 188	1 236	1 285	1 337
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand	1									
Community Assets		2 236	2 946	4 238	9 990	9 990	9 990	10 390	10 805	11 238
Community Facilities		984	1 027	6	7 045	7 045	7 045	7 327	7 620	7 925
Halls		3	4	-	202	202	202	210	219	228
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	121	121	121	126	131	136
Testing Stations		-	-	-	-	-	-	-	-	-
Museums		-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Libraries		6	7	6	219	219	219	228	237	247
Cemeteries/Crematoria		-	-	-	519	519	519	540	562	584
Police		-	-	-	1 622	1 622	1 622	1 686	1 754	1 824
Parks		-	-	-	-	-	-	-	-	-
Public Open Space		93	95	-	1 582	1 582	1 582	1 645	1 711	1 780
Nature Reserves		-	-	-	180	180	180	187	195	202
Public Ablution Facilities		-	-	-	728	728	728	757	788	819
Markets		-	-	-	-	-	-	-	-	-
Stalls		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Airports		-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals		-	-	-	-	-	-	-	-	-
Capital Spares		883	921	-	1 872	1 872	1 872	1 947	2 024	2 105
Sport and Recreation Facilities		1 252	1 919	4 231	2 945	2 945	2 945	3 063	3 185	3 312
Indoor Facilities		35	36	-	-	-	-	-	-	-
Outdoor Facilities		1 218	1 884	4 231	2 945	2 945	2 945	3 063	3 185	3 312
Capital Spares		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Monuments		-	-	-	-	-	-	-	-	-
Historic Buildings		-	-	-	-	-	-	-	-	-
Works of Art		-	-	-	-	-	-	-	-	-
Conservation Areas		-	-	-	-	-	-	-	-	-
Other Heritage		-	-	-	-	-	-	-	-	-
Investment properties		252	-	-	434	434	434	452	470	489
Revenue Generating		252	-	-	434	434	434	452	470	489
Improved Property		252	-	-	434	434	434	452	470	489
Unimproved Property		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Other assets		34 438	17 952	13 859	6 150	6 150	6 150	6 396	6 652	6 918
Operational Buildings		34 094	17 605	13 806	3 154	3 154	3 154	3 281	3 412	3 548
Municipal Offices		850	6 225	10 365	3 114	3 114	3 114	3 239	3 368	3 503
Pay/Enquiry Points		-	-	-	-	-	-	-	-	-
Building Plan Offices		-	-	-	-	-	-	-	-	-
Workshops		-	-	-	40	40	40	42	43	45
Yards		-	-	-	-	-	-	-	-	-
Stores		-	-	-	-	-	-	-	-	-
Laboratories		-	-	-	-	-	-	-	-	-
Training Centres		-	-	-	-	-	-	-	-	-
Manufacturing Plant		-	-	-	-	-	-	-	-	-
Depots		-	-	-	-	-	-	-	-	-
Capital Spares		33 244	11 380	3 441	-	-	-	-	-	-
Housing		344	347	53	2 996	2 996	2 996	3 116	3 240	3 370
Staff Housing		-	-	-	-	-	-	-	-	-
Social Housing		344	347	-	-	-	-	-	-	-
Capital Spares		-	-	53	2 996	2 996	2 996	3 116	3 240	3 370
Biological or Cultivated Assets		-	-	318	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	318	-	-	-	-	-	-
Intangible Assets		230	444	1 731	2 291	2 291	2 291	2 383	2 478	2 577
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		230	444	1 731	2 291	2 291	2 291	2 383	2 478	2 577
Water Rights		-	-	-	19	19	19	20	20	21
Effluent Licenses		-	-	-	-	-	-	-	-	-
Solid Waste Licenses		-	-	-	-	-	-	-	-	-
Computer Software and Applications		230	444	1 731	2 272	2 272	2 272	2 363	2 458	2 556

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<i>Load Settlement Software Applications Unspecified</i>		-	-	-	-	-	-	-	-	-
Computer Equipment		4 178	4 835	4 287	5 374	5 374	5 374	5 589	5 813	6 045
Computer Equipment		4 178	4 835	4 287	5 374	5 374	5 374	5 589	5 813	6 045
Furniture and Office Equipment		2 429	2 887	2 651	2 901	2 901	2 901	3 017	3 138	3 263
Furniture and Office Equipment		2 429	2 887	2 651	2 901	2 901	2 901	3 017	3 138	3 263
Machinery and Equipment		4 001	997	3 929	4 657	4 657	4 657	4 844	5 037	5 239
Machinery and Equipment		4 001	997	3 929	4 657	4 657	4 657	4 844	5 037	5 239
Transport Assets		-	-	1 897	8 508	8 508	8 508	8 849	9 203	9 571
Transport Assets		-	-	1 897	8 508	8 508	8 508	8 849	9 203	9 571
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Depreciation	1	149 804	149 307	157 550	189 600	189 600	189 600	197 184	205 072	213 274

WC024 Stellenbosch - Supporting Table SA34e Capital expenditure on the upgrading of existing assets by asset class

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand	1									
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		-	-	225 365	121 450	142 924	142 924	137 550	128 984	152 375
Roads Infrastructure		-	-	26 286	8 250	9 423	9 423	33 700	4 500	1 400
<i>Roads</i>		-	-	24 887	7 750	8 890	8 890	33 200	4 000	1 400
<i>Road Structures</i>		-	-	898	-	-	-	-	-	-
<i>Road Furniture</i>		-	-	501	500	534	534	500	500	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	1 233	1 000	3 000	3 000	1 000	2 000	-
<i>Drainage Collection</i>		-	-	-	-	-	-	-	-	-
<i>Storm water Conveyance</i>		-	-	1 233	1 000	3 000	3 000	1 000	2 000	-
<i>Attenuation</i>		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	38 974	15 900	18 579	18 579	14 250	13 300	11 450
<i>Power Plants</i>		-	-	-	-	-	-	-	-	-
<i>HV Substations</i>		-	-	-	-	-	-	-	-	-
<i>HV Switching Station</i>		-	-	-	-	-	-	-	-	-
<i>HV Transmission Conductors</i>		-	-	-	-	-	-	-	-	-
<i>MV Substations</i>		-	-	-	-	-	-	-	-	-
<i>MV Switching Stations</i>		-	-	-	-	-	-	-	-	-
<i>MV Networks</i>		-	-	29 443	15 600	17 979	17 979	11 500	10 500	11 000
<i>LV Networks</i>		-	-	7 672	300	600	600	2 500	2 500	100
<i>Capital Spares</i>		-	-	1 858	-	-	-	250	300	350
Water Supply Infrastructure		-	-	109 358	34 100	41 550	41 550	32 000	30 000	59 025
<i>Dams and Weirs</i>		-	-	-	1 000	1 000	1 000	-	-	-
<i>Boreholes</i>		-	-	-	-	-	-	-	-	-
<i>Reservoirs</i>		-	-	-	-	-	-	-	-	-
<i>Pump Stations</i>		-	-	-	-	-	-	-	-	-
<i>Water Treatment Works</i>		-	-	20 365	11 600	12 283	12 283	4 500	14 000	31 750
<i>Bulk Mains</i>		-	-	19 135	13 000	13 747	13 747	15 000	7 500	-
<i>Distribution</i>		-	-	69 858	7 000	13 020	13 020	10 000	6 000	36 000
<i>Distribution Points</i>		-	-	-	-	-	-	-	-	-
<i>PRV Stations</i>		-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	1 500	1 500	1 500	2 500	2 500	3 000
Sanitation Infrastructure		-	-	47 300	60 200	68 646	68 646	54 100	76 184	79 000
<i>Pump Station</i>		-	-	8	500	500	500	7 000	13 000	1 000
<i>Reticulation</i>		-	-	-	-	-	-	-	-	-
<i>Waste Water Treatment Works</i>		-	-	47 204	59 500	67 946	67 946	46 600	61 684	67 500
<i>Outfall Sewers</i>		-	-	-	-	-	-	-	1 000	10 000
<i>Toilet Facilities</i>		-	-	88	200	200	200	500	500	500
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	719	1 000	1 325	1 325	1 500	2 000	1 000
<i>Landfill Sites</i>		-	-	650	1 000	1 325	1 325	1 500	2 000	1 000
<i>Waste Transfer Stations</i>		-	-	-	-	-	-	-	-	-
<i>Waste Processing Facilities</i>		-	-	-	-	-	-	-	-	-
<i>Waste Drop-off Points</i>		-	-	69	-	-	-	-	-	-
<i>Waste Separation Facilities</i>		-	-	-	-	-	-	-	-	-
<i>Electricity Generation Facilities</i>		-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
<i>Rail Lines</i>		-	-	-	-	-	-	-	-	-
<i>Rail Structures</i>		-	-	-	-	-	-	-	-	-
<i>Rail Furniture</i>		-	-	-	-	-	-	-	-	-
<i>Drainage Collection</i>		-	-	-	-	-	-	-	-	-
<i>Storm water Conveyance</i>		-	-	-	-	-	-	-	-	-
<i>Attenuation</i>		-	-	-	-	-	-	-	-	-
<i>MV Substations</i>		-	-	-	-	-	-	-	-	-
<i>LV Networks</i>		-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
<i>Sand Pumps</i>		-	-	-	-	-	-	-	-	-
<i>Piers</i>		-	-	-	-	-	-	-	-	-
<i>Revetments</i>		-	-	-	-	-	-	-	-	-
<i>Promenades</i>		-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	1 494	1 000	400	400	1 000	1 000	500
<i>Data Centres</i>		-	-	1 494	1 000	400	400	1 000	1 000	500
<i>Core Layers</i>		-	-	-	-	-	-	-	-	-
<i>Distribution Layers</i>		-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand	1									
Community Assets		-	-	13 487	23 175	19 141	19 141	18 350	14 850	11 900
Community Facilities		-	-	4 275	16 475	13 091	13 091	11 850	9 300	5 850
Halls		-	-	1 437	900	4 425	4 425	3 850	3 550	1 750
Centres		-	-	-	-	-	-	200	1 000	1 000
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	1 878	-	-	-	2 000	500	-
Testing Stations		-	-	138	-	-	-	-	-	-
Museums		-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Libraries		-	-	201	1 275	1 958	1 958	1 000	250	-
Cemeteries/Crematoria		-	-	621	11 650	1 135	1 135	1 500	1 500	3 000
Police		-	-	-	300	3 474	3 474	500	-	-
Parks		-	-	-	150	150	150	-	-	-
Public Open Space		-	-	-	200	200	200	-	-	-
Nature Reserves		-	-	-	1 500	1 099	1 099	1 500	-	-
Public Ablution Facilities		-	-	-	500	650	650	500	500	-
Markets		-	-	-	-	-	-	-	-	-
Stalls		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Airports		-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	800	2 000	100
Sport and Recreation Facilities		-	-	9 213	6 700	6 050	6 050	6 500	5 550	6 050
Indoor Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		-	-	9 213	6 700	6 050	6 050	6 500	5 550	6 050
Capital Spares		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	100	100	100	500	500	200
Monuments		-	-	-	-	-	-	-	-	-
Historic Buildings		-	-	-	100	100	100	500	500	200
Works of Art		-	-	-	-	-	-	-	-	-
Conservation Areas		-	-	-	-	-	-	-	-	-
Other Heritage		-	-	-	-	-	-	-	-	-
Investment properties		-	-	296	6 900	6 500	6 500	10 900	9 250	13 000
Revenue Generating		-	-	-	5 100	5 200	5 200	5 200	4 000	11 000
Improved Property		-	-	-	5 100	5 200	5 200	5 200	4 000	11 000
Unimproved Property		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	296	1 800	1 300	1 300	5 700	5 250	2 000
Improved Property		-	-	296	1 800	1 300	1 300	5 700	5 250	2 000
Unimproved Property		-	-	-	-	-	-	-	-	-
Other assets		-	-	1 039	9 520	6 587	6 587	11 200	250	250
Operational Buildings		-	-	1 039	4 600	4 167	4 167	5 700	250	250
Municipal Offices		-	-	10	900	667	667	500	-	-
Pay/Enquiry Points		-	-	-	-	-	-	-	-	-
Building Plan Offices		-	-	-	-	-	-	-	-	-
Workshops		-	-	-	-	-	-	-	-	-
Yards		-	-	138	200	200	200	200	250	250
Stores		-	-	125	300	300	300	-	-	-
Laboratories		-	-	-	-	-	-	-	-	-
Training Centres		-	-	-	-	-	-	-	-	-
Manufacturing Plant		-	-	-	-	-	-	-	-	-
Depots		-	-	766	3 200	3 000	3 000	5 000	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Housing		-	-	-	4 920	2 420	2 420	5 500	-	-
Staff Housing		-	-	-	-	-	-	-	-	-
Social Housing		-	-	-	4 920	2 420	2 420	5 500	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	250
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	250
Intangible Assets		-	-	-	-	-	-	200	300	150
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	200	300	150
Water Rights		-	-	-	-	-	-	-	-	-
Effluent Licenses		-	-	-	-	-	-	-	-	-
Solid Waste Licenses		-	-	-	-	-	-	-	-	-
Computer Software and Applications		-	-	-	-	-	-	200	300	-
Load Settlement Software Applications		-	-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-	150
Computer Equipment		-	-	4 295	6 000	12 780	12 780	5 100	4 600	4 600
Computer Equipment		-	-	4 295	6 000	12 780	12 780	5 100	4 600	4 600

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand	1									
Furniture and Office Equipment		-	-	-	-	-	-	200	200	500
Furniture and Office Equipment		-	-	-	-	-	-	200	200	500
Machinery and Equipment		-	-	1 260	-	-	-	100	100	150
Machinery and Equipment		-	-	1 260	-	-	-	100	100	150
Transport Assets		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on upgrading of existing assets	1	-	-	245 742	167 145	188 032	188 032	184 100	159 034	183 375
<i>Upgrading of Existing Assets as % of total capex</i>		0.0%	0.0%	56.7%	31.7%	33.4%	33.4%	33.0%	38.4%	43.0%
<i>Upgrading of Existing Assets as % of deprecn"</i>		0.0%	0.0%	156.0%	84.1%	94.6%	94.6%	93.4%	77.6%	86.0%

WC024 Stellenbosch - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	Ref	2019/20 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Present value
R thousand								
Capital expenditure	1							
Vote 1 - Office of the Municipal Manager		35	40	40				
Vote 2 - Planning and Development Services		9 930	4 982	159				
Vote 3 - Infrastructure Services		-	-	-				
Vote 4 - Community and Protection Services		62 690	28 245	27 275				
Vote 5 - Corporate Services		375 107	350 926	369 239				
Vote 6 - Financial Services		105 650	28 750	29 050				
Vote 6 - Financial Services		150	150	150				
<i>List entity summary if applicable</i>								
Total Capital Expenditure		553 562	413 093	425 913	-	-	-	-
Future operational costs by vote	2							
Vote 1 - Office of the Municipal Manager		52 258	53 489	55 780				
Vote 2 - Planning and Development Services		109 279	112 577	120 939				
Vote 3 - Infrastructure Services		972 006	1 046 404	1 115 437				
Vote 4 - Community and Protection Services		357 526	379 805	404 176				
Vote 5 - Corporate Services		184 055	195 930	209 548				
Vote 6 - Financial Services		133 124	137 057	142 472				
Vote 6 - Financial Services								
<i>List entity summary if applicable</i>								
Total future operational costs		1 808 247	1 925 262	2 048 352	-	-	-	-
Future revenue by source	3							
Property rates		356 122	382 456	408 452				
Service charges - electricity revenue		639 886	692 917	749 031				
Service charges - water revenue		201 975	217 103	231 085				
Service charges - sanitation revenue		113 503	122 278	130 586				
Service charges - refuse revenue		69 225	77 147	84 762				
Service charges - other		-	-	-				
Rental of facilities and equipment		18 831	19 961	21 159				
<i>Other Revenue</i>		379 105	387 345	400 452				
<i>List entity summary if applicable</i>								
Total future revenue		1 906 179	1 958 514	2 088 913	-	-	-	-
Net Financial Implications		493 017	417 051	422 371	-	-	-	-

References

1. Summarise the total capital cost until capital project is operational (MFMA s19(2)(a))
2. Summary of future operational costs from when projects operational (present value until the end of each asset's useful life) (MFMA s19(2)(b))
3. Summarise the future revenue from when projects are operational, including municipal tax and tariff implications, (present value until the end of asset's useful life)

WC024 Stellenbosch - Supporting Table SA36 Detailed capital budget

R thousand	Function	Project Description	Project Number	Own Strategic Objectives	2019/20 Medium Term Revenue & Expenditure Framework		
					Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Parent municipality:							
<i>List all capital projects grouped by Function</i>							
Municipal Manager	Furniture, Tools and Equipment	712972186	Good Governance and Compliance	35	40	40	
Planning and Economic Development	Furniture, Tools and Equipment	712973243	Good Governance and Compliance	45	35	-	
Planning and Economic Development	Establishment of Informal Trading Sites: Klampnuts	712976959	Valley of Possibility	3 000	-	-	
Planning and Economic Development	Establishment of Informal Trading Sites: Groendal	712976959	Valley of Possibility	2 000	-	-	
Planning and Economic Development	Local Economic Development Hub Jamestown	712976959	Valley of Possibility	-	4 500	-	
Planning and Economic Development	Establishment of Informal Trading Sites: Kayamandi	712973272	Valley of Possibility	4 500	-	-	
Planning and Economic Development	Upgrading of the Kayamandi Economic Tourism Corridor	712973363	Valley of Possibility	150	250	-	
Planning and Economic Development	Furniture, Tools and Equipment	712972279	Good Governance and Compliance	50	52	59	
Planning and Economic Development	Furniture, Tools and Equipment	712972187	Good Governance and Compliance	55	35	-	
Planning and Economic Development	Furniture, Tools & Equipment	712976909	Good Governance and Compliance	150	130	125	
Infrastructure Services	Basic Services Improvements: Langrug	712972572	Dignified Living	4 300	5 500	5 500	
Infrastructure Services	Langrug Dam	712976915	Valley of Possibility	3 500	-	-	
Infrastructure Services	Idas Valley IRDP / FLISP	712972280	Dignified Living	8 500	5 000	-	
Infrastructure Services	Computer - Hardware/Equipment: Human Settlements & Property	712972271	Good Governance and Compliance	50	50	50	
Infrastructure Services	Furniture,Tools and Equipment: Human Settlements and Property	712972569	Good Governance and Compliance	20	20	23	
Infrastructure Services	Northern Extension: Feasibility	712972277	Valley of Possibility	-	-	500	
Infrastructure Services	Enkanini ABS	712973221	Dignified Living	250	250	250	
Infrastructure Services	Enkanini subdivision, consolidation and rezoning	712973342	Valley of Possibility	-	-	5 000	
Infrastructure Services	Kayamandi Town Centre - Civil Infrastructure	712975696	Valley of Possibility	2 000	3 000	5 000	
Infrastructure Services	Kayamandi: Watergang and Zone O	712972268	Dignified Living	3 650	5 000	4 000	
Infrastructure Services	Cloeteville IRDP Planning	712972276	Dignified Living	260	280	6 790	
Infrastructure Services	Klampnuts: Erf 2181 (298 serviced sites)	712972270	Dignified Living	6 452	6 452	-	
Infrastructure Services	Jamestown: Mountainview Installation of water and sewer services	712973344	Dignified Living	100	-	-	
Infrastructure Services	Access to Basic Services	712972568	Dignified Living	250	265	281	
Infrastructure Services	Smartie town, Cloeteville	712972267	Dignified Living	5 500	-	-	
Infrastructure Services	Housing Projects	712972278	Dignified Living	500	500	500	
Infrastructure Services	Jamestown: Housing	712973470	Dignified Living	600	7 980	10 500	
Infrastructure Services	Upgrading of The Steps/Orlean Lounge	New	Dignified Living	7 000	7 500	-	
Infrastructure Services	Longlands Vlothenburg: Housing Internal Services	712972266	Dignified Living	4 000	-	-	
Infrastructure Services	Northern Extension: Feasibility	712972277	Valley of Possibility	500	3 500	3 000	

Function	Project Description	Project Number	Own Strategic Objectives	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Infrastructure Services	Town Centre Stellenbosch (Social Housing)	712972275	Dignified Living	-	-	3 000
Infrastructure Services	Skips (5,5KI)	712972369	Green and Sustainable Valley	400	400	200
Infrastructure Services	Stellenbosch WC024 Material Recovery Facility	712973454	Green and Sustainable Valley	22 000	-	-
Infrastructure Services	Transfer Station: Stellenbosch	712973451	Green and Sustainable Valley	1 000	10 000	10 000
Infrastructure Services	Vehicles	712972375	Good Governance and Compliance	3 000	3 000	3 000
Infrastructure Services	Expansion of the landfill site (New cells)	712977010	Green and Sustainable Valley	2 000	8 000	16 000
Infrastructure Services	Waste Minimization Projects	712972367	Green and Sustainable Valley	1 000	-	-
Infrastructure Services	Integrated Waste Management Plan	712973455	Green and Sustainable Valley	-	-	100
Infrastructure Services	Landfill Gas To Energy	712972377	Green and Sustainable Valley	-	500	500
Infrastructure Services	Upgrade Refuse disposal site (Existing Cell)- Rehab	712972579	Green and Sustainable Valley	1 500	2 000	1 000
Infrastructure Services	Waste Management Software	712972383	Green and Sustainable Valley	-	-	200
Infrastructure Services	Waste to Energy - Implementation	712973452	Green and Sustainable Valley	-	3 000	1 000
Infrastructure Services	Waste to Energy - Planning	712973453	Green and Sustainable Valley	500	-	-
Infrastructure Services	Waste Biofuels	712972376	Green and Sustainable Valley	-	-	300
Infrastructure Services	Furniture, Tools and Equipment : Solid Waste	712972370	Green and Sustainable Valley	35	45	45
Infrastructure Services	Street Refuse Bins	712979098	Good Governance and Compliance	300	2 000	2 000
Infrastructure Services	Upgrade of WWTW Wemmershoek	712972585	Valley of Possibility	5 000	15 000	-
Infrastructure Services	Sewerpipe Replacement: Dorp Straat	712973372	Dignified Living	9 000	12 000	6 000
Infrastructure Services	Upgrade Auto-Samplers	712972387	Valley of Possibility	100	100	150
Infrastructure Services	Specialized vehicle: Jet Machine	712973371	Valley of Possibility	1 000	-	-
Infrastructure Services	Industrial Effluent Monitoring	712976906	Dignified Living	500	750	1 000
Infrastructure Services	Upgrade of WWTW: Pniel & Decommissioning Of Franschoek	712972388	Valley of Possibility	40 000	44 684	50 000
Infrastructure Services	Idas Valley Merriman Outfall Sewer	712972498	Dignified Living	10 000	-	-
Infrastructure Services	New Development Bulk Sewer Supply WC024	712972704	Dignified Living	2 000	2 000	2 000
Infrastructure Services	Vehicles	712973447	Good Governance and Compliance	-	-	1 000
Infrastructure Services	Sewer Pumpstation & Telemetry Upgrade	712972488	Dignified Living	1 000	1 000	1 000
Infrastructure Services	New Plankenburg Main Outfall Sewer	712972487	Valley of Possibility	10 000	-	-
Infrastructure Services	Sewerpipe Replacement	712972489	Dignified Living	3 000	3 000	4 000
Infrastructure Services	Furniture, Tools and Equipment : Sanitation	712973422	Good Governance and Compliance	1 200	1 200	1 200
Infrastructure Services	Kayamandi Bulk Sewer	712979155	Dignified Living	-	500	10 000
Infrastructure Services	Update Sewer Masterplan and IMQS	712973289	Dignified Living	1 500	1 500	1 500
Infrastructure Services	Dorp Street Bulk Sewer Upgrade	712979152	Dignified Living	-	-	500
Infrastructure Services	Effluent Recycling of Waste Water 10Ml per day	712976911	Dignified Living	-	-	500
Infrastructure Services	Northern Extension: Phase 2 Sanitation Infrastructure	712973464	Dignified Living	-	-	2 000
Infrastructure Services	Update Sewer Masterplan	712973448	Dignified Living	-	-	500
Infrastructure Services	Upgrade of WWTW: Klapmuts	712972389	Valley of Possibility	100	500	1 000

Function	Project Description	Project Number	Own Strategic Objectives	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Infrastructure Services	Klapmuts Bulk Sewer Upgrade	712979156	Dignified Living	-	1 000	10 000
Infrastructure Services	Bulk Sewer Outfall: Jamestown	712972494	Dignified Living	30 000	30 000	6 000
Infrastructure Services	Bulk water supply Klapmuts	712973356	Valley of Possibility	10 000	15 000	5 000
Infrastructure Services	Water Conservation & Demand Management	712972484	Green and Sustainable Valley	10 000	5 000	5 000
Infrastructure Services	Bulk water Supply Pipe : Cloetesville/ Idas Valley	712972596	Valley of Possibility	-	-	1 000
Infrastructure Services	Reservoirs and Dam Safety	712972485	Valley of Possibility	1 500	1 500	1 500
Infrastructure Services	Upgrade and Replace Water Meters	712972486	Valley of Possibility	2 500	2 500	3 000
Infrastructure Services	Update Water Masterplan and IMQS	712972496	Valley of Possibility	1 500	1 500	1 500
Infrastructure Services	WSDP (tri-annually)	712973530	Valley of Possibility	400	400	400
Infrastructure Services	Bulk water Supply Pipe Line & Pumpstations: Franschoek	712972595	Valley of Possibility	6 000	12 000	-
Infrastructure Services	Chlorination Installation: Upgrade	712972483	Valley of Possibility	500	500	500
Infrastructure Services	New Developments Bulk Water Supply WC024	712972479	Valley of Possibility	2 000	2 000	2 000
Infrastructure Services	Waterpipe Replacement	712972477	Valley of Possibility	5 000	6 000	7 000
Infrastructure Services	Water Telemetry Upgrade	712972476	Valley of Possibility	500	500	750
Infrastructure Services	Furniture, Tools and Equipment : Reticulation	712972490	Good Governance and Compliance	100	100	100
Infrastructure Services	Vehicles	712972495	Good Governance and Compliance	1 000	1 000	1 000
Infrastructure Services	Upgrade of Franschoek Reservoirs and Pipelines	712980154	Valley of Possibility	-	-	1 000
Infrastructure Services	Dwarsriver Bulk Supply Augmentation and Network Upgrades	712980161	Valley of Possibility	-	1 000	30 000
Infrastructure Services	Water Treatment Works: Idas Valley	712972497	Valley of Possibility	2 000	11 000	15 000
Infrastructure Services	Bulk Water Supply Pipe: Idas Valley/Papegaaiberg and Network Upgrades	712972492	Valley of Possibility	-	-	1 000
Infrastructure Services	Northern Extension: Phase 2 Water Infrastructure	712973486	Valley of Possibility	-	-	2 000
Infrastructure Services	Bulk water supply pipe and Reservoir: Kayamandi	712972594	Valley of Possibility	15 000	7 500	-
Infrastructure Services	Upgrading of Koelenhof Water Scheme	712976905	Valley of Possibility	-	500	15 000
Infrastructure Services	New Reservoir: Polkadraai	712973442	Valley of Possibility	20 000	20 000	10 000
Infrastructure Services	Bulk Water Supply Pipeline & Reservoir - Jamestown	712972478	Valley of Possibility	1 000	10 000	10 000
Infrastructure Services	Water Treatment Works: Paradyskloof	712972481	Valley of Possibility	-	500	14 000
Infrastructure Services	New Reservoir Rosendal	712978028	Valley of Possibility	1 000	15 000	6 000
Infrastructure Services	Reseal Roads -Franschoek CBD	712972586	Valley of Possibility	1 000	-	-
Infrastructure Services	Reseal Roads -Onder Papegaaiberg	712972397	Valley of Possibility	1 000	-	-
Infrastructure Services	Resealing (WC024)	712972394	Valley of Possibility	1 000	1 000	-
Infrastructure Services	Upgrade Stormwater Water Conveyance System	712972395	Valley of Possibility	1 000	2 000	-
Infrastructure Services	Lanquedoc Access road and Bridge	712975576	Valley of Possibility	2 000	-	-
Infrastructure Services	Furniture, Tools and Equipment : Tr&Stw	712972411	Good Governance and Compliance	300	300	300
Infrastructure Services	R44 Access Upgrades	712976984	Valley of Possibility	5 000	-	-
Infrastructure Services	Adhoc Reconstruction Of Roads (WC024)	712972391	Valley of Possibility	4 000	6 000	6 000
Infrastructure Services	Reseal Roads - Cloetesville	712972405	Valley of Possibility	1 000	-	3 000

Function	Project Description	Project Number	Own Strategic Objectives	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Infrastructure Services	Reseal Roads - Idasvalley	712972399	Valley of Possibility	1 000	-	2 750
Infrastructure Services	Upgrade Gravel Roads - Devon Valley	712979134	Valley of Possibility	1 500	-	-
Infrastructure Services	Technopark Access Road	712973385	Valley of Possibility	5 000	-	-
Infrastructure Services	Reseal Roads Stellenbosch	712976986	Valley of Possibility	2 000	-	-
Infrastructure Services	Schuilplaats Road Link	712979131	Valley of Possibility	2 000	-	-
Infrastructure Services	Specialized Vehicle	712973440	Good Governance and Compliance	3 000	-	-
Infrastructure Services	Structural Rehabilitation - Bridges	712979128	Valley of Possibility	5 000	-	-
Infrastructure Services	Reseal Roads Kylemore	712973393	Valley of Possibility	1 000	-	-
Infrastructure Services	Reseal Roads Paradyskloof	712972400	Valley of Possibility	1 000	-	-
Infrastructure Services	Main Road Intersection Improvements: Franschoek	712972472	Valley of Possibility	1 700	-	-
Infrastructure Services	Main Road Intersection Improvements:Pniel / Kylemore	712972454	Valley of Possibility	-	-	400
Infrastructure Services	Directional Information Signage	712972392	Valley of Possibility	200	200	-
Infrastructure Services	Furniture, Tools and Equipment : Traffic Engineering	712972456	Good Governance and Compliance	100	100	-
Infrastructure Services	Signalisation implementation	712973397	Good Governance and Compliance	200	250	-
Infrastructure Services	Specialised Equipment: Roadmarking Machine + Trailer	712972457	Valley of Possibility	-	-	300
Infrastructure Services	Traffic Calming Projects: Implementation	712972433	Safe Valley	1 500	2 000	-
Infrastructure Services	Traffic Management Improvement Programme	712972460	Safe Valley	500	500	-
Infrastructure Services	Traffic Signal Control: Upgrading of Traffic Signals	712972393	Safe Valley	500	500	-
Infrastructure Services	Accident Information System	712976948	Safe Valley	750	250	250
Infrastructure Services	Pedestrian Crossing Implementation	712973398	Safe Valley	1 000	100	-
Infrastructure Services	Vehicles	712973395	Safe Valley	-	-	250
Infrastructure Services	Road Transport Safety Master Plan - WC024	712972448	Safe Valley	250	250	-
Infrastructure Services	Universal Access Implementation	712973403	Valley of Possibility	100	100	-
Infrastructure Services	Main Road Intersection Improvements: Stellenbosch	712972453	Valley of Possibility	12 000	-	-
Infrastructure Services	Specialized Vehicle	712972435	safe Valley	-	-	500
Infrastructure Services	Asset Management: Traffic Signaling Systems	712979124	Good Governance and Compliance	-	-	700
Infrastructure Services	Non Motorised Transportation (NMT) Implementation	712977014	Green and Sustainable Valley	3 000	2 000	2 000
Infrastructure Services	Northern Extension: Public Transport Network	712973466	Valley of Possibility	-	-	2 000
Infrastructure Services	Khayamandi Pedestrian Crossing (R304, River and Railway Line)	712972431	Safe Valley	2 000	500	-
Infrastructure Services	Bicycle Lockup Facilities	712972422	Safe Valley	-	-	200
Infrastructure Services	Bus and Taxi Shelters	712972417	Safe Valley	200	200	200
Infrastructure Services	Comprehensive Integrated Transport Master Plan	712972412	Green and Sustainable Valley	900	1 000	600
Infrastructure Services	Update Roads Master Plan for WC024	712973412	Valley of Possibility	1 000	1 000	1 000
Infrastructure Services	Jamestown South Transport Network	New	Valley of Possibility	1 000	2 000	-
Infrastructure Services	Taxi Rank: Klapmuts	New	Valley of Possibility	2 500	1 500	-
Infrastructure Services	Taxi Rank: Kayamandi	712972414	Valley of Possibility	1 500	-	-

Function	Project Description	Project Number	Own Strategic Objectives	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Infrastructure Services	NMT Asset Management & NMT Public Transport	712973405	Good Governance and Compliance	1 500	-	-
Infrastructure Services	Buildings & Facilities Electrical Supply - Stellenbosch	712972282	Valley of Possibility	500	500	100
Infrastructure Services	DSM Geyser Control	712972309	Green and Sustainable Valley	500	100	100
Infrastructure Services	New 66kV substation - Dwars Rivier	712975671	Valley of Possibility	1 100	2 700	14 000
Infrastructure Services	General Systems Improvements - Stellenbosch	712972285	Valley of Possibility	3 000	3 000	3 000
Infrastructure Services	Meter Panels	712972289	Green and Sustainable Valley	400	500	500
Infrastructure Services	Replace Ineffective Meters & Energy Balance of mini-substations	712972301	Green and Sustainable Valley	500	600	-
Infrastructure Services	Vehicle Fleet	712972303	Good Governance and Compliance	-	-	1 000
Infrastructure Services	Infrastructure Improvement - Franschhoek	712972297	Valley of Possibility	1 500	1 500	2 000
Infrastructure Services	Lighting on Public Places	712977022	Safe Valley	1 000	1 000	1 000
Infrastructure Services	General System Improvements - Franschhoek	712972299	Valley of Possibility	2 000	2 000	2 000
Infrastructure Services	System Control Centre & Upgrade Telemetry	712972286	Good Governance and Compliance	1 000	1 000	500
Infrastructure Services	Ad-Hoc Provision of Streetlighting	712972284	Safe Valley	1 000	1 000	1 000
Infrastructure Services	Automatic Meter Reader	712972290	Green and Sustainable Valley	400	400	400
Infrastructure Services	Network Cable Replace 11 Kv	712972287	Valley of Possibility	3 000	3 000	3 000
Infrastructure Services	Energy Balancing Between Metering and Mini-Substations	712972288	Valley of Possibility	500	500	500
Infrastructure Services	Energy Efficiency and Demand Side Management	712972302	Green and Sustainable Valley	2 000	2 000	-
Infrastructure Services	Small Capital: Fte Electrical Engineering Services	712972283	Valley of Possibility	250	300	350
Infrastructure Services	Kwarentyn Sub cables: 11kV 3 core 185mmsq PILC(Table19) copper cabling, 3.8km	712973165	Valley of Possibility	-	-	5 500
Infrastructure Services	Integrated National Electrification Programme	712972574	Valley of Possibility	11 160	4 000	4 000
Infrastructure Services	Integrated National Electrification Programme (Enkanini)	712972312	Valley of Possibility	4 480	6 400	-
Infrastructure Services	Furniture, Tools & Equipment	712972378	Good Governance and Compliance	110	100	-
Infrastructure Services	Implementation of Ward Priorities	712978034	Good Governance and Compliance	490		
Infrastructure Services	Update of Engineering Infrastructure GIS Data	712972380	Good Governance and Compliance	200	300	-
Corporate Services	Implementation of Ward Priorities	712978037	Good Governance and Compliance	320	-	-
Corporate Services	Purchase and Replacement of Computer/software and Peripheral devices	712975599	Good Governance and Compliance	500	500	600
Corporate Services	Public WI-FI Network	712973438	Good Governance and Compliance	600	600	600
Corporate Services	Upgrade and Expansion of IT Infrastructure Platforms	712972509	Good Governance and Compliance	4 500	4 000	4 000
Corporate Services	New Community Hall Klapmuts	712972358	Valley of Possibility	1 000	-	-
Corporate Services	Structural Improvement: General	712972195	Dignified Living	1 000	1 000	1 500
Corporate Services	Structural Upgrade: Heritage Building	712972357	Valley of Possibility	500	500	200
Corporate Services	Upgrading Fencing	712972363	Valley of Possibility	300	300	300
Corporate Services	Structural Upgrading: Community Hall Lamotte	712972198	Valley of Possibility	1 700	300	-
Corporate Services	Furniture Tools and Equipment: Property Management	712973285	Valley of Possibility	250	250	250
Corporate Services	Flats: Interior Upgrading	712973320	Dignified Living	3 000	1 500	-
Corporate Services	Rebuild: Kleine Libertas Theatre	712972365	Valley of Possibility	4 000	5 000	3 000

Function	Project Description	Project Number	Own Strategic Objectives	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Corporate Services	Structural improvements at the Van der Stel Sport grounds	712976939	Valley of Possibility	200	1 000	1 000
Corporate Services	Flats: Cloetesville Fencing	712973319	Safe Valley	-	-	100
Corporate Services	Upgrading of Eike Town Town Hall	712977021	Valley of Possibility	1 000	2 000	-
Corporate Services	Upgrading of Traffic Offices: Stellenbosch	712977017	Good Governance and Compliance	2 000	6 000	2 000
Corporate Services	La Motte Clubhouse	712972361	Valley of Possibility	3 700	300	-
Corporate Services	Public Ablution Facilities: Franschoek	712976912	Dignified Living	500	500	-
Corporate Services	Upgrading of Stellenbosch Town Hall	712977020	Valley of Possibility	2 000	1 000	-
Corporate Services	Kayamandi: Upgrading of Makapula Hall	712980152	Valley of Possibility	200	1 000	1 000
Corporate Services	Upgrading of Community Facilities: Jonkershoek	712976940	Valley of Possibility	200	1 000	1 000
Corporate Services	Purchasing of land	712975621	Dignified Living	77 500	-	-
Corporate Services	Upgrade Millenium Hall Priel	712980160	Valley of Possibility	-	300	3 000
Corporate Services	Idas Valley Community Hall	712980160	Valley of Possibility	-	-	500
Corporate Services	Structural Improvement: Beltana	712972362	Valley of Possibility	-	500	10 000
Community and Protection Services	Enlarge Office Space (Jan Marais Reserve)	New	Good Governance and Compliance	1 500	250	-
Community and Protection Services	Furniture, Tools and Equipment	712972188	Good Governance and Compliance	50	50	50
Community and Protection Services	Implementation of Ward Priorities	712978036	Good Governance and Compliance	2 025	-	-
Community and Protection Services	Extension of Cemetery Infrastructure	712972247	Dignified Living	1 500	1 500	3 000
Community and Protection Services	New Cemetery: Klapmuts	712979093	Dignified Living	500	-	5 000
Community and Protection Services	Purchase of Equipment	712979094	Good Governance and Compliance	200	-	-
Community and Protection Services	Urban Greening: Beautification: Main Routes and Tourist Routes	712972217	Green and Sustainable Valley	150	150	250
Community and Protection Services	Irrigation Systems	712973239	Green and Sustainable Valley	-	-	100
Community and Protection Services	Storage Containers: Fertilisers & Pesticides.	712975725	Green and Sustainable Valley	35	-	-
Community and Protection Services	Furniture, Tools and Equipment	712972210	Good Governance and Compliance	50	50	50
Community and Protection Services	Purchase of Specialised Vehicles	712972208	Good Governance and Compliance	2 000	1 000	1 000
Community and Protection Services	Upgrading of Parks	712975618	Green and Sustainable Valley	2 350	1 650	1 650
Community and Protection Services	Landscaping of Circles in Stellenbosch	712979095	Green and Sustainable Valley	-	-	150
Community and Protection Services	Purchase of Specialised Equipment	712972209	Good Governance and Compliance	100	-	-
Community and Protection Services	River developement	712980244	Green and Sustainable Valley	-	-	250
Community and Protection Services	Integrated Parks	712978093	Green and Sustainable Valley	5 000	-	-
Community and Protection Services	Artificial grass on parks and gardens	712980262	Green and Sustainable Valley	-	-	300
Community and Protection Services	Fencing on Various Parks and Gardens	712980253	Green and Sustainable Valley	-	-	200
Community and Protection Services	Pathways on Parks & gardens	712980256	Green and Sustainable Valley	50	-	100
Community and Protection Services	Spray/Water Parks	712980282	Green and Sustainable Valley	1 000	5 000	1 000
Community and Protection Services	Furniture Tools and Equipment	712972188	Good Governance and Compliance	35	35	50
Community and Protection Services	SRD Vehicle	712973218	Valley of Possibility	300	-	-
Community and Protection Services	Specialized Vehicle	712972324	Safe Valley	2 500	800	-

Function	Project Description	Project Number	Own Strategic Objectives	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Community and Protection Services	Major Fire Pumper	712973307	Safe Valley	4 500	-	-
Community and Protection Services	Upgrading of Stellenbosch Fire Station	712973306	Safe Valley	5 000	-	-
Community and Protection Services	Furniture, Tools and Equipment	712973297	Good Governance and Compliance	100	-	-
Community and Protection Services	Hydraulic Ladder Fire Truck	712973308	Safe Valley	12 000	-	-
Community and Protection Services	Rescue equipment	712973300	Safe Valley	300	300	-
Community and Protection Services	Vehicle Fleet	712980203	Good Governance and Compliance	400	-	-
Community and Protection Services	Install Computerized Access Security Systems and CCTV Cameras At Municipal Buildings	712972335	Safe Valley	1 000	950	950
Community and Protection Services	Law Enforcement Tools and Equipment	712972336	Safe Valley	600	350	350
Community and Protection Services	Law Enforcement: Vehicle Fleet	712972344	Safe Valley	2 000	2 500	1 000
Community and Protection Services	Security Upgrades	712972341	Safe Valley	200	250	250
Community and Protection Services	Furniture Tools and Equipment	712972338	Good Governance and Compliance	350	300	300
Community and Protection Services	Pound Upgrade	712972342	Safe Valley	-	-	1 000
Community and Protection Services	Install and Upgrade CCTV Cameras In WC024	712972316	Safe Valley	1 000	1 500	1 500
Community and Protection Services	Upgrading: Cloetesville Library	712972259	Valley of Possibility	1 000	-	-
Community and Protection Services	Franschhoek: Furniture Tools and Equipment	712972264	Good Governance and Compliance	65	65	-
Community and Protection Services	Pniel: Furniture, Tools and Equipment	712972262	Good Governance and Compliance	-	-	35
Community and Protection Services	Idas Valley: Furniture, Tools and Equipment	712972258	Good Governance and Compliance	55	55	-
Community and Protection Services	Libraries: CCTV	712972255	safe Valley	400	300	-
Community and Protection Services	Libraries: Small Capital	712972256	Valley of Possibility	75	85	-
Community and Protection Services	Library Books	712972250	Valley of Possibility	150	160	170
Community and Protection Services	Plein Street: Furniture, Tools and Equipment	712972251	Good Governance and Compliance	60	-	-
Community and Protection Services	Vehicles	712975677	Good Governance and Compliance	-	300	250
Community and Protection Services	Upgrading: Kayamandi Library	712972261	Valley of Possibility	-	250	-
Community and Protection Services	Cloetesville: Furniture, Tools and Equipment	712972260	Good Governance and Compliance	45	50	-
Community and Protection Services	Groendal: Furniture Tools and Equipment	712977003	Good Governance and Compliance	65	75	-
Community and Protection Services	Kayamandi: Furniture, Tools and Equipment	712977002	Good Governance and Compliance	45	-	-
Community and Protection Services	Replacement of geysers	712980206	Good Governance and Compliance	-	-	100
Community and Protection Services	4x4 bakkie	712973224	Good Governance and Compliance	-	-	400
Community and Protection Services	Specialized Vehicle	712975735	Green and Sustainable Valley	-	-	1 100
Community and Protection Services	Workshop : FTE	712979091	Good Governance and Compliance	100	100	100
Community and Protection Services	Vehicle Fleet	712979096	Good Governance and Compliance	-	-	800
Community and Protection Services	Upgrading of Jonkershoek Picnic Site	712975727	Good Governance and Compliance	750	2 000	-
Community and Protection Services	Air and Noise Control: FTE	712978091	Green and Sustainable Valley	10	20	20
Community and Protection Services	Papegaaiberg Nature Reserve	712973490	Green and Sustainable Valley	2 000	1 000	-
Community and Protection Services	Mont Rochelle Nature Reserve: Upgrade of Facilities.	712975734	Green and Sustainable Valley	1 500	-	-
Community and Protection Services	Upgrading of Halls	712979115	Valley of Possibility	-	-	250

Function	Project Description	Project Number	Own Strategic Objectives	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Community and Protection Services	Vehicle Fleet	712975676	Good Governance and Compliance	-	-	250
Community and Protection Services	Furniture, Tools and Equipment	712979123	Good Governance and Compliance	250	250	200
Community and Protection Services	Vehicle Fleet	712972242	Good Governance and Compliance	250	250	-
Community and Protection Services	Recreational Equipment Sport	712972241	Valley of Possibility	80	-	-
Community and Protection Services	Sight Screens/Pitch Covers Sports Grounds	712972224	Valley of Possibility	200	-	-
Community and Protection Services	Upgrade of Irrigation System	712972225	Green and Sustainable Valley	-	-	200
Community and Protection Services	Furniture, Tools and equipment	712975754	Good Governance and Compliance	100	-	-
Community and Protection Services	Sport: Community Services Special Equipment	712972205	Valley of Possibility	200	-	-
Community and Protection Services	Upgrade of Sport Facilities	712972227	Valley of Possibility	4 000	3 000	3 000
Community and Protection Services	Upgrade of swimming pool	712973304	Valley of Possibility	2 000	500	-
Community and Protection Services	Upgrading of Tennis Courts: Idas Valley & Cloetesville	712972231	Valley of Possibility	550	-	-
Community and Protection Services	Borehole: Rural Sportsgrounds	712972221	Green and Sustainable Valley	550	550	550
Community and Protection Services	Fencing: Sport Grounds (WC024)	712979104	Valley of Possibility	1 000	1 000	1 000
Community and Protection Services	Upgrading of Lanquedoc Sports Grounds	712979110	Valley of Possibility	600	-	-
Community and Protection Services	Mobile Radios	712972330	Safe Valley	200	200	200
Community and Protection Services	Furniture, Tools and Equipment	712972325	Good Governance and Compliance	300	200	200
Community and Protection Services	Replacement of Patrol Vehicles	712972327	Safe Valley	920	1 200	-
Community and Protection Services	Vehicle Fleet	712 979 102	Good Governance and Compliance	-	-	350
Financial Services	Furniture, Tools and Equipment	712 972 505	Good Governance and Compliance	150	150	150
Parent Capital expenditure				558 277	414 613	426 338
Entities: <i>List all capital projects grouped by Entity</i>						
Entity A Water project A						
Entity B Electricity project B						
Entity Capital expenditure				-	-	-
Total Capital expenditure				558 277	414 613	426 338

References

Function	Project Description	Project Number	Own Strategic Objectives	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
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Must reconcile with Budgeted Capital Expenditure

Projects that fall above the threshold values applicable to the municipality as identified in regulation 13 of the Municipal Budget and Reporting Regulations must be listed individually. Other projects by Function

Asset class as per table A9 and asset sub-class as per table SA34

GPS coordinates correct to seconds. Provide a logical starting point on networked infrastructure.

Distinguish projects approved in terms of MFMA section 19(1)(b) and MRRR Regulation 13

Project Number consists of MSCOA Project Longcode and seq No (sample PC001002006002_00002)

558 277	414 613	426 338
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WC024 Stellenbosch - Supporting Table SA37 Projects delayed from previous financial year/s

R thousand	Function	Project name	Current Year 2018/19		2019/20 Medium Term Revenue & Expenditure Framework		
			Original Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Parent municipality:							
<i>List all capital projects grouped by Function</i>							
	Core Function:Corporate Wide Strategic Planning	Establishment of Informal Trading Sites: Klapmuts	4 000	1 000	3 000	-	-
	Core Function:Corporate Wide Strategic Planning	Establishment of Informal Trading Sites: Groendal	2 700	700	2 000	-	-
	Core Function:Corporate Wide Strategic Planning	Heritage Tourism Center - Jamestown	1 500	860	640	-	-
	Non-core Function:Informal Settlements	Klapmuts: Erf 2181 (298 serviced sites)	13 880	9 114	-	-	-
	Non-core Function:Informal Settlements	Klapmuts: Erf 2181 (298 serviced sites)	13 880	2 924	1 259	-	-
	Non-core Function:Housing	Smartie Town, Cloetesville	4 920	2 420	4 900	-	-
	Non-core Function:Housing	Stellenbosch: Social Housing	200	-	200	2 000	-
	Core Function:Property Services	Purchasing of land	10 000	-	65 626	10 000	-
	Core Function:Property Services	Structural Upgrading: Community Hall La Motte	1 000	800	1 700	-	-
	Core Function:Fire Fighting and Protection	Upgrading of Stellenbosch Fire Station	1 200	3 000	7 000	-	-
	Core Function:Fire Fighting and Protection	Hydraulic Ladder Fire Truck	12 000	-	3 003	-	-
	Core Function:Fire Fighting and Protection	Hydraulic Ladder Fire Truck	12 000	-	9 357	-	-
	Core Function:Community Parks (including Nurseries)	Mont Rochelle Nature Reserve: Upgrade of Facilities.	1 500	700	800	-	-
Entities:							
<i>List all capital projects grouped by Entity</i>							
	<i>Entity Name</i>						
	<i>Project name</i>						

References

List all projects with planned completion dates in current year that have been re-budgeted in the MTREF

Asset class as per table A9 and asset sub-class as per table SA34

GPS coordinates correct to seconds. Provide a logical starting point on networked infrastructure.

WC024 Stellenbosch - Supporting Table SA38 Consolidated detailed operational projects

Municipal Vote/Operational project	Ref	Program/Project description	2019/20 Medium Term Revenue & Expenditure Framework		
			Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand	4				
Parent municipality: <i>List all operational projects grouped by Municipal Vote</i>					
Operational:Typical Work Streams:Community Development:Community Development Initiatives		Projects of an operational nature relating to community development.	385	408	433
Operational:Typical Work Streams:City Cleanliness and Clean-up:Clean-up Actions		Projects of an operational nature relating to city cleanliness and clean-up.	14	15	16
Operational:Typical Work Streams:Communication and Public Participation:Newsletters		Projects of an operational nature relating to communication and public participation.	400	424	449
Operational:Typical Work Streams:NERSA: Customer Service and Informational Expenses:Informational and Instructional Advertising Expenses		This project category record all costs related to work on customer applications, contra	1 239	1 310	1 386
Operational:Maintenance:Infrastructure:Corrective Maintenance:Planned:Electrical Infrastructure:MV Substations:Service Connections on Site		Corrective maintenance - planned relating to electrical infrastructure as per level 5 As	1 630	1 728	1 832
Operational:Maintenance:Non-infrastructure:Corrective Maintenance:Planned:Other Assets:Operational Buildings:Municipal Offices:Buildings		Corrective Maintenance - planned based for Community Assets. Community Assets a	587	622	659
Operational:Typical Work Streams:Emergency and Disaster Management:Disaster Relief		Projects of an operational nature relating to emergency and disaster management.	2 582	2 693	2 804
Operational:Typical Work Streams:Capacity Building Training and Development:Capacity Building Councillors		Projects of an operational nature relating to Capacity Building, Training and Developm	167	176	187
Operational:Typical Work Streams:Financial Management Grant:Budget and Treasury Office		Projects specifically relating to the application of the financial management grant (FM	281	295	310
Operational:Maintenance:Infrastructure:Corrective Maintenance:Planned:Water Supply Infrastructure:Distribution:Pipe Work		Corrective maintenance - planned relating to water supply infrastructure as per level 5	2 758	2 924	3 099
Operational:Typical Work Streams:Community Development:Education and Training		Projects of an operational nature relating to community development.	55	60	66
Operational:Maintenance:Non-infrastructure:Corrective Maintenance:Planned:Biological or Cultivated Assets		Corrective Maintenance - planned based for Biological or Cultivated Assets.	42	45	48
Operational:Maintenance:Infrastructure:Corrective Maintenance:Planned:Water Supply Infrastructure:Reservoirs:Pipe Work		Corrective maintenance - planned relating to water supply infrastructure as per level 5	1 755	1 836	1 923
Operational:Municipal Running Cost		Any other expenditure not relating to a specific project for example general expenses	1 732 384	1 844 068	1 963 122
Operational:Maintenance:Non-infrastructure:Corrective Maintenance:Planned:Furniture and Office Equipment		Corrective Maintenance - planned based for Furniture and Office Equipment.	22 619	24 672	26 293
Operational:Typical Work Streams:Community Development:Social Development Programme (Welfare)		Projects of an operational nature relating to community development.	1	1	1
Operational:Typical Work Streams:Community Development:Youth Projects:Youth Advisory Centre		Projects of an operational nature relating to community development.	683	724	768
Operational:Maintenance:Infrastructure:Corrective Maintenance:Planned:Water Supply Infrastructure:Reservoirs:Buildings		Corrective maintenance - planned relating to water supply infrastructure as per level 5	518	549	582
Operational:Typical Work Streams:Strategic Management and Governance:Customer Satisfaction Survey		Projects of an operational nature relating to strategic management and governance	44	45	47
Operational:Maintenance:Infrastructure:Corrective Maintenance:Planned:Storm water Infrastructure:Storm water Conveyance:Drainage		Corrective maintenance - planned relating to storm water infrastructure as per level 5	230	244	258
Operational:Typical Work Streams:Expanded Public Works Programme:Workshops		Projects of an operational nature relating to expanded public works programme.	3	4	4
Operational:Maintenance:Infrastructure:Corrective Maintenance:Planned:Water Supply Infrastructure:Reservoirs:Mechanical Equipment		Corrective maintenance - planned relating to water supply infrastructure as per level 5	1 087	1 153	1 222
Operational:Typical Work Streams:Meter Conversion and Replacement		Projects of an operational nature relating to meter conversion and replacement.	38	40	43
Operational:Maintenance:Infrastructure:Corrective Maintenance:Planned:Water Supply Infrastructure:Reservoirs:Civil Structure		Corrective maintenance - planned relating to water supply infrastructure as per level 5	334	354	375
Operational:Maintenance:Infrastructure:Corrective Maintenance:Planned:Electrical Infrastructure:MV Substations:Civil Structure		Corrective maintenance - planned relating to electrical infrastructure as per level 5 As	698	740	784
Operational:Maintenance:Infrastructure:Corrective Maintenance:Planned:Water Supply Infrastructure:Distribution:Municipal Service Connections		Corrective maintenance - planned relating to water supply infrastructure as per level 5	2 240	2 375	2 517
Operational:Typical Work Streams:Functions and Events:Special Events and Functions		Projects of an operational nature relating to functions and events.	50	52	55
Operational:Typical Work Streams:Community Development:Child Programmes		Projects of an operational nature relating to community development.	40	50	60
Operational:Typical Work Streams:Strategic Management and Governance:IDP Implementation and Monitoring		Projects of an operational nature relating to strategic management and governance	36	38	39
Operational:Typical Work Streams:City Cleanliness and Clean-up:Cleanest City Competition		Projects of an operational nature relating to city cleanliness and clean-up.	4 890	5 303	5 742
Operational:Typical Work Streams:Property Rates Act Implementation:Special Rating Areas		Projects of an operational nature relating to property rates act implementation	10 500	11 025	11 576
Operational:Maintenance:Infrastructure:Corrective Maintenance:Planned:Storm water Infrastructure:Drainage Collection:Drainage		Corrective maintenance - planned relating to storm water infrastructure as per level 5	572	606	643
Operational:Maintenance:Non-infrastructure:Corrective Maintenance:Planned:Transport Assets		Corrective Maintenance - planned based for Transport Assets.	10 671	11 333	11 987
Operational:Typical Work Streams:Strategic Management and Governance:IDP Planning and Revision		Projects of an operational nature relating to strategic management and governance	57	59	62

Municipal Vote/Operational project	Ref	Program/Project description	2019/20 Medium Term Revenue & Expenditure Framework		
			Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand	4				
Operational:Maintenance:Non-infrastructure:Corrective Maintenance:Emergency:Furniture and Office Equipment		Corrective Maintenance - emergency based for Furniture and Office Equipment.	5 214	5 640	5 091
Operational:Typical Work Streams:Expanded Public Works Programme:Project		Projects of an operational nature relating to expanded public works programme.	1 630	1 728	1 832
Operational:Maintenance:Non-infrastructure:Corrective Maintenance:Planned:Community Assets:Community Facilities:Libraries:Buildings		Corrective Maintenance - planned based for Community Assets. Community Assets a	39	41	44
Operational:Typical Work Streams:Parks Programme		Projects of an operational nature relating to Parks Programme	14	15	16
Operational:Typical Work Streams:Capacity Building Training and Development:Workshops, Seminars and Subject Matter Training		Projects of an operational nature relating to Capacity Building, Training and Developm	1 740	1 844	1 955
Operational:Typical Work Streams:Public Protection and Safety		Projects of an operational nature relating to public protection and safety	22	24	27
Parent operational expenditure	1		1 808 247	1 925 262	2 048 352
Entities: <i>List all operational projects grouped by Entity</i>					
Entity A Water project A					
Entity B Electricity project B					
Entity Operational expenditure			-	-	-
Total Operational expenditure			1 808 247	1 925 262	2 048 352

References

1. Must reconcile with Budgeted Operating Expenditure
2. As per Table SA5

Q: QUALITY CERTIFICATE

I, Geraldine Mettler, Municipal Manager of the Stellenbosch Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Name: Geraldine Mettler

Municipal Manager of Stellenbosch Municipality

Signature _____

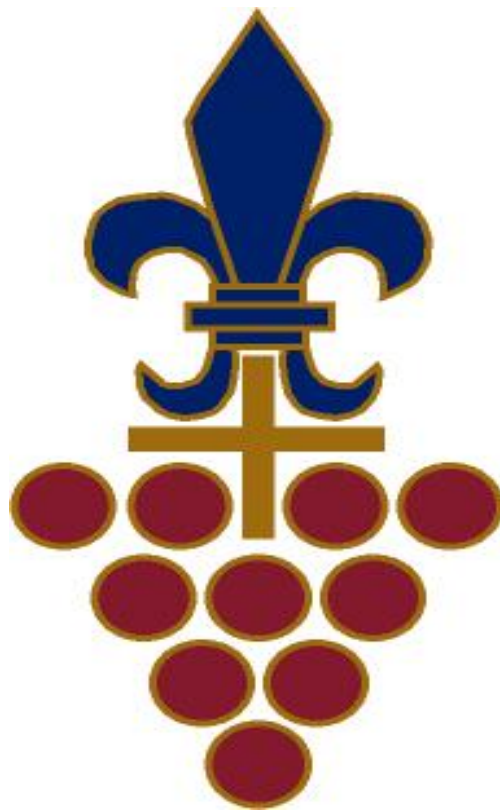


Date _____

17 May 2019

APPENDIX 2

STELLENBOSCH MUNICIPALITY



**MONTHLY HOUSEHOLD AND
BUSINESS ACCOUNTS SCENARIOS**

2019/2020

MONTHLY HOUSEHOLD AND BUSINESS ACCOUNTS SCENARIOS BY MEANS OF RANDOM SAMPLE

Account numbers use as basis

SMALL HOUSEHOLD (NON- INDIGENT)

	600202000
Stand - sq.m	416
Buildings - sq.m	57
Elec. - Kwh/pm (Dom2)	237
Electricity-Basic	Dom 2** Pre-paid
Water - Kl./pm - 20%	12
Water-Basic	Domestic
Valuation	180 000
Free Water	0
Free Elec.	0

Erf 36

Monthly Account

	Exc Vat	
	2018/2019	2019/2020
Property Rates	-	-
Electricity - Units	296.38	300.26
Electricity - Basic	-	-
Water	85.68	90.84
Water Basic	61.87	65.58
Sewerage	144.02	152.66
Refuse Removal	151.13	181.35
A/c Excluding VAT	739.08	790.69
% Increase		6.98%
Effect on Municipal account		51.61

SMALL HOUSEHOLD (NON- INDIGENT)

	600202000
Stand - sq.m	416
Buildings - sq.m	57
Elec. - Kwh/pm (Dom 4)	237
Electricity-Basic	Dom 4** Credit meter
Water - Kl./pm - 20%	18
Water-Basic	Domestic
Valuation	180 000
Free Water	0
Free Elec.	0

Erf 36

Monthly Account

	Exc Vat	
	2018/2019	2019/2020
Property Rates	-	-
Electricity - Units	265.05	299.70
Electricity - Basic	154.67	174.89
Water	220.44	233.70
Water Basic	61.87	65.58
Sewerage	144.02	152.66
Refuse Removal	151.13	181.35
A/c Excluding VAT	997.18	1 107.88
% Increase		11.10%
Effect on Municipal account		110.70

MEDIUM HOUSEHOLD

373420016

Erf 7018 Monthly Account

Stand - sq.m	626
Buildings - sq.m (Dom 2)	189
Elec. - Kwh/pm	598
Electricity-Basic	Dom 2 - No Basic Fee
Water - Kl./pm - 20%	25
Water-Basic	Domestic
Valuation	864 000.00
Free Water	0
Free Elec.	0

	Exc Vat	
	2018/2019	2019/2020
Property Rates	263.94	281.09
Electricity - Units	900.30	941.53
Water	493.65	523.29
Water Basic	61.87	65.58
Sewerage	180.10	190.90
Refuse Removal	151.13	181.35
A/c Excluding VAT	2 050.99	2 183.74
% Increase		6.47%
Effect on Municipal account		132.75

LARGE HOUSEHOLD

70270004

Erf 1480 Monthly Account

Stand - sq.m	1255
Buildings - sq.m	293
Elec. - Kwh/pm	791
Electricity-Basic	Dom 4** Credit meter
Water - Kl./pm - 20%	70
Water-Basic	Domestic
Valuation	5 635 000.00
Free Water	0
Free Elec.	0

	Exc Vat	
	2018/2019	2019/2020
Property Rates	2 239.91	2 385.48
Electricity - Basic	154.89	174.89
Electricity - Units	1 207.49	1 365.33
Electricity Demand Levy	-	-
Water	4 547.25	4 820.04
Water Basic	61.87	65.58
Sewerage	256.59	271.98
Refuse Removal	151.13	181.35
A/c Excluding VAT	8 619.13	9 264.65
% Increase		7.49%
Effect on Municipal account		645.52

SMALL BUSINESS

	441930003
Stand - sq.m	500
Buildings - sq.m	411
Elec. - Kwh/pm	783
Electricity-Basic	Regular PP Com 3
Water - Kl./pm - 20%	9
Water-Basic	Other
Valuation	1 877 000.00
Free Water	0
Free Elec.	0

Erf 8721

Monthly Account

	Exc Vat	
	2018/2019	2019/2020
Property Rates	1 641.28	1 747.95
Electricity - Basic	265.41	300.10
Electricity - Units	1 477.05	1 670.14
Electricity Demand Levy	-	-
Water	281.52	298.44
Water Basic	70.87	75.12
Sewerage -500+ADD17-3	651.43	690.52
Refuse Removal	536.23	643.47
A/c Excluding VAT	4 923.79	5 425.74
% Increase		10.19%
Effect on Municipal account		501.95

INDUSTRIAL

	341000004/107
Stand - sq.m	252 740
Buildings - sq.m	76 054
Elec. - Kwh/pm	664319
Electricity-Basic	IND 2 /2581/2581
Water - Kl./pm	12453
Water-Basic	Other
Valuation	180 821 000.00
Free Water	0
Free Elec.	0

Erf 6284

Monthly Account

	Exc Vat	
	2018/2019	2019/2020
Property Rates	158 112.90	168 389.55
Electricity - Basic	3 073.89	3 475.65
Electricity - Units	566 597.67	640 669.24
Electricity Demand Levy	663 394.43	750 090.22
Water	389 529.84	412 941.48
Water Basic	70.87	75.12
Sewerage	33 376.78	35 379.56
Refuse Removal	2 681.15	3 217.35
A/c Excluding VAT	1 816 837.53	2 014 238.17
% Increase		10.87%
Effect on Municipal account		197 400.64

Time of Use (Medium Voltage)TOU2

341000004/107

Erf 6284

Monthly Account

Exc Vat

2018/2019

2019/2020

Stand - sq.m	252 740
Buildings - sq.m	76 054
Peak	187842
Standard	502191
Off-Peak	438833
Demand	3001
Access	3500
Electricity-Basic	
Water - Kl./pm	12453
Water-Basic	Other
Valuation	180 821 000.00
Free Water	0
Free Elec.	0

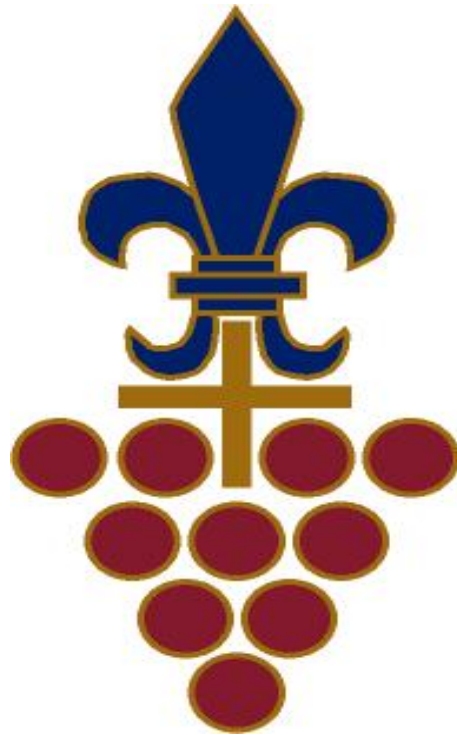
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Property Rates	158 112.90	168 389.55
Electricity Units	240 381.40	275 413.94
Electricity Units	420 384.08	481 651.39
Electricity Units	275 323.82	315 433.16
Electricity Demand Max	123 041.00	140 956.97
Electricity Demand Access	136 500.00	156 380.00
Electricity - Basic	5 633.00	6 453.73
Water	389 529.84	412 941.48
Water Basic	70.87	75.12
Sewerage-20+A2,A17,A20	33 376.78	35 379.56
Refuse Removal	2 681.15	3 217.35
A/c Excluding VAT	1 785 034.84	1 996 292.25
% Increase		11.83%
Effect on Municipal account		211 257.41

STELLENBOSCH MUNICIPALITY



TARIFFS

2019/2020

TABLE OF CONTENT

RATES.....	1
ELECTRICITY	2
WATER.....	8
SOLID WASTE	10
SEWERAGE	12

SUNDRIES

FINANCIAL SERVICES.....	14
COMMUNITY & PROTECTION SERVICES.....	15
INFRASTRUCTURE SERVICES.....	33
PLANNING & ECONOMIC DEVELOPMENT	46
PROPERTY MANAGEMENT.....	61

STELLENBOSCH MUNICIPALITY

PROPERTY TAX RATES FOR THE PERIOD 1 JULY 2019 TO 30 JUNE 2020

For the applicable provisions refer to the approved Rates Policy and Special Rating Areas Policy of the Municipality

PROPERTY RATES:

Property rates are levied in terms of Section 14(1) of the Local Government : Municipal Property Rates Act 6 of 2004 (the MPRA)

Category of Property	Tariff
Residential	R 0.005080
Industrial	R 0.011175
Business and Commercial	R 0.011175
Agricultural	R 0.001271
Mining	R 0.011175
Public Service Purposes	R 0.011175
Public Service Infrastructure	R 0.001271
Public Benefit Organisation	R 0.001271
Heritage	R 0.011175
Vacant Residential	R 0.010160
Vacant Other (not Residential nor Agricultural)	R 0.020320
Multiple Use Purpose (Each Component is categorised and rated as per above)	Multi Tariff

SPECIAL RATING AREAS (SRA):

Additional rates, for each SRA as approved by Council, are levied in terms of Section 22(1) of the MPRA

Special Rating Area	Tariff (Excl VAT)	Tariff (Incl VAT)
Jonkershoek	R 0.000981	R 0.001128
Technopark	R 0.000932	R 0.001072

Relief measures for Special Rating Areas may be granted according to the approved Special Rating Area Policy.

RELIEF MEASURES:

Relief Measures are generally described in paragraph 8 of approved Rates Policy, and will be granted according to the approved Rates Policy. This includes the specific undermentioned relief measures:

1. Gross Monthly Household Income (Qualifying Senior Citizens & Disabled Persons)

A rebate as per the table below may be granted as per paragraph 8.3 of the approved Rates Policy

Gross Monthly Household Income (Income bands)				% Rebate
Up to			R 8 000	100%
From	R 8 001	To	R 10 000	75%
From	R 10 001	To	R 12 000	50%
From	R 12 001	To	R 15 000	25%

2. Municipal Valuation Threshold

On qualifying residential properties, up to a maximum valuation of R200 000, which amount includes the R15 000 as per Section 17(1)(h) of the MPRA and the R185 000 Reduction granted as per paragraph 8.2.1(ii) of the approved Rates Policy.

3. Stellenbosch Special Rebates

A rebate of 20% may be granted as per paragraph 8.6 of the approved Rates Policy.

Stellenbosch Municipality Tariff 2019-2020

	Approved 2018/2019	Application 2019/2020
1. Domestic		
Domestic: Life Line Prepaid – 0 to 60amp single phase only (For qualifying indigent customers and receiving the first 100 units free per month) (DOM1)		
Fixed Charge per month	-	-
Domestic PP Lifeline DOM1 (c/kWh) (<= 50 kWh)	91.44	103.39
Domestic PP Lifeline DOM1 (c/kWh) (51– 300 kWh)	114.42	129.37
Domestic PP Lifeline DOM1 (c/kWh) (300 – 600 kWh)	170.54	192.83
Domestic PP Lifeline DOM1 (c/kWh) (> 600 kWh)	196.38	222.05
Domestic PP Lifeline DOM1 BSST	-	-
Domestic: Regular Prepaid meters - (0 to 60amp single and three phase AND less than 600 kWh per month average consumption during the previous financial year and for generation for own use) (DOM2)		
Fixed Charge per month	-	-
Energy Rate (c/kWh) (<= 50kWh)	91.60	103.39
Energy Rate (c/kWh) (51 - 300kWh)	134.00	132.92
Energy Rate (c/kWh) (301 - 600kWh)	174.33	187.09
Energy Rate (c/kWh) (> 600kWh)	195.25	220.32
Domestic: Regular Prepaid meters - (0 to 60 Amp single and three phase using more than 600 kWh per month average consumption during the previous financial year and for generation for own use) (DOM3)		
Fixed Charge per month	125.39	141.78
Energy Rate (c/kWh) (<= 50kWh)	91.44	103.39
Energy Rate (c/kWh) (51 - 300kWh)	117.29	132.62
Energy Rate (c/kWh) (301 - 600kWh)	165.46	187.09
Energy Rate (c/kWh) (> 600kWh)	194.85	220.32
Domestic: Regular (Using Credit meters 60 Ampere single and three phase maximum and for generation for own use) (DOM4)		
Fixed Charge per month	154.67	174.89
Energy Rate (c/kWh) (<= 50kWh)	91.44	103.39
Energy Rate (c/kWh) (51 - 300kWh)	117.29	132.62
Energy Rate (c/kWh) (301 - 600kWh)	165.46	187.09
Energy Rate (c/kWh) (> 600kWh)	194.85	220.32
Domestic: Renewable Energy (DOM6) Generation for own use and export		
Reading cost R/pm	70.00	79.15
Basic Charge	154.67	174.89
Import		
Energy Rate (c/kWh) (<= 50kWh)	91.44	103.39
Energy Rate (c/kWh) (51 - 300kWh)	117.29	132.62
Energy Rate (c/kWh) (301 - 600kWh)	165.46	187.09
Energy Rate (c/kWh) (> 600kWh)	194.85	220.32
Reactive Energy Rate (c/kVArh)	17.97	20.32
Export		
Low Season		
Peak c/kWh	87.35	100.07
Standard c/kWh	60.49	68.86
Off Peak c/kWh	39.47	43.69
High Season		
Peak c/kWh	269.42	306.80
Standard c/kWh	81.63	92.94
Off Peak c/kWh	44.34	50.47

2. Commercial		
Commercial: Life Line (<20Ampere maximum, Single & three phase Pre Paid Only for micro entrepreneurial businesses) (COM1)		
Fixed Charge per month	-	-
Energy Rate (c/kWh)	198.00	223.88
Commercial: Low (40Ampere maximum, Pre Paid single & three phase only and for generation for own use) (COM2)		
Fixed Charge per month	155.00	175.26
Energy Rate (c/kWh)	159.00	179.78
Commercial: Regular PP only (80Ampere, single and three phase and for generation for own use) (COM3)		
Fixed Charge per month	265.41	300.10
Energy Rate (c/kWh)	188.64	213.30
Commercial: Credit meters (80Ampere, single and three phase and for generation for own use) (COM4)		
Fixed Charge per month	287.93	325.56
Energy Rate (c/kWh)	175.80	198.78
Commercial: Renewable Energy (COM 5) Generation for own use and export		
Reading cost R/pm	70.00	79.15
Basic Charge	290.50	325.56
Import		
Energy Rate (c/kWh)	175.80	198.78
Reactive Energy Rate (c/kVArh)	17.97	20.32
Export		
Low Season		
Peak c/kWh	87.35	100.07
Standard c/kWh	60.49	68.86
Off Peak c/kWh	39.47	43.69
High Season		
Peak c/kWh	269.42	306.80
Standard c/kWh	81.63	92.94
Off Peak c/kWh	44.34	50.47
3. Agricultural		
Agricultural: Regular (Prepaid and Credit meters maximum 80Amp 3 phase and for generation for own use) (AGR1)		
Fixed Charge per month	306.97	353.02
Energy Rate (c/kWh)	190.00	214.83
AGRICULTURAL: Renewable Energy (AGRI 1.1) Generation for own use and export		
Tariff similar as AGRI 1		
Reading cost R/pm	70.00	79.15
Fixed Charge per month R/pm	306.91	353.02
Import		
Energy Rate (c/kWh)	186.57	214.83
Reactive Energy Rate (c/kVArh)	17.97	20.32
Export		
Low Season		
Peak c/kWh	87.35	100.07
Standard c/kWh	60.49	68.86
Off Peak c/kWh	39.47	43.69
High Season		
Peak c/kWh	269.42	306.80
Standard c/kWh	81.63	92.64
Off Peak c/kWh	44.34	50.47

4. Industrial		
Industrial: Low Voltage > 80 Amp and for generation for own use (IND1)		
Fixed Charge per month	1 621.21	1 833.10
Energy Rate (c/kWh)	86.46	97.76
Notified Demand (R/kVA)	39.57	44.74
Maximum Demand Charge (R/kVA)	219.71	248.43
Industrial (IND 1.1): Low Voltage>80 Amp: Renewable Energy- Generation for own use and export		
Fixed Charge per month	1 621.21	1 833.10
Reading cost R/pm	70.00	79.15
Import		
Energy Rate (c/kWh)	86.46	97.76
Notified Demand (R/kVA)	39.57	44.74
Maximum Demand Charge (R/kVA)	219.71	248.43
Reactive Energy Rate (c/kVArh)	17.97	20.32
Export		
Low Season		
Peak c/kWh	89.36	100.07
Standard c/kWh	61.51	68.86
Off Peak c/kWh	39.01	43.69
High Season		
Peak c/kWh	273.96	306.80
Standard c/kWh	82.99	92.94
Off Peak c/kWh	45.07	50.47
Industrial: Medium Voltage and for generation for own use (IND2)		
Fixed Charge per month	3 073.89	3 475.65
Energy Rate (c/kWh)	85.29	96.44
Notified Demand (R/kVA)	38.94	44.03
Maximum Demand Charge (R/kVA)	218.09	246.59
Industrial Medium Voltage (IND 2.1): Renewable Energy - Generation for own use and export		
Tariff similar as IND2		
Fixed Charge per month	3 073.89	3 475.65
Reading cost R/pm	70.00	79.15
Import		
Energy Rate (c/kWh)	85.29	96.44
Notified Demand (R/kVA)	38.94	44.03
Maximum Demand Charge (R/kVA)	218.09	246.59
Reactive Energy Rate (c/kVArh)	17.97	20.32
Export		
Low Season		
Peak c/kWh	89.36	100.07
Standard c/kWh	61.51	68.86
Off Peak c/kWh	39.01	43.69
High Season		
Peak c/kWh	273.96	306.80
Standard c/kWh	82.99	92.94
Off Peak c/kWh	45.07	50.47
PLEASE NOTE, FOR ALL TARIFFS WHERE THERE IS A MAXIMUM DEMAND CHARGE AS PART OF THE TARIFF: In the event that the access demand is exceeded more than once in a financial year, a 10% additional fee (to be used for Bulk-Levy Contributions) will be levied as from the second month that the demand has exceeded and for each month exceeding thereafter.		
5. Municipal		
Municipal: Street and Traffic lights (MUN1)		
Fixed Charge per month	-	-
Energy Rate (c/kWh)	197.47	223.28

Municipal: Low Voltage <80 Amp (MUN2)		
Fixed Charge per month	-	-
Energy Rate (c/kWh)	179.50	202.96
Municipal: Low Voltage >80 Amp (MUN3)		
Fixed Charge per month	-	-
Energy Rate (c/kWh)	82.27	93.02
Maximum Demand Charge (R/kVA)	243.56	275.39
Municipal: Medium Voltage (MUN4)		
Fixed Charge per month	-	-
Energy Rate (c/kWh)	73.67	83.30
Maximum Demand Charge (R/kVA)	237.00	267.98
6. Non Profit Organisations		
Non Profit Organisations : Single Phase 20 Amp Prepaid (NPO1)		
Fixed Charge per month	-	-
Energy Rate (c/kWh)	198.00	223.88
Non Profit Organisations : Low Voltage Max 60 Amp Prepaid SARS Approved (NPO2)		
Fixed Charge per month	-	-
Energy Rate (c/kWh)	189.96	214.79
7. Sport		
Sport: Low All Consumers (<80A) and Prepaid (SPO1)		
Fixed Charge per month	-	-
Energy Rate (c/kWh)	168.29	190.29
Sport: High Consumers (>80A) Maximum Demand (SPO2)		
Fixed Charge per month	-	-
Energy Rate (c/kWh)	77.01	87.08
Notified Demand	-	-
Maximum Demand Charge (R/kVA)	242.74	274.47
8. Time-of-Use		
Time of Use (Low Voltage>80Amp and for generation for own use) TOU1		
Fixed Charge per month	3 098.00	3 502.91
SUMMER: Demand Charge (R/kVA)	42.00	47.49
Access Charge (R/kVA)	42.00	47.49
Peak Energy (c/kWh)	137.40	155.36
Standard Energy (c/kWh)	90.54	102.37
Off-peak Energy (c/kWh)	67.90	76.77
Reactive Energy (c/kVArh)	-	-
WINTER: Demand Charge (R/kVA)	42.00	47.49
Access Charge (R/kVA)	42.00	47.49
Peak Energy (c/kWh)	430.87	487.18
Standard Energy (c/kWh)	129.32	146.22
Off-peak Energy (c/kWh)	75.98	85.91
Reactive Energy (c/kVArh)	17.91	20.32
Time of Use Low Voltage (TOU 1.1): Renewable Energy - Generation for own use and export		
Reading Cost R/pm	70.00	79.15
Fixed Charge per month	3 098.00	3 502.91
Import		
SUMMER: Demand Charge (R/kVA)	42.00	47.49
Access Charge (R/kVA)	42.00	47.49
Peak Energy (c/kWh)	137.40	155.36
Standard Energy (c/kWh)	90.54	102.37
Off-peak Energy (c/kWh)	67.90	76.77

	Reactive Energy (c/kVArh)	17.97	20.32
WINTER:	Demand Charge (R/kVA)	42.00	47.49
	Access Charge (R/kVA)	42.00	47.49
	Peak Energy (c/kWh)	430.87	487.18
	Standard Energy (c/kWh)	129.32	146.22
	Off-peak Energy (c/kWh)	75.98	85.91
	Reactive Energy (c/kVArh)	17.97	20.32
Export			
Low Season			
	Peak c/kWh	89.36	100.07
	Standard c/kWh	61.51	68.86
	Off Peak c/kWh	39.01	43.69
High Season			
	Peak c/kWh	273.96	306.80
	Standard c/kWh	82.99	92.94
	Off Peak c/kWh	45.07	50.47
Time of Use (Medium Voltage and for generation for own use) TOU2			
	Fixed Charge per month	5 633.00	6 453.73
SUMMER:	Demand Charge (R/kVA)	41.00	46.97
	Access Charge (R/kVA)	39.00	44.68
	Peak Energy (c/kWh)	127.97	146.62
	Standard Energy (c/kWh)	83.71	95.91
	Off-peak Energy (c/kWh)	62.74	71.88
	Reactive Energy (c/kVArh)	-	-
WINTER:	Demand Charge (R/kVA)	41.00	46.97
	Access Charge (R/kVA)	39.00	44.68
	Peak Energy (c/kWh)	422.74	484.33
	Standard Energy (c/kWh)	120.08	137.58
	Off-peak Energy (c/kWh)	70.59	80.87
	Reactive Energy (c/kVArh)	18.14	20.78
Time of Use Medium Voltage (TOU 2.1): Renewable Energy - Generation for own use and export			
	Fixed Charge per month	5 633.00	6 453.73
	Reading Cost R/pm	70.00	80.20
Import			
SUMMER:	Demand Charge (R/kVA)	41.00	46.97
	Access Charge (R/kVA)	39.00	44.68
	Peak Energy (c/kWh)	127.97	146.62
	Standard Energy (c/kWh)	83.71	95.91
	Off-peak Energy (c/kWh)	62.74	71.88
	Reactive Energy (c/kVArh)	18.14	20.78
WINTER:	Demand Charge (R/kVA)	41.00	46.97
	Access Charge (R/kVA)	39.00	44.68
	Peak Energy (c/kWh)	422.74	484.33
	Standard Energy (c/kWh)	120.08	137.58
	Off-peak Energy (c/kWh)	70.59	80.87
	Reactive Energy (c/kVArh)	18.14	20.78
Export			
Low Season			
	Peak c/kWh	89.36	102.38
	Standard c/kWh	61.51	70.47
	Off Peak c/kWh	39.01	44.69
High Season			
	Peak c/kWh	273.96	313.88
	Standard c/kWh	82.99	95.08
	Off Peak c/kWh	45.07	51.64

PLEASE NOTE, FOR ALL TARIFFS WHERE THERE IS A MAXIMUM DEMAND CHARGE AS PART OF THE TARIFF: In the event that the access demand is exceeded more than once in a financial year, a 10% additional fee (to be used for Bulk-Levy Contributions) will be levied as from the second month that the demand has exceeded and for each month exceeding thereafter.

9. External Wheeling

Customer received power at low voltage (<400V) in c/kWh	66.78	21.65
Customer received power at medium voltage (>400V) in c/kWh	43.33	18.76

10. Pilot Internal Wheeling Tariffs

Low Voltage to Low Voltage	-	29.5113
Low Voltage to Medium Voltage	-	26.6848
Medium Voltage to Low Voltage	-	26.6848
Medium Voltage to Medium Voltage	-	22.3307

11. Generation for Own Use

Customers that want to connect an Own Generation for Own Use only system to the municipal electrical grid without being compensated for reverse power flow can remain on their current tariff and continue to use their current meter.

12. Generation for Own Use and Export

Customers that want to connect an Own Generation for Own Use and Export system to the municipal electrical grid and who want to be reimbursed will have to do the following:

- 1 The Municipality shall provide and install the requisite meters at the customer's cost.
- 2 The customer will stay on the existing purchase tariff.
- 3 For reimbursement the basic charge will be increased to include the automated meter reading cost.
- 4 The reimbursement will only be for the export energy.
- 5 Customer not allowed to generate more than his total consumption per financial year.

13. Availability Fees (Per Anum)

Availability	3 372.27
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14. Time of use periods

<p>1. Low Demand -Summer September to May Monday to Friday 00:00 - 06:00 Off Peak 06:00 - 07:00 Standard 07:00 - 10:00 Peak 10:00 - 18:00 Standard 18:00 - 20:00 Peak 20:00 - 22:00 Standard 22:00 - 24:00 Off Peak</p> <p>Saturday 00:00 - 07:00 Off Peak 07:00 - 12:00 Standard 12:00 - 18:00 Off Peak 18:00 - 20:00 Standard 20:00 - 24:00 Off Peak</p> <p>Sunday 00:00 - 24:00 Off Peak</p>	<p>2. High Demand- Winter June to August Monday to Friday 00:00 - 06:00 Off Peak 06:00 - 09:00 Peak 09:00 - 17:00 Standard 17:00 - 19:00 Peak 19:00 - 22:00 Standard 22:00 - 24:00 Off Peak</p> <p>Saturday 00:00 - 07:00 Off Peak 07:00 - 12:00 Standard 12:00 - 18:00 Off Peak 18:00 - 20:00 Standard 20:00 - 24:00 Off Peak</p> <p>Sunday 00:00 - 24:00 Off Peak</p>
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All tariffs exclusive of VAT

STELLENBOSCH MUNICIPALITY

WATER TARIFFS FOR THE PERIOD 1 JULY 2019 TO 30 JUNE 2020 Applicable to services rendered from 1 July 2019

Monthly consumption	2018/2019								2019/2020									
	Normal consumption periods		20% Water restriction periods		30% Water restriction periods		40% Water restriction periods		Normal consumption periods		10% Water restriction periods		20% Water restriction periods		30% Water restriction periods		40% Water restriction periods	
	Amount		Amount		Amount		Amount		Amount		Amount		Amount		Amount		Amount	
	Excl VAT		Excl VAT	Excl VAT		Excl VAT		Excl VAT	Excl VAT		Excl VAT	Excl VAT		Excl VAT		Excl VAT		Excl VAT
DOMESTIC																		
Includes single residential erven as well as single residential erven managed by body corporates.																		
0 kiloliters to 6 kiloliters	R 5.37	per kl.	R 5.37	per kl.	R 5.37	per kl.	R 5.37	per kl.	R 5.89	per kl.	R 5.89	per kl.	R 5.89	per kl.	R 5.69	per kl.	R 6.03	per kl.
> 6 kiloliters to 12 kiloliters	R 8.12	per kl.	R 8.91	per kl.	R 9.71	per kl.	R 10.50	per kl.	R 8.61	per kl.	R 9.29	per kl.	R 9.45	per kl.	R 10.29	per kl.	R 11.13	per kl.
> 12 kiloliters to 18 kiloliters	R 13.74	per kl.	R 22.46	per kl.	R 31.18	per kl.	R 39.90	per kl.	R 14.56	per kl.	R 19.62	per kl.	R 23.81	per kl.	R 33.05	per kl.	R 42.29	per kl.
> 18 kiloliters to 25 kiloliters	R 23.54	per kl.	R 39.03	per kl.	R 54.51	per kl.	R 70.00	per kl.	R 24.95	per kl.	R 33.91	per kl.	R 41.37	per kl.	R 57.78	per kl.	R 74.20	per kl.
> 25 kiloliters to 40 kilolitres	R 31.99	per kl.	R 53.58	per kl.	R 75.16	per kl.	R 96.75	per kl.	R 33.91	per kl.	R 46.37	per kl.	R 56.79	per kl.	R 79.67	per kl.	R 102.56	per kl.
> 40 kiloliters to 70 kilolitres	R 50.00	per kl.	R 108.33	per kl.	R 166.67	per kl.	R 225.00	per kl.	R 53.00	per kl.	R 85.51	per kl.	R 114.83	per kl.	R 176.67	per kl.	R 238.50	per kl.
70 kiloliters and above	R 75.00	per kl.	R 155.00	per kl.	R 235.00	per kl.	R 315.00	per kl.	R 79.50	per kl.	R 124.29	per kl.	R 164.30	per kl.	R 249.10	per kl.	R 333.90	per kl.
DOMESTIC CLUSTER																		
Refers to a cluster (block of flats) served by a single water connections																		
0 kiloliters to 6 kiloliters	R 5.37	per kl.	R 5.37	per kl.	R 5.37	per kl.	R 5.37	per kl.	R 5.69	per kl.	R 5.86	per kl.	R 5.69	per kl.	R 5.69	per kl.	R 5.69	per kl.
> 6 kiloliters to 12 kiloliters	R 8.12	per kl.	R 8.91	per kl.	R 9.71	per kl.	R 10.50	per kl.	R 8.61	per kl.	R 9.29	per kl.	R 9.45	per kl.	R 10.29	per kl.	R 11.13	per kl.
> 12 kiloliters to 18 kiloliters	R 13.74	per kl.	R 22.46	per kl.	R 31.18	per kl.	R 39.90	per kl.	R 14.56	per kl.	R 19.62	per kl.	R 23.81	per kl.	R 33.05	per kl.	R 42.29	per kl.
> 18 kiloliters to 25 kiloliters	R 23.54	per kl.	R 39.03	per kl.	R 54.51	per kl.	R 70.00	per kl.	R 24.95	per kl.	R 33.91	per kl.	R 41.37	per kl.	R 57.78	per kl.	R 74.20	per kl.
Above 25 kiloliters	R 31.99	per kl.	R 53.58	per kl.	R 75.16	per kl.	R 96.75	per kl.	R 33.91	per kl.	R 46.37	per kl.	R 56.79	per kl.	R 79.67	per kl.	R 102.56	per kl.
BUSINESS, COMMERCIAL AND INDUSTRIAL (Include University)	R 19.55	per kl.	R 31.28	per kl.	R 43.02	per kl.	R 54.75	per kl.	R 20.72	per kl.	27.56	per kl.	R 33.16	per kl.	R 45.60	per kl.	R 58.04	per kl.
MUNICIPAL TARIFF FOR MUNICIPAL BUILDINGS AND ALL LEAKAGES																		
0 kiloliters to 20 kiloliters	R 8.58	per kl.	R 11.19	per kl.	R 13.81	per kl.	R 16.43	per kl.	R 9.09	per kl.	10.75	per kl.	R 11.87	per kl.	R 14.64	per kl.	R 17.41	per kl.
21 kiloliters to 50 kiloliters	R 9.01	per kl.	R 11.48	per kl.	R 13.95	per kl.	R 16.43	per kl.	R 9.55	per kl.	11.15	per kl.	R 12.17	per kl.	R 14.79	per kl.	R 17.41	per kl.
Above 50kl	R 9.79	per kl.	R 12.00	per kl.	R 14.21	per kl.	R 16.43	per kl.	R 10.38	per kl.	11.86	per kl.	R 12.72	per kl.	R 15.07	per kl.	R 17.41	per kl.
MISCELLANEOUS AND ALL OTHER USERS (Schools, Sportbodies, Churches and Charity Organisations)	R 18.34	per kl.	R 20.26	per kl.	R 22.17	per kl.	R 24.09	per kl.		per kl.		per kl.		per kl.		per kl.		per kl.
BASIC CHARGE																		
Domestic (per erven)	R 61.87		n/a		n/a		n/a		R 65.58		n/a		n/a		n/a		n/a	
Domestic cluster (per flat)	R 7.52		n/a		n/a		n/a		R 7.97		n/a		n/a		n/a		n/a	
All other (per erven)	R 70.87		n/a		n/a		n/a		R 75.12		n/a		n/a		n/a		n/a	
MASO																		
0 kiloliters to 24 kiloliters per household	R 1.21	per kl.	R 6.28	per kl.	R 11.35	per kl.	R 16.43	per kl.	R 1.29	per kl.	4.01	per kl.	R 6.66	per kl.	R 12.04	per kl.	R 17.41	per kl.
25 kiloliters to 40 kiloliters per household	R 16.72	per kl.	R 25.75	per kl.	R 34.77	per kl.	R 43.80	per kl.	R 17.72	per kl.	23.04	per kl.	R 27.29	per kl.	R 36.86	per kl.	R 46.43	per kl.
Above 40 kiloliters per household	R 18.17	per kl.	R 38.39	per kl.	R 58.62	per kl.	R 78.84	per kl.	R 19.26	per kl.	30.56	per kl.	R 40.70	per kl.	R 62.13	per kl.	R 83.57	per kl.

STELLENBOSCH MUNICIPALITY

WATER TARIFFS FOR THE PERIOD 1 JULY 2019 TO 30 JUNE 2020
Applicable to services rendered from 1 July 2019

	2018/2019								2019/2020									
	Normal consumption periods		20% Water restriction periods		30% Water restriction periods		40% Water restriction periods		Normal consumption periods		10% Water restriction periods		20% Water restriction periods		30% Water restriction periods		40% Water restriction periods	
	Amount Excl VAT	UNIT	Amount Excl VAT	UNIT	Amount Excl VAT	UNIT	Amount Excl VAT	UNIT	Amount Excl VAT	UNIT	Amount Excl VAT	UNIT	Amount Excl VAT	UNIT	Amount Excl VAT	UNIT	Amount Excl VAT	UNIT
TREATED EFFLUENT WATER																		
Infrastructure provided by Council:																		
Bulk- Irrigation Boards																		
Irrigation	R 4.00	per kl.	n/a	n/a	n/a	n/a	n/a	n/a	R 0.10									
Commercial / Industrial users / Domestic	R 4.50	per kl.	n/a	n/a	n/a	n/a	n/a	n/a	R 4.24	per kl.	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Schools	R 4.00	per kl.	n/a	n/a	n/a	n/a	n/a	n/a	R 4.77	per kl.	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Departmental	R 4.00	per kl.	n/a	n/a	n/a	n/a	n/a	n/a	R 4.24	per kl.	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Golf Clubs	R 4.00	per kl.	n/a	n/a	n/a	n/a	n/a	n/a	R 4.24	per kl.	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Infrastructure provided by User:																		
Bulk- Irrigation Boards									R 0.05									
Irrigation	R 1.10	per kl.	n/a	n/a	n/a	n/a	n/a	n/a	R 1.17	per kl.	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Commercial / Industrial users / Domestic	R 1.50	per kl.	n/a	n/a	n/a	n/a	n/a	n/a	R 1.59	per kl.	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Schools	R 1.10	per kl.	n/a	n/a	n/a	n/a	n/a	n/a	R 1.17	per kl.	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Departmental	R 1.10	per kl.	n/a	n/a	n/a	n/a	n/a	n/a	R 1.17	per kl.	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Golf Clubs	R 1.10	per kl.	n/a	n/a	n/a	n/a	n/a	n/a	R 1.17	per kl.	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Current Agreements:																		
Special Users and Special Agreements	As per agreement	per kl.	n/a	n/a	n/a	n/a	n/a	n/a	As per agreement	per kl.	As per agreement	n/a	agreement	n/a	As per agreement	n/a	As per agreement	n/a
BULK USERS																		
Water consumption for irrigation of sportsgrounds of schools, irrigation of Council property by sports clubs, as well as irrigation of parks and other grounds by Council's Dept's. of Parks and Recreation:																		
To 2000 kiloliters	R 10.39	per kl	R 25.18	per kl	R 39.96	per kl	R 54.75	per kl	R 11.02	per kl	19.18	per kl	R 26.69	per kl	R 42.36	per kl		per kl
Above 2000 kiloliters	R 13.54	per kl	R 45.53	per kl	R 77.51	per kl	R 109.50	per kl	R 14.35	per kl	31.73	per kl	R 48.26	per kl	R 82.16	per kl		per kl
WATER AVAILABILITY FEE	R 1 334.17	per annum							R 1 414.22	per annum								

STELLENBOSCH MUNICIPALITY

SOLID WASTE TARIFFS FOR THE PERIOD 1 JULY 2019 TO 30 JUNE 2020 Applicable to services rendered from 1 July 2019

	SERVICES RENDERED	UNIT	COMMENTS	Tariff 2018/2019 (VAT Excl)	Tariff 2019/2020 (VAT Excl)
Residential Waste Collection (Households, Flats, Hostels, Retirement homes, Churches, Schools, Welfare Organisations, etc.)					
Definition: 1 refuse unit = 240ℓ = 3 standard refuse bags					
Indigent subsidy: A monthly subsidy (to be determined by Council) to be credited to a registered indigent consumer's account					
Black bags (only where wheelie bins have not been introduced and/or stolen or lost)					
	Single residential properties for indigent households. Plot not exceeding 250 m ² and a maximum valuation value of R200 000	per month	Account payable by property owner. Max 3 closed bags. No other extras. Service will cancel when 240ℓ bin is issued.	R 116.73	R 140.08
	Basic residential collection based on 3 standard refuse bags once per week - 1st refuse unit - One dwelling on erf	per month	Account payable by property owner. Max 3 closed bags. No other extras. Service will cancel when 240ℓ bin is issued.	R 151.13	R 181.35
	Basic residential collection based on 3 standard refuse bags per dwelling (1 refuse unit) for additional dwellings on same erf	per refuse unit per month	Account payable by property owner. Max 3 additional closed bags. No other extras. Per fixed arrangement - not variable. Service will cancel when 240ℓ bin is issued. At cluster housing, flats, etc. 1 refuse unit to be charged for every living unit (per month)	R 151.13	R 181.35
	Additional collection based on an additional 3 standard refuse bags once per week - 2nd refuse unit or more	per month	Account payable by property owner. Max 3 additional closed bags. No other extras. Per fixed arrangement - not variable. Service will cancel when 240ℓ bin is issued.	R 151.13	R 181.35
Mobile bins (240ℓ Wheelie bin)					
	Black Bin (Black lid Black bin)			2018/2019	2019/2020
	Basic residential collection based on 1 X 240ℓ per week - 1st bin - one dwelling per erf	per month	Account payable by property owner. No extras beside bin. At cluster housing, flats, etc. (units to be charged per quantity of bins used.Only WC024 bins will be collected	R 151.13	R 181.35
	Basic residential collection based on 1 X 240ℓ per week for additional dwellings on same erf	per refuse unit per month	Account payable by property owner. No extras beside bin. At cluster housing, flats, etc. Units to be charged per quantity of bins used.Only WC024 bins will be collected.	R 151.13	R 181.35
	Basic residential collection based on 1 X 240ℓ bin per week for additional dwellings	per refuse unit per month	Account payable by property owner. No extras beside bin. At cluster housing, flats, etc. Units to be charged per quantity of bins used.Only WC024 bins will be collected.	R 151.13	R 181.35
	Blue Bin (Blue lid Black bin)			2018/2019	2019/2020
	Three times per week removal with a blue lid 240ℓ refuse bin (sectional title, residential zoned i.e. Hostels, Flats, Old age/retirement villages - NOT HOUSEHOLDS)	Per add 240ℓ bin per month	Account payable by property owner. No extras beside bin. (Sectional title, residential zoned i.e. Hostels, Flats, Old age/retirement villages).(Businesses to be charged per quantity of bins)	R 491.95	R 590.34

STELLENBOSCH MUNICIPALITY

SOLID WASTE TARIFFS FOR THE PERIOD 1 JULY 2019 TO 30 JUNE 2020 Applicable to services rendered from 1 July 2019

	SERVICES RENDERED	UNIT	COMMENTS	Tariff 2018/2019 (VAT Excl)	Tariff 2019/2020 (VAT Excl)
Non Residential Waste Collections (Business and Commercial)					
Definition: 1 refuse unit = 240ℓ = 3 standard refuse bags					
Black bags (Only were Wheelie bins have not been introduced)				2018/2019	2019/2020
	Collection based on three (3) standard refuse bags once (x1) per week	per month	Account payable by business owner. Max 3 closed bags. No other extras. `Black BAG Service will cancel when 240ℓ bin is issued.	R 178.74	R 214.49
	Collection based on 3 standard refuse bags 3 x per week - three refuse units per month	per month	Account payable by business owner. Max 3 closed bags. No other extras. Service will cancel when 240ℓ bin is issued.	R 536.23	R 643.47
	Additional collection based on additional refuse bags, once (x1) per week - measured in the number of additional refuse units (3) standard refuse bags) per week	per month	Account payable by business owner. No other extras. Per fixed arrangement - not variable. Service will cancel when 240ℓ bin is issued.	R 178.74	R 214.49
	Additional collection based on an additional refuse bags, 3 x per week - measured in the number of additional refuse units (3 standard refuse bags) per week	per month	Account payable by business owner. No other extras. Per fixed arrangement - not variable. Service will cancel when 240ℓ bin is issued.	R 536.23	R 643.47
Mobile bins (240ℓ Wheelie bin)					
Blue Bin (Blue lid Black bin)				2018/2019	2019/2020
	Collection based on 1 X 240ℓ once (x1) per week measured as one blue bin.	per month	Account payable by business owner. No other extras. Per fixed arrangement - not variable.	R 178.74	R 214.49
	Additional 240ℓ removal/s once per week - measured as the number of additional blue bins	per month	Account payable by business owner. No other extras. Per fixed arrangement - not variable.	R 178.74	R 214.49
	Collection based on 1 X 240ℓ three times per week measured as one blue bin.	per month	Account payable by business owner. No other extras. Per fixed arrangement - not variable.	R 536.23	R 643.47
	Additional 240ℓ removals three times per week - measured as the number of additional blue bins	per month	Account payable by business owner. No other extras. Per fixed arrangement - not variable.	R 536.23	R 643.47
Mobile bins (240ℓ Wheelie bin)					
Red Bin (Red lid Black Bin)					
	Collection based on 1 X 240ℓ five times per week measured as one red bin.	per month	Account payable by business owner. No other extras. Per fixed arrangement - not variable.	R 893.69	R 1 072.43
	Additional 240ℓ removals five times per week - measured as the number of additional blue bins	per month	Account payable by business owner. No other extras. Per fixed arrangement - not variable.	R 893.69	R 1 072.43
Charges and Levies					
				2018/2019	2019/2020
	Solid Waste availability charge	per annum	Vacant erven and to all households, businesses, flats, developments not making use of municipal collection services	R 948.10	R 1 137.72
Collection of food waste					
	Restaurant Food Waste only Collection based on 1 X 240ℓ five times per week measured as one white bin	per month	Limited amount of restaurants within the WCO24 will be allowed for the pilot project (5 days/ week)	R 439.60	R 527.52
SWM will need to unfortunately increase above CPI due to additional costs of diversion from landfill. I do not have all the figures for our immediate options, as I am still awaiting CoCT offer, but cannot see anything less than 20% at this stage. It is unfortunate for the next few years, but we could lower when a new cell and/or Transfer Station is in place. This is very similar to water crisis tariffs experienced.					

STELLENBOSCH MUNICIPALITY

SEWERAGE TARIFFS FOR THE PERIOD 1 JULY 2019 TO 30 JUNE 2020 Applicable to services rendered from 1 July 2019

A. PROPERTIES UTILISED FOR DWELLING PURPOSES ONLY : (Residential Tariff)

Size of erf in m ²		Sewerage levy (Per annum) 2019/20	
		2018/19 (Excl VAT)	(Excl VAT)
0 -	250	R 1 347.04	R 1 427.87
251 -	500	R 1 728.29	R 1 831.99
501 -	600	R 1 946.96	R 2 063.78
601 -	700	R 2 161.22	R 2 290.90
701 -	800	R 2 377.66	R 2 520.32
801 -	900	R 2 593.90	R 2 749.54
901 -	1 000	R 2 808.47	R 2 976.98
Above -	1 000	R 2 808.47	R 2 976.98
for each additional 500m ² or part thereof		R 270.66	R 286.90

Should there be more than one dwelling unit on a property, the area is divided equally by the number of dwellings and a levy is calculated for each such portion as if it constitutes a separate erf. The above formula is applied i.r.o. each portion.

B. ALL VACANT ERVEN : (Availability Tariff)

Size of erf in m ²		Sewerage availability levy (Per annum) 2019/20	
		2018/19 (Excl VAT)	(Excl VAT)
To -	1 000	R 1 684.59	R 1 785.67
Above -	1 000	R 2 179.55	R 2 310.33

C. ALL OTHER DEVELOPED ERVEN : (Non-residential Tariff - Only applicable in absence of industrial effluent agreement.)

Size of erf in m ²		Sewerage levy (Per annum) 2019/20	
		2018/19 (Excl VAT)	(Excl VAT)
0 -	500	R 1 760.78	R 1 866.43
501 -	1 000	R 2 037.05	R 2 159.27
1 001 -	1 500	R 2 278.12	R 2 414.81
1 501 -	2 000	R 2 794.07	R 2 961.71
2 001 -	3 000	R 3 623.42	R 3 840.82
3 001 -	4 000	R 4 347.65	R 4 608.51
4 001 -	5 000	R 4 866.00	R 5 157.96
5 001 -	7 500	R 5 954.07	R 6 311.31
7 501 -	10 000	R 6 936.88	R 7 353.09
10 001 -	15 000	R 8 538.81	R 9 051.14
15 001 -	20 000	R 9 833.55	R 10 423.56
Above -	20 000	R 11 279.09	R 11 955.84

In addition to the above charges, the following fees, based on the area and usage of the buildings are payable

STELLENBOSCH MUNICIPALITY

SEWERAGE TARIFFS FOR THE PERIOD 1 JULY 2019 TO 30 JUNE 2020 Applicable to services rendered from 1 July 2019

LEVIES BASED ON USAGE AND FLOOR AREAS OF BUILDINGS (Only applicable in absence of industrial effluent agreement.) (Per annum)

DESCRIPTION	AREA	Code	SEWERAGE TARIFFS		REMARKS
			2018/2019	2019/2020	
Use of buildings	Intervals (m²)		per m²	Amount Excl VAT	
a) Offices, Consulting rooms, Power-station, Ambulance station, Fire-station	To - 2 500 2 501 - 5 000 Above 5 000	ADD02	R 14.08 R 13.95 R 13.82	R 14.92 R 14.79 R 14.65	per m ² per m ² per m ²
b) Halls for the purposes of letting, Cinemas, Theatres, Venues for Meetings	To - 2 500 2 501 - 5 000 5 001 - 10 000 Above 10 000	ADD03	R 14.08 R 13.95 R 13.82 R 13.69	R 14.92 R 14.79 R 14.65 R 14.52	per m ² per m ² per m ² per m ²
c) Shops not included under (d)		ADD04	R 13.95	R 14.79	per m ²
d) Fish shops, Greengrocer shops, Butcheries		ADD06	R 35.44	R 37.56	per m ² Only applicable in absence of industrial effluent agreement.
e) Cafe's, Restaurants		ADD05	R 13.95	R 14.79	per m ² Only applicable in absence of industrial effluent agreement.
f) Educational & Research buildings,		ADD07	R 13.95	R 14.79	per m ²
g) Private hostels, Boarding homes, Hostels		ADD08	R 22.91	R 24.28	per m ²
h) Licenced hotels, Guest-houses		ADD10	R 17.67	R 18.73	per m ²
i) Hospitals, Prisons, Clinics, Old age and other homes, Hospices, Shelters		ADD09	R 22.91	R 24.28	per m ²
j) Religious institutions, Sports clubs, Youth organisations, Libraries, Museums, Halls not for letting, Physical fitness centres, Health centres, Messes, Under cover parking		ADD12 ADD11	R 629.07 R 345.57	R 666.81 R 366.31	per unit per unit Per water closet, or per urinal, or 0.5m of urinal wall or part thereof, whichever is the greatest.
k) Garages, Dry cleaners, Laundries, Workshops,		ADD18	R 1 011.61	R 1 072.30	per unit Only applicable in absence of industrial effluent agreement.
l) Factories, Warehouses,		ADD17	R 2 018.79	R 2 139.91	per unit Per water closet, or per urinal, or 0.5m of urinal wall or part thereof, whichever is the greatest. Only applicable in absence of industrial effluent agreement.
m) Dwelling units that are part of buildings described under (a) to (l)		ADD20	R 1 964.06	R 2 081.90	per unit
n) Rooms used for dwelling purposes, forming part of buildings under (a) to (l)		ADD13	R 345.57	R 366.31	per m ²

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2019 TO 30 JUNE 2020 Applicable to services rendered from 1 July 2019

DIRECTORATE: FINANCIAL SERVICES

	Tariff 2018/19 (Incl VAT)	Excl VAT 2019/20	VAT 15%	Tariff 2019/20 (Incl VAT)
ALGEMEEN/GENERAL				
Belastinguitklaringsfooi (waardasiesertifikaat ingesluit) / Rates clearance fee (valuation certificate included)	R 200.00	R 182.61	R 27.39	R 210.00
Not rated clearance (Sectional title units)	R 200.00	R 182.61	R 27.39	R 210.00
Administrasiekoste Onteerde betaling/Admin Fee for dishonoured payment	R 200.00	R 182.61	R 27.39	R 210.00
Spesiale meterlesings per verbruikersrekening (per geleentheid) / occasion	R 130.00	R 117.39	R 17.61	R 135.00
Afsluitingsfooi vir wanbetalings/ Disconnection fee for non payments: Conventional meters	R 370.00	R 330.43	R 49.57	R 380.00
Afsluitingsfooi vir wanbetalings/ Disconnection fee for non payments: Pre-paid meters	R 160.00	R 147.83	R 22.17	R 170.00
Afsluitingsfooi vir wanbetalings/ Disconnection fee for non payments: Bulk meters	R 2 100.00	R 2 000.00	R 300.00	R 2 300.00
Ongeïdentifiseerde/foutiewe deposito's op bankstaat / Unidentified/incorrect deposits on bank statement	R 110.00	R 100.00	R 15.00	R 115.00
Administratiewe fooi vir Aanmanings SMS'e en Kennisgewings / Administration fee for "Reminder" SMS's and Notices	R 16.00	R 17.39	R 2.61	R 20.00
Heruitreiking Belastinguitklarings sertifikaat / Re-issue Rates clearance certificate	R 80.00	R 73.91	R 11.09	R 85.00
VERSKAFFING VAN INLIGTING/PROVISION OF INFORMATION				
Uitreik van waardasiesertifikaat / Issue of valuation certificate	R 100.00	R 91.30	R 13.70	R 105.00
Uittreksels uit rekeninge - per maandstaat	R 50.00	R 43.48	R 6.52	R 50.00
Extracts from accounts - per monthly statement				
Extracts from records : rate per hour or part thereof	R 150.00	R 130.43	R 19.57	R 150.00
Fotostate / Copies : per A4 - bladsy / page	R 3.00	R 2.61	R 0.39	R 3.00
Fotostate / Copies : per A3 - bladsy / page	R 15.00	R 13.04	R 1.96	R 15.00
Waardasie Inligting / Valuation Information	R 20.00	R 21.74	R 3.26	R 25.00
Waardasie Inligting / Valuation Information - Sea-Info	R 10.00	R 8.70	R 1.30	R 10.00
DEPOSITO'S VIR DIENSTE/DEPOSIT FOR SERVICES				
Water/Water	R 800.00	R -	N/A	R 800.00
Elektrisiteit (huishoudelik) / Electricity (domestic)	R 1 600.00	R -	N/A	R 1 600.00
Elektrisiteit (ander): Grootmaat verbruikers bereken met minimum van/ Electricity (other): Bulkusers calculate with a minimum of	R 8 500.00	R -	N/A	R 8 500.00
Indigent Household/Low cost Housing Deernis Huishouding/Lae Koste Behuising	R 300.00	R -	N/A	R 300.00
Electricity (other) excluding Bulkusers Elektrisiteit (ander) uitgesluit Grootmaatverbruikers	R 4 300.00	R -	N/A	R 4 500.00
Aanpassing van deposito's as gevolg van wanbetaling : Ingevolge Kredietbeheer Beleid				
Adjustment of deposits due to non payment : In terms of Credit Control and Debt Collection Policy				
Objection fee (Refer to Section 53(2) of the Municipal Property Rates Act	R 320.00	R 304.35	R 45.65	R 350.00

** 2 times and more on cut-off list; deposit may be adjusted to minimum deposit,

*** 3 times and more on cut-off list, deposit may be adjusted to cover increased risk.

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2019 TO 30 JUNE 2020 Applicable to services rendered from 1 July 2019

DIREKTORAAT: GEMEENSKAPDIENSTE DIRECTORATE: COMMUNITY SERVICES	Tariff 2018/19 (Incl VAT)	Excl VAT 2019/20	VAT 15%	Tariff 2019/20 (Incl VAT)
Director: Community and Protection Services has the delegation to authorise tariff discounts on any park or public open spaces for events, to the maximum of 30% off the firm tariff after receiving a recommendation from the Manager: Community Services.				
TOEGANGSGELDE / ENTRANCE FEES:				
JONKERSHOEK PIEKNIEKTERREIN / PICNIC SITE				
Persone / Persons	26.00	23.97	3.59	27.56
Voertuie / Vehicles	21.00	19.36	2.90	22.26
Kinders onder 5 jaar oud/ Children below 5 years of age	Free	Free	Free	Free
Official year end function for Council employees (by prior arrangement only)	Free	Free	Free	Free
Pensioners	19.00	17.51	2.63	20.14
CLOETESVILLE SWEMBAD / SWIMMING POOL				
Kinders onder die ouderdom van 5 jaar vergesel deur volwassenes. Children under the age of 5 years accompanied by adults.	Gratis/ Free			Gratis/ Free
Kinders 6 tot 17 jaar / Children 6-17 years	5.50	5.07	0.76	5.83
Volwassenes / Adults	10.50	9.68	1.45	11.13
Pensioners (less 30%)	7.50	6.91	1.04	7.95
Group bookings must be pre-arranged at (021) 808 8295				
30 - 40 persons	360.00	331.83	49.77	381.60
41 - 60 persons	478.00	440.59	66.09	506.68
61 - 80 persons	713.00	657.20	98.58	755.78
81 - maximum 100	955.00	880.26	132.04	1012.30
Group bookings only within official hours.				
Braai facility coupon	39.00	35.95	5.39	41.34
BEGRAAFPLAASDIENSTE / CEMETERY SERVICES: WC024				
Waar 'n familie as behoeftige geregistreer is by die Munisipaliteit, kan die familie (slegs naaste familie) kwalifiseer vir 50% afslag, na goedkeuring van die relevante Direkteur, op die tarief vir 'n grafperseel. Die familie of delegasie moet skriftelik aansoek doen en rig aan die betrokke Direkteur. Hierdie vergunning is slegs van toepassing Maandae tot Saterdag- Vakansiedae uitgesluit. Plaaswerkers: brief ter bevestiging van plaaseienaar. When a family has been registered as an indigent beneficiary at the Municipality, the members of the family (not including extended members) qualifies for 50% discount, after approval by the relevant Director, on the tariff of a gravesite. The family or a delegate must apply in writing to the relevant Director. This concession is only applicable Mondays to Saturdays, excluding Public Holidays. Farm workers: must provide written confirmation from the farm owner.				
1. Grafperseel : kinders onder 12 jaar oud / Grave site children under the age of 12 years	690.00	636.00	95.40	731.40
2. Grafperseel : persone 12 jaar en ouer / Grave site persons 12 years and older	850.00	783.48	117.52	901.00
3. Teraarbestelling : kinders onder 12 / Burial : children under 12 years	360.00	331.83	49.77	381.60
4. Teraarbestelling : persone bo 12 jaar en ouer / Burial : Persons 12 years and older	740.00	682.09	102.31	784.40
5. Ekstra grafwydte per 100mm of gedeelte daarvan: tot maks 2.4m (standaardwydte = 550mm onder 12 jaar / 750mm bo 12 jaar) Additional excavation of grave width per 100mm or part thereof: to a max. of 2.4m Standard width = 550mm onder 12 years / 750mm over 12 years)	129.00	118.90	17.84	136.74
6. Opgrawings / Disinterments (Exhumation)	955.00	880.26	132.04	1 012.30
7. Begrawe van veraste oorblyfsels in bestaande grafte / Burial of ashes in existing grave	118.00	108.77	16.31	125.08
8. Herbevestiging van grafpersele / Reconfirmation of grave site (Papegaalberg)	191.00	176.05	26.41	202.46
9. Wysiging of oordrag van eienskap van grafperseel / Change in ownership of gravesite	62.00	57.15	8.57	65.72
10. Addisionele heffing vir dienste aangevra vir Sondae / Additional levy for services on Sundays: 10a. Groepe vrygestel deur Munisipale Verordening/Groups exempted by Municipal By-Law	0.00	0.00	0.00	0.00
10b. Groepe nie vrygestel deur Munisipale Verordening / Groups not exempted by Municipal By-Law	4 270.00	3 935.83	590.37	4 526.20
11. Addisionele heffing vir dienste aangevra vir Saterdag / Additional levy for services on Saturdays: (weekly tariff to apply if no municipal services are rendered)	1 370.00	1 262.78	189.42	1 452.20
12. Nisse/ Niches				
12a. Verkoop van losstaande nisse / Sale of free-standing niches	2 440.00	2 249.04	337.36	2 586.40
12b. Ingeboude nisse / Built-in niches	595.00	548.43	82.27	630.70
13. Nuwe Grafsteenpermit (Messelwerk) / New Permit for gravestone (Masonry)	250.00	230.43	34.57	265.00
14. Opsporings fooi/ Research fee	510.00	470.09	70.51	540.60
BEGRAAFPLAASDIENSTE / CEMETERY SERVICES: OUTSIDE WC024				
Tariewe vir persone wat buite die munisipale grense gewoon het by oorlye = 4 maal die tariewe hierbo, behalwe die verkoop van nisse, waarop 'n 50% belading geld. Indien sulke persone reeds 'n graf besit, geld hierdie belading steeds op die maak van grafte. / Tariffs for persons residing outside of the municipal area at the time of death = 4 times the tariffs above, with the exception of the sale of niches, to which a 50% surcharge applies. Should such a person already possess a grave site, the excess still applies to the digging of the grave and other related charges.				
Normale tariewe geld ten opsigte van begrafnisse op Sondae en Openbare Vakansiedae vir geloofsgroepe soos vervat in die Verordening/ Normal tariffs will apply for burials on Sundays and public holidays for certain religious groups as determined by the By-Law.				

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2019 TO 30 JUNE 2020
Applicable to services rendered from 1 July 2019

DIREKTORAAT: GEMEENSKAPDIENSTE DIRECTORATE: COMMUNITY SERVICES	Tariff 2018/19 (Incl VAT)	Excl VAT 2019/20	VAT 15%	Tariff 2019/20 (Incl VAT)
TARIFFS FOR ANY PARK OR PUBLIC OPEN SPACE FOR EVENTS:				
<i>Birthday parties, creches & school events, religious events, festivals, markets, cycling events</i>				
<i>Event = one (1) day or if otherwise stated. All applications in writing.</i>				
<i>Lessees are not entitled to exclusive rights of the venue at a time</i>				
TARIFFS FOR THE BRAAK				
Tariff for non profitable organisations per day.	715.00	659.04	98.86	757.90
Tariff for religious events per day (maximum of 7 days)	675.00	622.17	93.33	715.50
Tariff for profitable organisations within WC024 per day	3 340.00	3 078.61	461.79	3 540.40
Tariff for profitable organisations outside WC024 per day	7 150.00	6 590.43	988.57	7 579.00
TARIFFS FOR ALL OTHER PUBLIC OPEN SPACES/ GARDENS/ NATURE RESERVES/ PLANTATIONS				
Tariff for non profitable organisations -religious events per day and maximum 7 days	310.00	285.74	42.86	328.60
Tariff for birthday parties and picnics INSIDE WC024 WITHOUT USE OF ELECTRICITY (JMNR ONLY)	Free	Free	Free	Free
Tariff for birthday parties and picnics INSIDE WC024 WITH USE OF ELECTRICITY (JMNR ONLY)	310.00	285.74	42.86	328.60
Tariff for birthday parties and picnics OUTSIDE WC024 WITHOUT USE OF ELECTRICITY (JMNR ONLY)	450.00	414.78	62.22	477.00
Tariff for birthday parties and picnics OUTSIDE WC024 WITH USE OF ELECTRICITY (JMNR ONLY)	620.00	571.48	85.72	657.20
Tariff for profitable organisations WITHIN WC024 per day	3 340.00	3 078.61	461.79	3 540.40
Tariff for profitable organisations OUTSIDE WC024 per day	7 141.00	6 582.14	987.32	7 569.46
Wedding ceremony 2hours and a maximum of 100 pax INSIDE WC024	1 370.00	1 262.78	189.42	1 452.20
Wedding ceremony 2hours and a maximum of 100 pax OUTSIDE WC024	2 740.00	2 525.57	378.83	2 904.40
Initiations in plantations (tariff as per Council decision)	1 904.00	1 754.99	263.25	2 018.24
Rastafarian	1 904.00	1 754.99	263.25	2 018.24
Eco Centre Rental - per day (max 25 people)	674.00	621.25	93.19	714.44
Eco Centre Rental - per day- (max 25 people) per hour R150.00	Hours x R150			0.00
SALE OF PLANTS				
2kg/ per unit	13.00	11.98	1.80	13.78
4kg/ per unit	15.00	13.83	2.07	15.90
6 Pack/ per unit	15.00	13.83	2.07	15.90
10kg per unit	20.00	18.43	2.77	21.20
20kg per unit	40.00	36.87	5.53	42.40
REMOVAL OF DEAD AND DANGEROUS TREES				
Removal of trees on private property and land that pose risk to property and possible loss of life. Only applicable to registered indigent households. (WORK WILL BE SUBCONTRACTED)		Peculiar to incident.		
STILL/ FILM SHOOTS				
Event= Per day. Includes all parks, public open spaces, sportsgrounds, nature reserves/ plantations and gardens.				
Non-commercial shoots	795.00	732.78	109.92	842.70
Commercial	7 146.52	6 587.23	988.08	7 575.31
Other				
Admin Fee				
Base camp parking only (when using an area for parking of vehicles but no filming.	200.00	184.35	27.65	212.00
Helipad Parking per day	3 021.00	2 784.57	417.69	3 202.26
Access through Forestrv or Conservation Areas for when filming at a nearby farms: plus permit fee (passing through our Nature Reserve)	3 021.00	2 784.57	417.69	3 202.26
Stellenbosch Municipality ECO OFFICER per hour	906.00	835.10	125.26	960.36
	906.00	835.10	125.26	960.36
FORESTRY PRODUCTS				
All wattles/ tonne (per bakkie load)				
Eucalyptus Species/ tonne INSIDE WC024 (per bakkie load)	365.00	336.43	50.47	386.90
Eucalyptus Species/ tonne OUTSIDE WC024 (per bakkie load)	400.00	368.70	55.30	424.00
Fire Wood per tonne Self cut/ tonne INSIDE WC024 (per bakkie load)	300.00	276.52	41.48	318.00
Fire Wood per tonne Self cut/ tonne OUTSIDE WC024 (per bakkie load)	350.00	322.61	48.39	371.00
Fire Wood per tonne cut by municipality/ tonne INSIDE WC024 (per bakkie load)	300.00	276.52	41.48	318.00
Fire Wood per tonne cut by municipality/ tonne OUTSIDE WC024 (per bakkie load)	350.00	322.61	48.39	371.00
Latte for screens/ tonne self cut INSIDE WC024 (per a bakkie load)	400.00	368.70	55.30	424.00
Latte for screens/ tonne self cut OUTSIDE WC024 (per a bakkie load)	450.00	414.78	62.22	477.00
Mushrooms per 5 litre container.	53.00	48.85	7.33	56.18
Medicinal herbs or plant material per 5 litre container.	53.00	48.85	7.33	56.18
Protea flowers per head.	11.00	10.14	1.52	11.66
Softwood Sawlogs				
Poplars poles 80mm- 100mm diamtre at thin end/ tonne INSIDE WC024(per bakkie load)	250.00	230.43	34.57	265.00
Poplars poles 80mm- 100mm diamtre at thin end/ tonne OUTSIDE WC024(per bakkie load)	300.00	276.52	41.48	318.00
INDUSTRIAL ROUNDWOOD				
Includes all commercial wood in situ small volumes up to R200 000.00 (pine sawlogs, woodchips, and wood residues.)				
Class A= 13.5cm-17cm diametre at thin end/ m3 INSIDE WC024	330.00	304.17	45.63	349.80
Class A= 13.5cm-17cm diametre at thin end/ m3 OUTSIDE WC024	350.00	322.61	48.39	371.00
Class B= 19cm-25cm diametre at thin end/ m3 INSIDE WC024	450.00	414.78	62.22	477.00
Class B= 19cm-25cm diametre at thin end/ m3 OUTSIDE WC024	500.00	460.87	69.13	530.00
Class C= 27cm-33cm diametre at thin end/m3 INSIDE WC024	630.00	580.70	87.10	667.80
Class C= 27cm-33cm diametre at thin end/m3 OUTSIDE WC024	700.00	645.22	96.78	742.00
Class D= 35cm> diametre at thin end/m3 INSIDE WC024	680.00	626.78	94.02	720.80
Class D= 35cm> diametre at thin end/m3 OUTSIDE WC024	750.00	691.30	103.70	795.00

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2019 TO 30 JUNE 2020 Applicable to services rendered from 1 July 2019

DIREKTORAAT: GEMEENSKAPSDIENSTE DIRECTORATE: COMMUNITY SERVICES	Tariff 2018/19 (Incl VAT)	Excl VAT 2019/20	VAT 15%	Tariff 2019/20 (Incl VAT)
LIBRARY SERVICES				
Printing Services				
Printing fee for a A4 black and white page	1.10	0.96	0.14	1.10
Faxes				
Fee for receiving a fax - per page	2.30	2.00	0.30	2.30
Photostats				
1 X A4 black and white copy	0.60	0.52	0.08	0.60
1 X A3 black and white copy	1.10	0.96	0.14	1.10
1 X A4 colour copy	6.70	5.83	0.87	6.70
Penalties				
Fine for late books, magazines and CD's: Fee for first two weeks - per week	1.10	0.96	0.14	1.10
Fine for late books, magazines and CD's: Fee from third week - per week	1.70	1.47	0.22	1.70
Maximum fine to be charged for late books, magazines and CD's	41.50	36.09	5.41	41.50
Fine for late video's and DVD's per day	7.00	6.09	0.91	7.00
Maximum fine to be charged for late video's and DVD's	72.00	62.61	9.39	72.00
<i>No fines will be charged for one month in the year during National Library Week</i>				
Damaged or lost library items:				
1st and 2nd replacement of computerised membership card	18.00	15.65	2.35	18.00
3rd and thereafter, replacement of computerised membership card	36.00	31.30	4.70	36.00
Cost to replace a plastic sleeve	5.70	4.96	0.74	5.70
Replacement of a CD's and DVD case	7.00	6.09	0.91	7.00
Replacement of plastic video holder	11.50	10.00	1.50	11.50
Replacement cost of a damaged and lost library item	As specified on item.			
Minor damages to any library item	12.50	10.87	1.63	12.50
General				
Reservation of library material	4.50	3.91	0.59	4.50
Inter Library Loan reservation fee	4.50	3.91	0.59	4.50
Annual membership fee for users residing outside municipality boundaries	76.50	66.52	9.98	76.50
Visitors fees for users that will be residing in the municipal area for less than 3 months	119.00	103.48	15.52	119.00
LIBRARY HALL RENTALS				
CONDITIONS FOR USAGE OF A LIBRARY HALL				
Not available for the following: weddings, birthdays, christening and parties				
Library halls only available during library hours				
No equipment and catering supplies are available at the halls				
Plein Street, Idas Valley & Cloetesville Library Hall				
Rental charged - per session	297.00	3.91	0.59	4.50
Rental charged for a Non Profitable Organisation - per session	116.50	3.91	0.59	4.50
Rental of kitchen facility per session	116.50	66.52	9.98	76.50
Kayamandi Library Hall				
Rental charged - per session	201.50	3.91	0.59	4.50
Rental charged for a Non Profitable Organisation - per session	116.50	3.91	0.59	4.50
Rental of kitchen facility per session	116.50	66.52	9.98	76.50

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2019 TO 30 JUNE 2020
Applicable to services rendered from 1 July 2019

DIREKTORAAT: GEMEENSAPSDIENSTE DIRECTORATE: COMMUNITY SERVICES

	Full Tariff 2018/2019			Full Tariff 2019/2020			Discounted Tariff 2019/20			Additional levy: consumers outside WC024	
	Deposit	Week	Weekend	Deposit	Week	Weekend	Deposit	Week	Weekend	Week	Weekend
	Foyer not available on its own										
Town Halls Stellenbosch											
Hall and Foyer Kitchen (including all appliances), Bar Franschhoek	R 2 613.00 R 1 713.00	R 4 370.38 R 1 308.04	R 5 370.00 R 1 750.00	R 2 770.00 R 1 816.00	R 4 633.00 R 1 387.00	R 5 692.00 R 1 855.00	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Foyer not available on its own											
Hall	R 2 742.00	R 2 921.36	R 3 750.00	R 2 907.00	R 3 097.00	R 3 975.00	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Facilities: Kitchen (including all appliances)	R 858.60	R 954.00	R 1 520.00	R 910.00	R 1 011.00	R 1 611.00	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
	Full Tariff 2018/19			Full Tariff 2019/20			Discounted Tariff 2019/20			Additional levy: consumers outside WC024	
	Deposit	Week	Weekend	Deposit	Week	Weekend	Deposit	Week	Weekend	Week	Weekend
	Foyer not available on its own										
Community Halls											
Community Hall, Kylemore											
Hall Eikestad Hall, Cloetesville	R 393.00	R 393.00	R 562.00	R 417.00	R 417.00	R 596.00	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Hall Admin Hall, Kayamandi	R 393.00	R 393.00	R 562.00	R 417.00	R 417.00	R 596.00	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Hall (As per Council Decision) Community Hall, Kayamandi	R 112.00	R 112.00	R 112.00	R 119.00	R 119.00	R 119.00	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Hall (As per Council Decision) Pniel Banquet Hall	R 112.00	R 112.00	R 112.00	R 119.00	R 119.00	R 119.00	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Hall Community Hall, La Motte	R 393.00	R 393.00	R 562.00	R 417.00	R 417.00	R 596.00	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Hall Community Hall, Wemmershoek	R 225.00	R 225.00	R 337.00	R 238.50	R 238.50	R 357.20	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Hall Community Hall, Groendal	R 225.00	R 225.00	R 337.00	R 239.00	R 239.00	R 357.00	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Hall	R 393.00	R 393.00	R 428.00	R 417.00	R 417.00	R 454.00	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2019 TO 30 JUNE 2020
Applicable to services rendered from 1 July 2019

DIREKTORAAT: GEMEENSKAPSDIENSTE DIRECTORATE: COMMUNITY SERVICES											
Klapmuts Multi-purpose centre											
Hall	R 393.00	R 393.00	R 562.00	R 417.00	R 417.00	R 454.00	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Hall kitchen rental	R 110.00	R 110.00	R 110.00	R 117.00	R 117.00	R 117.00	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Outside braai area with kitchen	R 190.00	R 190.00	R 190.00	R 201.00	R 201.00	R 201.00	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Outside braai kitchen rental	R 110.00	R 110.00	R 110.00	R 117.00	R 117.00	R 117.00	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Boardroom	R 190.00	R 190.00	R 190.00	R 201.00	R 201.00	R 201.00	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Kitchen rental	R 110.00	R 110.00	R 110.00	R 117.00	R 117.00	R 117.00	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Pniel Millinium Hall											
Hall	R 393.00	R 393.00	R 562.00	R 417.00	R 417.00	R 596.00	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Other facilities	Full Tariff 2018/19			Full Tariff 2019/20			Discounted Tariff 2019/20			Additional levy: consumers outside WC024	
	Deposit	Week	Weekend	Deposit	Week	Weekend	Deposit	Week	Weekend	Week	Weekend
	Free of charge			Free of charge			Free of charge	Free of charge	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Old Age Facility Kayamandi	Free of charge			Free of charge			Free of charge	Free of charge	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Banquet Hall, Cloetesville	R159/per day			R169/per day		R169/per day			Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application

The following groups have been identified for the discounted tariffs:

- (i) Schools located within the WC024 for an official school function: discounted tariff of 30% on the rental of a hall for the function to a maximum of one (1) function per financial year. Deposit fees must be paid in full.
- (ii) Churches located within WC024 for an official church function: discounted tariff of 30% on the rental of a hall for the function to a maximum of one (1) function per financial year. Deposit fees must be paid in full. Proof of location/residence will be required.
- (iii) Churches using a hall on a regular basis:
 - a Sermons are limited to 2 (two) hours per Sunday to accommodate other denominations/religious groups at the venue.
 - b The two Town Halls (Stellenbosch and Franschoek), are excluded.
 - c The grant is subject to availability of the hall.
 - d A formal agreement will be entered into between the parties.
A once-off deposit fee per financial year applies as per the approved tariffs. If forfeited due to damage, etc, this will have to be repaid before access for the next event/
 - e service will be granted. In addition, a rental fee equivalent to the tariff for 1 day applies as a monthly fee. The fee specific to the specific hall will apply.
To accommodate churches during the week, the halls may be used for a maximum of
 - f two (2) additional bookings during the week over and above the Sunday sermon. This will be at no additional charge (included in e) above).
 - g Furniture will be free of charge, but must be arranged and put back after the sermon by the hirer.
 - h Due to the constraints on municipal overtime, no municipal officials will be available on weekdays or weekends to perform any supervisory functions or assistance.
- (iv) Non Governmental Organisations: 30% discount on rental of a hall or facility excluding the relevant deposit fees (which must be paid in full). Furniture, kitchen and utensils are free of charge.
- (v) Government Departments in other spheres of Government: 30% discount on rental of a hall or facility excluding the relevant deposit fees (which must be paid in full). Furniture, kitchen and utensils are free of charge.
- (vi) The six recognised vulnerable groups namely Aged, Disabled, Children, Youth, Women and People living on the Streets: 30% discount on rental of a hall or facility excluding the relevant deposit fees (which must be paid in full). Furniture, kitchen and utensils are free of charge. This discount is not available to individuals but is focused on interest groups representing the vulnerable groups.

- (vii) Individual families registered as indigent at the Municipality will be entitled to a 30% discount on rental of a hall or facility excluding the relevant deposit fees (which must be paid in full): Furniture, kitchen and utensils are free of charge. This rebate is for a maximum of one (1) booking per financial year per indigent family and the two Town Halls (Stellenbosch and Franschoek are excluded).

- (viii) Organisations promoting the Greater Stellenbosch: 30% discount on rental of a hall or facility excluding the relevant deposit fees (which must be paid in full). Furniture, kitchen and utensils are free of charge. The following are examples of rebates that will be approved:
 - Van Der Stel Festival
 - Wine Festival (Previously Food and Wine Festival)
 - Flower Show (Stellenbosch and Pniel)
 - Stellenbosch Festival
 - Bastille Festival
 - CANSA sub-organizations within the WC024.

- (ix) Free access to municipal halls for youth activities. Provided that prior arrangement is made with the relevant staff.

- (x) Free access to municipal halls for Ward Councillors for functions such as: Meetings, Workshops or any other Ward-related activities. This access will only be granted to a maximum of 2 (two) events per month. This is not transferable for any other festivals, parties, dances, fund raisers, etc.

- (xi) The rebates mentioned in paragraphs i), ii), iv), v), vi) and vii) will only be considered for weekdays. All applications must be in writing and submitted to the Director: Community and Protection Services.

- (xii) The Director: Community and Protection Services may consider motivated applications for discount in line with the abovementioned and approve rebates.

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2019 TO 30 JUNE 2020
Applicable to service rendered from 1 July 2019

DIREKTORAAT : GEMEENSKAPSDIENSTE
DIRECTORATE : COMMUNITY SERVICES

Sports Fields	2018/19			Rental of Facilities 2019/20			Additional Levy: Consumers outside of WC024; Sports Unions and Private Companies.		
	Deposit	Week	Weekend	Deposit	Week	Weekend	Deposit	Week	Weekend
Category A Van der Stel	As yet to be determine by Sport Councils. After tariff structure formation by Sport Councils, advertisement will take place for public comment.			As yet to be determine by Sport Councils. After tariff structure formation by Sport Councils, advertisement will take place for public comment.			As yet to be determine by Sport Councils. After tariff structure formation by Sport Councils, advertisement will take place for public comment.		
Category B Kylemore, Pniel, Idas Valley, Raithby, Klapmuts, Jamestown and Cloeteville	As yet to be determine by Sport Councils. After tariff structure formation by Sport Councils, advertisement will take place for public comment.			As yet to be determine by Sport Councils. After tariff structure formation by Sport Councils, advertisement will take place for public comment.			As yet to be determine by Sport Councils. After tariff structure formation by Sport Councils, advertisement will take place for public comment.		
Category C Wemmershoek Groendal Kayamandi	Deposit	Week	Weekend	Deposit	Week	Weekend	Deposit	Week	Weekend
	As yet to be determine by Sport Councils. After tariff structure formation by Sport Councils, advertisement will take place for public comment.			As yet to be determine by Sport Councils. After tariff structure formation by Sport Councils, advertisement will take place for public comment.			As yet to be determine by Sport Councils. After tariff structure formation by Sport Councils, advertisement will take place for public comment.		
Category D La Motte Jonkershoek Papplaas Lanquedoc	Deposit	Week	Weekend	Deposit	Week	Weekend	Deposit	Week	Weekend
	As yet to be determine by Sport Councils. After tariff structure formation by Sport Councils, advertisement will take place for public comment.			As yet to be determine by Sport Councils. After tariff structure formation by Sport Councils, advertisement will take place for public comment.			As yet to be determine by Sport Councils. After tariff structure formation by Sport Councils, advertisement will take place for public comment.		

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2019 - 30 JUNE 2020 Applicable to service rendered from 1 July 2019

DIREKTORAAT: GEMEENSKAP & VEILIGHEIDS DIENSTE
DIRECTORATE: COMMUNITY & PROTECTION SERVICES

VERKEERSDIENSTE/TRAFFIC SERVICES	Tariff 2018/19 (Incl VAT)	Excl VAT 2019/20	VAT 15%	Tariff 2019/20 (Incl VAT)
Verkeersbystanddienste / Traffic Assistance at special occasions/events				
Uitreiking van Permit / Issue of Permit	220.00	202.50	30.38	232.88
Uurtarif : Maandag - Saterdag / Hourly tariff : Monday - Saturday	320.00	295.04	44.26	339.30
Uurtarif: Sondae en openbare vakansiedae/Hourly tariff: Sunday and public holidays	530.00	490.00	73.50	563.50
Spesiale verkeersbystanddienste / Special Traffic Assistance at funeral procession				
Per funeral - R48 p/h, per officer, per intersection	50.00	48.00	7.20	55.20
Verfilming of video- advertensies / Filming or video- commercials (public roads)				
Uitreiking van Permit / Issue of Permit	220.00	202.50	30.38	232.88
Uitreiking van Permit / Issue of Permit - Stillshoot	1 400.00	1 290.00	193.50	1 483.50
Minimum: Residential / Industrial up to 3 hours	3 000.00	2 765.00	414.75	3 179.75
Maximum: Residential / industrial more than 3 hours	11 200.00	10 370.00	1 555.50	11 925.50
Minimum:Rural up to 3 hours	3 500.00	3 216.01	482.40	3 698.41
Maximum:Rural more than 3 hours	11 500.00	10 600.00	1 590.00	12 190.00
Minimum High Risk Areas (eg, Franschhoek Pass + CBD areas) up to 3 hours	12 000.00	11 060.78	1 659.12	12 719.90
Maximum High Risk Areas (eg, Franschhoek Pass + CBD areas) more than 3 hours	20 500.00	18 950.00	2 842.50	21 792.50
Die Direkteur: Gemeenskaps en Beskermingsdienste mag gemotiveerde aansoeke vir afslag tot 50% oorweeg vir die verfilming van video-advertensies (publieke paaie). The Director: Community and Protection Services may consider motivated applications for a discount up to 50% for filming or video-commercials (public roads).				
Verwydering van verlate voertuie : Insleepgelde Removal of abandoned vehicles : Tow-in charges				
Binne Stellenbosch / In Stellenbosch	1 380.00	1 270.00	190.50	1 460.50
Buite Stellenbosch / Outside Stellenbosch	1 590.00	1 470.00	220.50	1 690.50
Skutgeld per dag / Impoundment fee per day	125.00	115.00	17.25	132.25
Die Direkteur: Gemeenskaps en Beskermingsdienste mag gemotiveerde aansoeke vir die afslag van 50% oorweeg vir skutkoste. The Director Community and Protection Services may consider motivated applications for a discount up to 50% for impoundment costs.				
Wiel vasklem / Wheel clamping				
Vrylatingsfooi / Release fee	180.00	192.00	28.80	220.80
Algemeen / General				
Voertuigongeluk inligting / Vehicle accident information (i.t.o. PN5867/10-5-2002)	150.00	138.00	20.70	158.70
Gestremde parkeer disket/ Disabled Parking Disc	65.00	60.00	9.00	69.00

The Manager Traffic Services in consultation with the Director Community & Protection Services may agree not to charge tariffs and fees in cases where charges have been levied erroneously. Criteria for exemptions/concession: Parties must make written applications to the Director Community & Protection Services, outlining the reasons why charges were levied incorrectly and why exemptions/concessions should be considered.

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2019 - 30 JUNE 2020

DIREKTORAAT GEMEENSAP & VEILIGHEIDSDIENSTE
DIRECTORATE : COMMUNITY AND PROTECTION SERVICES

VERKEERSDIENSTE/TRAFFIC SERVICES	Tariff 2018/19 (Incl VAT)	Excl VAT 2019/20	VAT 15%	Tariff 2019/20 (Incl VAT)
Parking Areas Zone 1 (CBD):				
Tol Parking area				
Stelmark Parking area 1 & 2				
Midmar Parking area				
Operating hours: 07:00 - 19:00 (Mon - Fri) ; 07:00 - 14:00 (Sat) & Sunday/Public Holiday - Free				
0-30min	0.00	0.00	0.00	0.00
31- 59 min	10.00	10.43	1.57	12.00
1-2 hours	20.00	20.87	3.13	24.00
2-3 hours	25.00	26.09	3.91	30.00
3-4 hours	35.00	36.52	5.48	42.00
4-5 hours	45.00	46.96	7.04	54.00
5-6 hours	55.00	57.39	8.61	66.00
6-7 hours	65.00	67.83	10.17	78.00
7-8 hours	80.00	83.48	12.52	96.00
8-9 hours	85.00	88.70	13.30	102.00
9-12 hours	110.00	114.78	17.22	132.00
12-24 hours	150.00	156.52	23.48	180.00
Lost Ticket	150.00	156.52	23.48	180.00
Maandelikse permit / Month permit	1 000.00	1 043.48	156.52	1 200.00
Parking Areas Zone 2 (Adjacent to CBD):				
Checkers Parking area				
Stelkor				
Operating hours: 07:00 - 19:00 (Mon - Fri); 07:00 - 14:00 (Sat) & Sunday/Public Holiday - Free				
0-30min	0.00	0.00	0.00	0.00
31- 59 min	10.00	10.43	1.57	12.00
1-2 hours	20.00	20.87	3.13	24.00
2-3 hours	25.00	26.09	3.91	30.00
3-4 hours	35.00	36.52	5.48	42.00
4-5 hours	45.00	46.96	7.04	54.00
5-6 hours	55.00	57.39	8.61	66.00
6-7 hours	65.00	67.83	10.17	78.00
7-8 hours	80.00	83.48	12.52	96.00
8-9 hours	85.00	88.70	13.30	102.00
9-12 hours	110.00	114.78	17.22	132.00
12-24 hours	150.00	156.52	23.48	180.00
Lost Ticket	150.00	156.52	23.48	180.00
Maandelikse permit / Month permit	1 000.00	1 043.48	156.52	1 200.00

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2019 - 30 JUNE 2020

DIREKTORAAT GEMEENSKAP & VEILIGHEIDSDIENSTE
DIRECTORATE : COMMUNITY AND PROTECTION SERVICES

VERKEERSDIENSTE/TRAFFIC SERVICES	Tariff 2018/19 (Incl VAT)	Excl VAT 2019/20	VAT 15%	Tariff 2019/20 (Incl (VAT)
On Street Parking (Handheld meter / parking meter) per hour				
Operating hours: 07:00 - 19:00 (Mon.- Fri.) and 07:00 - 14:00 (Sat.) - Sunday/Public Holidays - Free				
Kerk Street/Church Street	10.00	10.43	1.57	12.00
Plein Street	10.00	10.43	1.57	12.00
Blom Street	10.00	10.43	1.57	12.00
Bird Street (Braak)	10.00	10.43	1.57	12.00
Ryneveldt Street	10.00	10.43	1.57	12.00
Andringa	10.00	10.43	1.57	12.00
Bird	10.00	10.43	1.57	12.00
Alexander Dienspad	10.00	10.43	1.57	12.00
Alexander Street	10.00	10.43	1.57	12.00
Meul (Dorp/Plein)	10.00	10.43	1.57	12.00
Dorp Street (West)	10.00	10.43	1.57	12.00
Crozier Street	10.00	10.43	1.57	12.00
Piet Retief	10.00	10.43	1.57	12.00
Banghoek (Andringa/Bird)	10.00	10.43	1.57	12.00
Bloemhof Parking Area (Coupon system)				
Operating hours: 07:00 - 19:00 (Mon.- Fri.) and 07:00 - 14:00 (Sat.), Sunday/Public Holidays - Free				
Daaglikse permit / Day permit	45.00	47.83	7.17	55.00
Maandelikse permit / Month permit	530.00	521.74	78.26	600.00
Algemeen / General				
Huur van parkeervakke per dag / Hiring of Parking Bays per day	220.00	239.13	35.87	275.00
Parking Disc - Medical Practitioners per year	210.00	226.09	33.91	260.00
Resident Parking Permit per year	220.00	239.13	35.87	275.00
Temporary Parking Permit per application	165.00	173.91	26.09	200.00
Work Zone Permit per application	220.00	239.13	35.87	275.00
Taxi rank permit (WCO24 area) per jaar/year	385.00	391.31	58.70	450.00
<p>Be mindful that the tariffs were adjusted taking into consideration the current inflation rate also to ensure that the service provider that will manage the parking on behalf of the municipality does not run at a loss but at a profit which will be beneficial to both entities. Please provide comments on the 0-30 mins. period will this remain free or will this be charged this is only applicable to the off-street parking facilities.</p>				

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2019 TO 30 JUNE 2020 Applicable to services rendered from 1 July 2019

DIREKTORAAT: GEMEENSAP & VEILIGHEIDSDIENSTE
DIRECTORATE: COMMUNITY & PROTECTION SERVICES

BRANDWEER DIENSTE / FIRE SERVICES	Tariff 2018/19 (Incl VAT)	Excl VAT 2019/20	VAT 15%	Tariff 2019/20 (Incl VAT)
Brandweerwaens / Fire Engine Per uur of gedeelte daarvan / Per hour or part thereof	912.00	800.00	120.00	920.00
Hidroliese Platform / Hydraulic Platforms Per uur of gedeelte daarvan / Per hour or part thereof	2280.00	1 982.61	297.39	2280.00
Reddingsvoertuig / Emergency Vehicle (excluding Accidents/Rescue) Per uur of gedeelte daarvan / Per hour or part thereof	735.00	647.83	97.17	745.00
Diensvoertuie / Service Vehicle Per uur of gedeelte daarvan / Per hour or part thereof	550.00	486.96	73.04	560.00
Draagbare Pompe & Kragopwekker / Portable pumps & Generators Per uur of gedeelte daarvan / Per hour or part thereof	420.00	391.30	58.70	450.00
Sleepwaens / Trailers Per uur of gedeelte daarvan / Per hour or part thereof	650.00	565.22	84.78	650.00
Bergingseile / Storage Covers Per uur of gedeelte daarvan / Per hour or part thereof	250.00	217.39	32.61	250.00
Bos , veld , rommel (Boseenhede) / Bush , field , rubble (Bush units) Per uur of gedeelte daarvan / Per hour or part thereof	600.00	539.13	80.87	620.00
Personeel / Personnel Per uur of gedeelte daarvan / Per hour or part thereof	370.00	330.43	49.57	380.00
Instandhouding en Brandslangherstel / Maintenance & Fire-Hose Repair Skrop , toets & droog / Scrub , test & dry	200.00	173.91	26.09	200.00
Herstel / Repair	100.00	86.96	13.04	100.00
Koppelingbinding : Brandslang / Linkage : Fire-Hose	100.00	86.96	13.04	100.00
Koppelingbinding : Suigslang / Linkage : Suction hose	200.00	173.91	26.09	200.00
Koppelingbinding : Hoë druk / Linkage : High Pressure				
Brandvoorkomingsinspeksies / Fire prevention inspection Tenkinstallasies -Per tenk / Tank installation	360.00	347.83	52.17	400.00
VP Gas -Per installasie / Per installation	360.00	347.83	52.17	400.00
Sprinklaar ens : per jaar / Sprinkler ect per annum	360.00	347.83	52.17	400.00
Fire prevention inspections relating to events applications	NEW	347.83	52.17	400.00
Patrolliedienste & Ander / Patrol Services & Other Nie Operasionele dienste/ Non Operational Services Per Brandbetryder / Per Firefighter	350.00	330.43	49.57	380.00
Per Offisier / Per Officer	350.00	330.43	49.57	380.00
Kinder partytjies/Kiddies parties Fire and life safety education programs (Educational visits to and from schools)	1200.00	1 304.35	195.65	1500.00
Planne of Ontwikkeling Konsultasiefooi (per uur) / or Development Consultation fee (per hour) Plans	500.00	434.78	65.22	500.00

STELLENBOSCH MUNICIPALITY

DIREKTORAAT: GEMEENSAP & VEILIGHEIDSDIENSTE
DIRECTORATE: COMMUNITY & PROTECTION SERVICES

BRANDWEERDIENSTE/ FIRE SERVICES

BY LAW	OFFENCE	FINE 2018/2019	FINE Excl. VAT 2019/2020	No VAT applicable	FINE 2019/2020
Failure to comply with provisions					
6(1) read with 62(1)	Failure to comply with written notice	1 600.00	0.00		R 1 600.00
Reporting a fire hazard and other threatening danger					
10 read with 62(1)	Failure to report a fire hazard or other threatening danger	1 600.00	0.00		R 1 600.00
Access for emergency vehicles					
12(1)(a) read with 62(1)	Failure to provide emergency vehicle access where premises are not readily accessible from public roads	1 100.00	0.00		R 1 100.00
Division and occupancy separating elements					
13 read with 62(1)	Altering a division or occupancy separating element in such a way that it renders less effective or allow to flame, heat or combustion products from penetrating into adjacent compartment or structure	1 600.00	0.00		R 1 600.00
Fire doors and assemblies					
14(1) read with 62(1)	Failure to maintain a fire door in a manner that it will retain integrity, insulation and stability in the event of a fire	1 600.00	0.00		R 1 600.00
14(2) read with 62(1)	Keeping a fire door open other than with an automatic releasing hold-open device	1 600.00	0.00		R 1 600.00
14(3) read with 62(1)	Rendering a fire door an assembly less effective	1 600.00	0.00		R 1 600.00
Escape Routes					
15(1) read with 62(1)	Obstruction of or rendering component of escape route less effective	1 600.00	0.00		R 1 600.00
15(2) read with 62(1)	Non approved locking device fitted to access door	1 600.00	0.00		R 1 600.00
15(3) read with 62(1)	Failure to required signage on an escape route	1 600.00	0.00		R 1 600.00
Tents					
16(1)(a)	Failure to submit an application for the erection and usage of a tent in terms of the National Building Regulations to the Municipality for approval	1 600.00	0.00		R 1 600.00
16(1)(b) read with 62(1)	Failure to submit an application for temporary population certificate prior to erection and usage of a tent	1 100.00	0.00		R 1 100.00
16(1)	Erecting a tent without first obtaining a temporary Population certificate	1 100.00	0.00		R 1 100.00
16(2)(a) read with 62(1)	Failure to maintain/provide sufficient safety distances between a tent, and any building or boundary	1 600.00	0.00		R 1 600.00
16(2)(b) read with 62(1)	Failure to erect a tent 4.5m from any combustible material or dangerous goods	1 600.00	0.00		R 1 600.00
16(2)(d) read with 62(1)	Failure to comply with the National Building Regulations where the population exceeds 25 people, occupied during night time, seating arrangements, aisle widths or fire extinguishers	1 100.00	0.00		R 1 100.00
16(2)(d) read with 62(1)	Exceeding allowable population density	1 100.00	0.00		R 1 100.00
16(2)(e) read with 62(1)	Cooking inside a tent occupied by the public	1 600.00	0.00		R 1 600.00
16(2)(f) read with 62(1)	Allowing an open fire in a tent/failure to obtain permission for flame emitting devices	1 600.00	0.00		R 1 600.00
16(2)(g) read with 62(1)	Making an open fire within 5 metres of a tent, stake or guideline	1 600.00	0.00		R 1 600.00
16(2)(c) read with 62(1)	Smoking in a tent/failure to display "No Smoking" sign	1 600.00	0.00		R 1 600.00
16(2)(i) read with 62(1)	Lighting and wiring not complying with SABS 0142	1 600.00	0.00		R 1 600.00
16(3) read with 62(1)	Failure to comply with additional requirements as per controlling authority	1 600.00	0.00		R 1 600.00
Fire Extinguishers					
17(1) read with 62(1)4	Failure to provide and/or install required fire extinguishers	1 100.00	0.00		R 1 100.00
17(2) read with 62(1)	Failure to maintain fire extinguishers in accordance with requirements	1 100.00	0.00		R 1 100.00
17(3) read with 62(1)	Filling, recharging, reconditioning, modifying, repairing, inspecting or testing a fire extinguisher without the necessary permit	1 100.00	0.00		R 1 100.00
17(4) read with 62(1)	Owner or person in charge of premises permitting filling, recharging, reconditioning, modifying, repairing, inspecting or testing a fire extinguisher by a person not in possession of the necessary permit	1 100.00	0.00		R 1 100.00
17(7) read with 62(1)	Removal of fire extinguisher from premises for filling etc. without replacing it without temporarily replacing it with a similar device in good working order	1 100.00	0.00		R 1 100.00
17(8) read with 62(1)	Installation, dismantling, recharging, disconnection, servicing, modifying, repair or testing of a fire extinguisher in area where such action would create danger/hazard	1 100.00	0.00		R 1 100.00
Testing and maintenance of fire protection systems					
18(1) read with 62(1)	Failure to test and maintain fire protection system on a regular basis	1 100.00	0.00		R 1 100.00
18(1) read with 62(1)	Failure to keep detailed record of test and maintenance of fire protection system	1 100.00	0.00		R 1 100.00
18(2) read with 62(1)	Failure to notify occupants of premises and/or monitoring parties of the fire protection system test	1 100.00	0.00		R 1 100.00
18(3) read with 62(1)	Failure to maintain fire protection system	1 100.00	0.00		R 1 100.00
18(4) read with 62(1)	Installing, dismantling, recharging, disconnecting, servicing, repairing or testing a fire protection system in areas where such an action would create a danger or hazard	1 100.00	0.00		R 1 100.00
18(5) read with 62(1)	Failure to notify controlling authority where fire protection system or component thereof is inoperable or taken out of service	1 100.00	0.00		R 1 100.00
18(7) read with 62(1)	Failure by owner/person in charge to take all the steps necessary to provide alternative equipment	1 100.00	0.00		R 1 100.00
19 read with 62(1)	Render less effective, inoperative, inaccessible, or tamper or interfere with a fire protection system except as necessary in emergency/maintenance/drills or prescribed testing	1 600.00	0.00		R 1 600.00
Fire alarms and fire hydrants					
20(4) read with 62(1)	Unauthorised person remove, defacing, altering, tampering or damaging a fire alarm, transmission instrument, board, decal, metal plate or painted mark	1 600.00	0.00		R 1 600.00

BY LAW	OFFENCE	FINE 2018/2019	FINE Excl. VAT 2019/2020	No VAT applicable	FINE 2019/2020
Failure to comply with provisions					
6(1) read with 62(1)	Failure to comply with written notice	1 600.00	0.00		R 1 600.00
Reporting a fire hazard and other threatening danger					
10 read with 62(1)	Failure to report a fire hazard or other threatening danger	1 600.00	0.00		R 1 600.00
Access for emergency vehicles					
12(1)(a) read with 62(1)	Failure to provide emergency vehicle access where premises are not readily accessible from public roads	1 100.00	0.00		R 1 100.00
20(5) read with 62(1)	Rendering less effective, inoperative, inaccessible, or tampering or interfere with a fire hydrant	1 600.00	0.00		R 1 600.00
Prevention and control of overcrowding					
21(1) read with 62(1)	Failure to apply for population certificate prior to usage of premises for entertainment or public assembly (owner/person in charge)	1 600.00	0.00		R 1 600.00
21(1) read with 62(1)	Utilization of premises for which a population certificate is required and a population certificate has not been issued by the Controlling Authority	1 600.00	0.00		R 1 600.00
21(3) read with 62(1)	Failure to comply with instruction to apply for temporary/permanent population certificate (owner/person in charge)	1 600.00	0.00		R 1 600.00
21(7) read with 62(1)	Failure to apply for occupation certificate when change of occupancy or alterations to the premises for which the population certificate exists	1 600.00	0.00		R 1 600.00
21(8) read with 62(1)	Failure to display population certificate in clearly visible position in or on premises for which it was issued.	1 600.00	0.00		R 1 600.00
21(9) read with 62(1)	Failure to limit maximum population to that specified on population certificate	1 600.00	0.00		R 1 600.00
21(10)	Failure to vacate overcrowded premises when instructed to do so by the controlling authority	1 600.00	0.00		R 1 600.00
Formulation of an emergency evacuation plan					
23(1) read with 62(1)	Failure by owner/person in charge of school/hospital/residential institution/guest house/hotel or similar occupancy with population in excess of 25 persons to formulate emergency evacuation plan	1 100.00	0.00		R 1 100.00
23(2) read with 62(1)	Failure to comply with an order to formulate an emergency evacuation plan (premises other than listed in 23(1))	1 100.00	0.00		R 1 100.00
23(3) read with 62(1)	Failure to revise emergency evacuation plan when aspect no longer applicable or building changed	1 100.00	0.00		R 1 100.00
23(4) read with 62(1)	Failure to test emergency evacuation plan six monthly/upon revisions	1 100.00	0.00		R 1 100.00
23(6) read with 62(1)	Failure to keep register of testing and emergency evacuation plan available on the premises for inspection	1 100.00	0.00		R 1 100.00
Displaying of escape route plans					
24(1) read with 62(1)	Failure to display emergency evacuation plan in room designed for sleeping purposes in following hospitals, residential institutions, hotels or similar occupancy designed for use by patients, residents or transient persons (irrespective of population)	1 600.00	0.00		R 1 600.00
Barricading of vacant buildings					
25 read with 62(1)	Failure by owner/person in charge to of building or portion thereof which is vacant to remove all combustible waste or refuse therefrom and lock/barricade/secure to satisfaction of municipality	1 600.00	0.00		R 1 600.00
CHAPTER 6: HOUSEKEEPING					R 1 600.00
Combustible waste and refuse					
26(1) read with 62(1)	Allowing accumulation of waste or refuse in any area or any manner so as to create a fire hazard or any other threatening danger	1 600.00	0.00		R 1 600.00
26(2) read with 62(1)	Failure to store combustible waste and refuse in manner determined by controlling authority	1 600.00	0.00		R 1 600.00
27 read with 62(1)	Allowing accumulation of dust in quantities sufficient to create a fire or threatening danger	1 600.00	0.00		R 1 600.00
Accumulations in chimneys, flues and ducts					
29 read with 62(1)	Allowing soot or other combustible substance to accumulate in a chimney, flue or duct in quantities/manner as to constitute a fire hazard or threatening danger	1 600.00	R 0.00		R 1 600.00
Sources of ignition					
30(1) read with 62(1)	Smoking/carrying of matches/use of flame emitting devices or spark producing equipment in area containing combustible or flammable substances	1 100.00	R 0.00		R 1 100.00
30(2) read with 62(1)	Failure to place hot ashes, cinders or smouldering coals in a non-combustible container	1 100.00	R 0.00		R 1 100.00
30(3) read with 62(1)	Failure to ensure adequate distance between combustible substances and or flammable substances	1 100.00	R 0.00		R 1 100.00
30(4) read with 62(1)	Use of portable heaters where prohibited by the controlling authority	1 600.00	R 0.00		R 1 600.00
Smoking					
31(1) read with 62(1)	Failure to display a No Smoking sign/s as directed by the controlling authority	1 600.00	R 0.00		R 1 600.00
31(2) read with 62(1))	Removal of a No Smoking sign	1 600.00	R 0.00		R 1 600.00
31(3) read with 62(1)	Light of smoke of a cigar, cigarette, pipe, tobacco or other substance or ignite or set fire to hold, possess, throw or deposit any lighted or smouldering substance in any place where expressly prohibited	1 600.00	0.00		R 1 600.00
31(3A) read with 62(1)	Owner or person in charge allow or permit lighting or smoke a cigar, cigarette, pipe, tobacco or other substance or ignite or set fire to other material in any place where expressly prohibited.	1 600.00	0.00		R 1 600.00
31(4) read with 62(1)	Failure to provide for safe disposal of smoking materials where smoking is allowed.	1 600.00	0.00		R 1 600.00
31(5) read with 62(1)	Throwing/dropping/putting down burning match/cigarette/material/or material capable of spontaneous combustion or self-ignition in a road or other place.	1 600.00	0.00		R 1 600.00

BY LAW	OFFENCE	FINE 2018/2019	FINE Excl. VAT 2019/2020	No VAT applicable	FINE 2019/2020
Failure to comply with provisions					
6(1) read with 62(1)	Failure to comply with written notice	1 600.00	0.00		R 1 600.00
Reporting a fire hazard and other threatening danger					
10 read with 62(1)	Failure to report a fire hazard or other threatening danger	1 600.00	0.00		R 1 600.00
Access for emergency vehicles					
12(1)(a) read with 62(1)	Failure to provide emergency vehicle access where premises are not readily accessible from public roads	1 100.00	0.00		R 1 100.00
Electrical fittings, equipment and appliances					
32(1) read with 62(1)	Cause or permit an electrical supply outlet to be overloaded.	1 600.00	0.00		R 1 600.00
32(2) read with 62(1)	Cause or permit electrical appliance or extension lead to be used in manner likely to create a fire hazard or other threatening danger	1 600.00	0.00		R 1 600.00
Flame-emitting device					
33 read with 62(1)	Cause or permit flame-emitting device (eg candle/lantern/torch/etc.) to be used in a manner likely to create a fire hazard or other threatening danger	1 600.00	0.00		R 1 600.00
CHAPTER 7:					
Combustible Material					
34(1) read with 62(1)	Storage/transport/use/display or permission thereof inside or outside any premises of combustible material or flammable substances in quantities or positions or manner likely to cause a fire hazard or other threatening danger.	1 600.00	0.00		R 1 600.00
34(2) read with 62(1)	Permit vegetation to grow/accumulate or other combustible material to accumulate on a premise in a manner likely to cause fire hazard or other threatening danger (owner/person in charge).	1 600.00	0.00		R 1 600.00
Lighting of fires and burning of combustible material					
35(1) read with 62(1)	Lighting of fires/disposal of combustible material by burning.	1 600.00	0.00		R 1 600.00
35(3) read with 62(1)	Failure to ensure that a cooking fire or flame-emitting device is placed in designated areas in places of entertainment/public assembly so as to prevent a fire hazard or other threatening danger by the owner/person in charge	1 600.00	0.00		R 1 600.00
35(4) read with 62(1)	Allowing burning to take place on state land, a farm, a small holding, or land within a proclaimed township that is not utilised for residential purposes, provided that the prior approval is obtained from the controlling authority by the owner/person in charge	1 600.00	0.00		R 1 600.00
35(5) read with 62(1)	Entering a municipal nature reserve area, whilst in possession of any flammable substances, fireworks, lighters or matches	1 600.00	0.00		R 1 600.00
Dealing in Fireworks					
38(1)(a) read with 62(1)	Dealing in fireworks without possessing the required fireworks license and written authority from the South African Police Services and the Chief Fire Officer.	1 600.00	0.00		R 1 600.00
Approval of Fireworks Displays					
40(a) read with 62(1)	Presenting any fireworks display without written authorisation from the Fire Chief	1 600.00	0.00		R 1 600.00
40(c) read with 62(1)	Presenting any fireworks display without supervision and control of person in charge at all times	1 600.00	0.00		R 1 600.00
40(d) read with 62(1)	Presenting any fireworks display without attendance of suitably qualified explosives expert from the South African Police Services during its entire duration	1 600.00	0.00		R 1 600.00
40(e) read with 62(1)	Presenting a fireworks out of a clearly demarcated area of a of at least 50 metres radius for the launching of fireworks, measures been taken to prevent any person not involved in the presentation of the display from entering such launching area and the presence of a pyro technician at all times and is responsible for the discharge of fireworks at such display.	1 600.00	0.00		R 1 600.00
CHAPTER 9: FIRE SUBSTANCES					
Storage and use of a flammable substance					
44(1) read with 62(1)	Failure of the owner or person in charge to submit a building plan in accordance with the National Building Regulations to the municipality, prior to the construction of a new installation/alteration of an existing installation either temporary or permanent for the storage of a flammable substance	1 600.00	0.00		R 1 600.00
44(1)A read with 62(1)	Failure of the owner or person in charge of an installation for the storage of a flammable substance to produce a copy of the municipal approved plan available at the site where the installation is being constructed	1 600.00	0.00		R 1 600.00
44(3) read with 62(1)	Failure to pressure test storage tank/liquid petroleum gas installations/ associated pipework on request from the municipality prior to commissioning (owner/person in charge).	1 600.00	0.00		R 1 600.00
44(5) read with 62(1)	Failure to notify controlling authority of alteration that impacts on fire safety of storage tank installation.	1 600.00	0.00		R 1 600.00
44(6)(i)	Storage/use of flammable gas in excess of 19kg flammable gas of a danger group without obtaining flammable substance certificate.	1 600.00	0.00		R 1 600.00
Flammable substance certificate					
45(1) read with 62(1)	Failure to submit application for flammable substance certificate	1 600.00	0.00		R 1 600.00
45(4) read with 62(1)	Failure to renew flammable substance certificate (annual/quantity or class of substance changed)	1 600.00	0.00		R 1 600.00
45(7) read with 62(1)	Supply of flammable substance in respect of premises which is not in possession of a valid flammable substance certificate	1 600.00	0.00		R 1 600.00
45(9) read with 62(1)	Failure to have flammable substance certificate available on premises for inspection.	1 600.00	0.00		R 1 600.00
Permanent or temporary above ground storage tank for a flammable liquid					
46(2)(a) read with 62(1)	Temporary above ground storage tank in excess of 9000 litres/ on premises for period exceeding 6 months/without submitting necessary written application.	1 600.00	0.00		R 1 600.00

BY LAW	OFFENCE	FINE 2018/2019	FINE Excl. VAT 2019/2020	No VAT applicable	FINE 2019/2020
Failure to comply with provisions					
6(1) read with 62(1)	Failure to comply with written notice	1 600.00	0.00		R 1 600.00
Reporting a fire hazard and other threatening danger					
10 read with 62(1)	Failure to report a fire hazard or other threatening danger	1 600.00	0.00		R 1 600.00
Access for emergency vehicles					
12(1)(a) read with 62(1)	Failure to provide emergency vehicle access where premises are not readily accessible from public roads	1 100.00	0.00		R 1 100.00
46(3) read with 62(1)	Failure to submit rational design for above ground storage tank in excess of 9000 litres	1 600.00	0.00		R 1 600.00
46(5) read with 62(1)	Permanent/temporary tank with insufficient ullage to permit expansion by reason of temperature rise during storage.	1 600.00	0.00		R 1 600.00
46(6) read with 62(1)	Erection of permanent/temporary tank less than 3,5 metres from boundaries/buildings/other flammable substances/combustible materials.	1 600.00	0.00		R 1 600.00
46(7) read with 62(1)	Permanent/temporary tank not located on firm ground level/ground not adequate strength to support mass of tank and contents	1 600.00	0.00		R 1 600.00
46(8) read with 62(1)	No bund wall or permanent/temporary tank.	1 600.00	0.00		R 1 600.00
46(9) read with 62(1)	Inadequate precautions to prevent spillage during filling of tank.	1 600.00	0.00		R 1 600.00
46(10) read with 62(1))	Failure to provide sufficient fire extinguishers in weather proof boxes	1 600.00	0.00		R 1 600.00
46(11) read with 62(1)	Failure to provide necessary symbolic safety (above ground tanks)	1 600.00	0.00		R 1 600.00
46(12) read with 62(1)	Failure to clearly identify flammable liquid contents with Hazchem placards (above ground tanks).	1 600.00	0.00		R 1 600.00
46(13) read with 62(1)	Electrical/internal combustion-driven pump not equipped/positioned to eliminate danger of flammable liquid igniting	1 600.00	0.00		R 1 600.00
46(14) read with 62(1)	Electrical installation associated with the above ground storage tank not complying with SABS 0108 and SABS 089: Part 2.	1 600.00	0.00		R 1 600.00
Underground Storage Tank		1 600.00	0.00		R 1 600.00
47 read with 62(1)	Installation does not comply with NBR, SABS 089: Part 3, SABS 0131: Part 3.	1 600.00	0.00		R 1 600.00
Bulk storage depot for flammable substances					
48 read with 62(1)	The handling, storage and distribution of flammable substances at bulk depot fails to comply with NBR, SABS 089: Part 1.	1 600.00	0.00		R 1 600.00
Small installations for liquefied petroleum gas					
49 read with 62(1)	Liquefied petroleum gas installations involving gas storage combined capacity not exceeding 3 000 litres per installation not installed in accordance with SABS 087: Part 1.	1 600.00	0.00		R 1 600.00
Liquid petroleum gas installation in mobile units and small non-permanent buildings					
50 read with 62(1)	Liquid petroleum gas installation in mobile unit/small non-permanent building not in accordance with SABS 087: Part 2.	1 600.00	0.00		R 1 600.00
The fuelling of forklift trucks and other LP gas operated vehicles					
51 read with 62(1)	The fuelling of forklift trucks and other LP gas operated vehicles not in accordance with SABS 087: Part 8	1 600.00	0.00		R 1 600.00
The storage and filling of refillable liquid petroleum gas containers					
52 read with 62(1)	Storage and filling site for refillable liquid petroleum gas containers of capacity not exceeding 9kg not in accordance with SABS 10087 Part 8	1 600.00			R 1 600.00
Bulk storage vessel for liquid petroleum gas					
53 read with 62(1)	The layout, design and operation of installations for the storage of a bulk liquid petroleum vessel and allied facilities not in accordance with the National Building Regulations (T1), read in conjunction with SABS 087: Part 3.	1 600.00			R 1 600.00
Termination of the storage and use of flammable substances					
54(1) read with 62(1)	Failure to take prescribed steps when above ground or underground tank installation, liquid petroleum gas installation or associated pipework no longer required.	1 600.00			R 1 600.00
54(2) read with 62(1)	Failure to apply in writing to fill unstable installation with liquid cement slurry.	1 600.00			R 1 600.00
Reporting accidents					
55 read with 62(1)	Failure to notify controlling authority of accident involving flammable substance.	1 600.00			R 1 600.00
Flammable stores					
56 read with 62(1)	Flammable store not conforming to requirements (specify exactly).	1 600.00			R 1 600.00
Container handling and storage					
57(1) read with 62(1)	Failure to keep flammable substance closed when not in use. 1500 1,590 0 1,590	1 600.00	0.00		R 1 600.00
57(2) read with 62(1)	Extracting flammable liquids from container exceeding 20 litre capacity which does not have adequately sealed pump/ tap.	1 600.00	0.00		R 1 600.00
57(3) read with 62(1)	Failure to label flammable liquid containers properly.	1 600.00	0.00		R 1 600.00
57(5) read with 62(1)	Inadequate manufacture/maintenance of flammable substance containers allowing leakage of flammable substances or vapours.	1 600.00	0.00		R 1 600.00
57(6) read with 62(1)	Failure to place empty flammable liquid container in a flammable store. 1500 1,590 0 1,590	1 600.00	0.00		R 1 600.00
57(8) read with 62(1)	Failure to securely close empty flammable liquid container	1 600.00	0.00		R 1 600.00

BY LAW	OFFENCE	FINE 2018/2019	FINE Excl. VAT 2019/2020	No VAT applicable	FINE 2019/2020
Failure to comply with provisions					
6(1) read with 62(1)	Failure to comply with written notice	1 600.00	0.00		R 1 600.00
Reporting a fire hazard and other threatening danger					
10 read with 62(1)	Failure to report a fire hazard or other threatening danger	1 600.00	0.00		R 1 600.00
Access for emergency vehicles					
12(1)(a) read with 62(1)	Failure to provide emergency vehicle access where premises are not readily accessible from public roads	1 100.00	0.00		R 1 100.00
Spray rooms and booths					
58 read with 62(1)	A spray room, booth or area designated for the application of a flammable liquid not constructed compliance with the General Safety Regulations promulgated in terms of the Occupational Health and Safety Act.	1 600.00	0.00		R 1 600.00
Liquid petroleum gas containers					
59(1) read with 62(1)	Manufacture/maintenance/testing of liquid petroleum gas container not in accordance with SABS 087: Part 1 and SABS 019.	1 600.00	0.00		R 1 600.00
59(2) read with 62(1)	Liquid petroleum gas container used/stored in such a manner that damage or leakage of liquid or vapour is possible.	1 600.00	0.00		R 1 600.00
59(3) read with 62(1)	Filling of liquid petroleum gas container not exceeding 9 kilograms not in accordance with SABS 087: Part 7. 1500	1 600.00	0.00		R 1 600.00
CHAPTER 10: TRANSPORTATION OF DANGEROUS GOODS					
Dangerous goods certificate					
60(1) read with 62(1)	Operation of vehicle designated for the transportation of flammable material without a dangerous goods certificate. 1500 1,590 0 1,590	1 600.00	0.00		R 1 600.00
60(2) read with 62(1)	Failure to submit it application for dangerous goods certificate in prescribed form to controlling authority.	1 100.00	0.00		R 1 100.00
60(5) read with 62(1)	Failure to renew dangerous goods certificate annually/when major maintenance or repairs made on vehicle.	1 100.00	0.00		R 1 100.00
60(10) read with 62(1)	Failure to keep dangerous goods certificate available in vehicle for inspection.	1 100.00	0.00		R 1 100.00

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2019 TO 30 JUNE 2020 Applicable to services rendered from 1 July 2019

DIREKTORAAT: GEMEENSKAP & VEILIGHEIDSDIENSTE
DIRECTORATE: COMMUNITY & PROTECTION SERVICES

	Tariff 2018/19 (Incl VAT)	Excl VAT 2019/20	VAT 15%	Tariff 2019/20 (Incl VAT)
LAW ENFORCEMENT/ WETSTOEPASSING				
Skut van goedere gekonfiskeer / Impoundment of goods confiscated	760.00	695.65	104.35	800.00
<u>Provision of CCTV video footage information/ Voorsiening van CCTV video inligting</u>				
Aansoekfooi/ Application Fee	180.00	165.22	24.78	190.00
Beeldmateriaal opsporingsfooi / Video footage tracing fee	240.00	217.39	32.61	250.00
Voorsiening van bewysmateriaal (CCTV video) per CD/ Provision of evidentiary evidence (CCTV video footage) per CD	380.00	347.83	52.17	400.00
<u>Animal Impoundment costs:</u>				
Impoundment of animals				
Horses, cattle and pigs (per head)	250.00	217.39	32.61	250.00
Goats and Sheep (per head)	150.00	130.44	19.57	150.00
<u>Pound Fees (includes sustenance)</u>				
Horses, cattle and pigs (per head per day)	150.00	130.44	19.57	150.00
Goats and Sheep (per head per day)	150.00	130.44	19.57	150.00
<u>Fees for animals to be seperately herded</u>				
For every stallion and bull (per head per day)	250.00	217.39	32.61	250.00
For every Sheep ram, goat ram or other separate animal (per head per day)	150.00	130.44	19.57	150.00
<u>Transport costs</u>				
All animals delivered to the pound per km per single trip (No sharing of costs for multiple owners)	17.50	17.39	2.61	20.00
Transport of animals to another municipality's pound per km per single trip (New)	30.00	28.70	4.30	33.00
EVENTS				
<u>Events Application Fee: Non-refundable</u>				
Youth Development	100.00	95.65	14.35	110.00
Schools and educational institutions	100.00	95.65	14.35	110.00
Welfare Organizations	100.00	95.65	14.35	110.00
Churches	100.00	95.65	14.35	110.00
Elderly	100.00	95.65	14.35	110.00
Inter-Governmental departments	100.00	95.65	14.35	110.00
All other applications:	795.00	734.78	110.22	845.00

STELLENBOSCH MUNICIPALITY

Applicable to services rendered from 1 July 2019

DIREKTORAAT INFRASTRUKTUUR DIENSTE DIRECTORATE : INFRASTRUCTURE SERVICES

Electrical Engineering Services	Unit	Tariff 2018/19 (Incl VAT)	Tariff 2019/20 (Incl VAT)	VAT
MISCELLANEOUS				
Special meter reading				
Office hours (till 15:00)	per occasion	R 222.00	R 233.99	Included
After Hours (After15:00)	per occasion	R 339.00	R 357.31	Included
Sunday and Public Holidays	per occasion	R 688.00	R 725.15	Included
Disconnection or Reconnection of Low Voltage supply:				
Office hours (till 15:00)	per occasion	R 222.00	R 233.99	Included
After Hours (After15:00)	per occasion	R 339.00	R 357.31	Included
Sunday and Public Holidays	per occasion	R 688.00	R 725.15	Included
1st Call to fault on consumer's installation :				
Office hours (till 15:00)	per occasion	R 350.00	R 368.90	Included
After Hours (after 15:00)	per occasion	R 614.00	R 647.16	Included
Sunday's and Public Holidays	per occasion	R 710.00	R 748.34	Included
2nd Call to fault on consumer's installation :				
Office hours (till 15:00)	per visit	R 487.00	R 513.30	Included
After Hours (after 15:00)	per visit	R 652.00	R 687.21	Included
Sunday's and Public Holidays	per visit	R 985.00	R 1 038.19	Included
Service not ready for connection	per visit	R 656.00	R 691.42	Included
Temporary supply at public venue:				
Existing kiosk with single phase plug point (where available)	per day	R 655.00	R 690.37	Included
Existing kiosk with three phase plug point (where available)	per day	R 921.00	R 970.73	Included
Supply temporary kiosk with single/three phase plug points where supply in close vicinity (Plus day tariff)	per occasion	R 3 462.00	R 3 648.95	Included
Temporary supply at public venue: (Non-profit organisations only)				
Existing kiosk with single phase plug point (where available)	per day	R 149.00	R 157.05	Included
Existing kiosk with three phase plug point (where available)	per day	R 245.00	R 258.23	Included
Supply temporary kiosk with single/three phase plug points where supply in close vicinity (Plus day tariff)	per occasion	R 2 644.00	R 2 786.78	Included
MV switching on Council's equipment :				
Office hours	per occasion	R 2 946.00	R 3 105.08	Included
After Hours	per occasion	R 4 136.00	R 4 359.34	Included
Sundays & Public Holidays	per occasion	R 6 154.00	R 6 486.32	Included
Installation of banners	per banner	R 3 147.00	R 3 316.94	Included
Load control equipment:				
Shifting of existing load control equipment(office hours 8:00 till 15:00)	each		R 554.58	Excluded
Shifting of existing load control equipment(after hours(after15:00) including weekends)	each		R 720.96	Excluded

STELLENBOSCH MUNICIPALITY

Applicable to services rendered from 1 July 2019

DIREKTORAAT INFRASTRUKTUUR DIENSTE DIRECTORATE : INFRASTRUCTURE SERVICES

Electrical Engineering Services	Unit	Tariff 2018/19 (Incl VAT)	Tariff 2019/20 (Incl VAT)	VAT
NEW SUPPLIES WHERE MUNICIPAL CABLE IS AT ERF BOUNDARY (INCLUDES ENERGY DISPENSER AND EXCLUDE CABLE JOINT ON PROPERTY BOUNDARY)				
60 A single phase energy dispenser	each	R 2 623.00	R 2 754.15	Included
Three phase energy dispenser	each	R 4 383.00	R 4 602.15	Included
User interface Unit (wired)	each	R 474.00	R 497.70	Included
User interface Unit (wireless)	each	R 636.00	R 667.80	Included
Single Phase Connection Informal Settlement (Energy Dispenser + Ready Board + Cable - max distance 30meter)	each	R 4 338.00	R 4 554.90	Included
60 A single phase service connection installed to Non-Serviced Property from overhead line to erf boundary with a 60 A single phase energy dispenser distribution board	each	R 6 355.00	R 6 672.75	Included
All other new installations or upgrades as per quotation supplied by the Electrical Engineering Services Directorate		Quotation	Quotation	
INSTALLATION OF ENERGY DISPENSERS				
Replacement of existing single phase credit meter with single phase energy dispenser	each	No Cost	No Cost	Included
Replacement of existing three phase credit meter with a three phase electricity dispenser	each	No Cost	No Cost	Included
Metering General				
Testing of single phase meter (on site verification)	each	R 726.00	R 762.30	Included
Testing of three phase meters (on site verification)	each	R 1 301.00	R 1 366.05	Included
Testing of three phase bulk meters (New Audit)	each	R 2 724.00	R 2 860.20	Included
Tariff investigation - based on existing consumption data	each	R 1 685.00	R 1 769.25	Included
Tariff or load profile investigation - requiring equipment and personnel/site visit's	each	R 3 263.00	R 3 426.15	Included
Quality of supply investigation - requiring equipment and personnel/site visit's	each	R 3 854.00	R 4 046.70	Included
Bulk metering (Ct's, Test Block, Fuses Complete and Modem) and site certification	each	R 14 355.00	R 14 642.10	Included
Single phase AMI meter (including GPRS Modem)	each		R 5 175.00	Included
Three phase AMI meter Max 120A (Including GPRS Modem)	each		R 7 877.50	Included
Smart Metering Single phase when available max 80A	each	R 4 191.00	R 4 400.55	Included
Smart Metering Three phase when available max 80A	each	R 5 649.00	R 5 931.45	Included

STELLENBOSCH MUNICIPALITY

Applicable to services rendered from 1 July 2019

DIREKTORAAT INFRASTRUKTUUR DIENSTE DIRECTORATE : INFRASTRUCTURE SERVICES

Electrical Engineering Services	Unit	Tariff 2018/19 (Incl VAT)	Tariff 2019/20 (Incl VAT)	VAT
DEVELOPMENT BULK LEVY CONTRIBUTIONS				
<i>Please Note: Any additional costs to make the supply available to the users are for the developers account</i>				
Developer Provides Minisub				
Cluster housing, Semi-detached townhouses & flats	3 kVA	R 7 818.00	R 8 052.54	Excluded
Urban Residential, Freestanding homes or townhouses (LSM 7-10)	4 kVA	R 10 419.00	R 10 731.57	Excluded
Luxury Class Homes >250m ² (Airconditioning, underfloor heating, more than one electrical hot water cylinder etc)max 60Amp Single Phase	6 kVA	R 15 629.00	R 16 097.87	Excluded
Non Residential	per kVA	R 2 175.00	R 2 240.25	Excluded
Residential > 60Amp Single Phase to max 60 Amp Three Phase	per kVA	R 2 175.00	R 2 240.25	Excluded
Existing Municipal Minisub or Transformer				
Cluster housing, Semi-detached townhouses & flats	3 kVA	R 10 022.00	R 10 322.66	Excluded
Urban Residential, Freestanding homes or townhouses (LSM 7-10)	4 kVA	R 13 371.00	R 13 772.13	Excluded
Luxury Class Homes >250m ² (Airconditioning, underfloor heating, more than one electrical hot water cylinder etc)max 60Amp Single Phase	6 kVA	R 19 687.00	R 20 277.61	Excluded
Non Residential per kVA	per kVA	R 2 902.00	R 2 989.06	Excluded
Residential > 60Amp Single Phase to max 60 Amp Three Phase	per kVA	R 2 902.00	R 2 989.06	Excluded

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2019 TO 30 JUNE 2020 Applicable to services rendered from 1 July 2019

DIREKTORAAT INFRASTRUKTUUR DIENSTE / DIRECTORATE : INFRASTRUCTURE SERVICES

Water Services	Tarief/ Tariff 2018/19 (Incl. VAT)	Tarief/ Tariff 2019/20 (Excl. VAT)	BTW/ VAT 15%	Tarief/ Tariff 2019/20 (Incl. VAT)
DIVERSE DIENSTE / SUNDRY SERVICES				
Water connections complete				
Contractor provided leading				
22 mm Water connections (coupling and meter only)	3 791.97	3 495.20	524.28	4 019.48
Complete connection :				
15mm complete (stopcock + watermeter + box)	5 457.23	5 030.14	754.52	5 784.66
20mm complete (stopcock + watermeter + box)	5 682.79	5 238.05	785.71	6 023.76
25mm complete (stopcock + watermeter + box)	8 211.20	7 568.58	1 135.29	8 703.87
40mm complete (stopcock + watermeter + box)	15 147.04	13 961.61	2 094.24	16 055.86
Complete connection : Including road crossing				
15mm complete (stopcock + watermeter + box)	20 441.07	18 841.34	2 826.20	21 667.54
20mm complete (stopcock + watermeter + box)	20 685.74	19 066.86	2 860.03	21 926.89
25mm complete (stopcock + watermeter + box)	22 943.38	21 147.81	3 172.17	24 319.98
40mm complete (stopcock + watermeter + box)	29 179.29	26 895.69	4 034.35	30 930.05
Inspection fee on all connections done by Private Contractors (excluding water deposit)	1 922.11	1 771.69	265.75	2 037.44
Water Management Device				
22 mm Water connection (stopcock + watermeter + box)	4 738.73	4 367.87	655.18	5 023.06
Water miscellaneous tariffs				
Moving of watermeter sizes up to 25mm diam. Max distance 2m.	1 580.18	1 456.51	218.48	1 674.99
Moving of watermeter size 40mm diam. Max distance 2m.	3 970.01	3 659.31	548.90	4 208.21
(Does not include reinstatement of paved areas - reinstatement of paved areas actual cost)				
Test of all water meters. Actual cost.	Actual cost	Actual cost		
Hydrants Standpipes				
15mm-50mm hydrants standpipes rental/month or part of month	988.38	911.03	136.65	1 047.68
Refundable deposit per hydrant standpipe	11 318.41	10 432.62	1 564.89	11 997.51
Reconnection after disconnection due to non-payment:				
Normal hours	394.96	364.05	54.61	418.66
After hours	606.22	558.77	83.82	642.59
Replacement of damaged water meters:				
20 mm.	3 688.73	3 400.05	510.01	3 910.06
> 20 mm.	Actual cost	Actual cost		
Sewer Connections(Installed by Developer as development requirement)				
Applicant connects to existing connection.				
100mm connection by Developer (first connection)	1 488.33	1 371.85	205.78	1 577.63
150mm connection by Developer (first connection)	1 784.29	1 644.65	246.70	1 891.35
All new sewer connections (due to subdivision/developments)				
	Actual cost	Actual cost		
Clearing of block sewer:				
Owner responsible to clear private blockage by making use of private contractor				
Blockage teams only responsible for clearing municipal main sewer blockages				
Private blockages only to be cleared if health hazard occurs and clear instruction is given by Management				
Normal hours	629.11	579.87	86.98	666.85
After hours	872.35	804.08	120.61	924.70
Deliberate call out to private blockage (call out fee only)	813.51	749.84	112.48	862.32

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2019 TO 30 JUNE 2020
Applicable to services rendered from 1 July 2019

**DIREKTORAAT INFRASTRUKTUUR DIENSTE /
DIRECTORATE : INFRASTRUCTURE SERVICES**

SERVICES RENDERED	UNIT	COMMENTS	2018/19	2019/20
			R VAT excl	
Solid Waste Management Services				
Stellenbosch Landfill Site (Devon Valley Site)(General Waste only - NO Medical or Hazardous Waste)				
Residents or Garden Services working within WC024				
Disposal of clean garden waste (grass cuttings, leaves etc.) NO OTHER WASTE * contaminated garden waste will be classified as general waste	Per metric ton or part thereof	Must show the latest account that reflects WC024 residency or proof of where in WC024 work is being done	Free	Free
Disposal of clean builder's rubble * contaminated builder's rubble will be classified as general waste	Per metric ton or part thereof	No material other than clean builder's rubble may form part of the load (eg. plastic, iron, wood).	Free	Free
Disposal of bulky domestic waste	Per metric ton or part thereof	These are limited to items that cannot fit into a 240l wheelie bin. Proof of the latest account that reflects payment for refuse removal needs to be shown. Limited to one load per month.	Free	Free
Contractors within WC024				
Disposal of general waste based on actual mass * contaminated garden waste or contaminated builder's rubble will be classified as general waste	Per metric ton or part thereof	Only waste from within WC024 allowed. Proof of origin of waste to be declared by user at disposal facility (written proof if requested)	R 456.52	R 547.82
Disposal of general waste based on actual mass * contaminated garden waste or contaminated builder's rubble will be classified as general waste	Per 500 kg or part thereof	Only waste from within WC024 allowed. Proof of origin of waste to be declared by user at disposal facility (written proof if requested)	R 228.26	R 273.91
Disposal of general waste based on actual mass * contaminated garden waste or contaminated builder's rubble will be classified as general waste	Per 250 kg or part thereof	Only waste from within WC024 allowed. Proof of origin of waste to be declared by user at disposal facility (written proof if requested)	R 114.13	R 136.96
Disposal of soil	Per metric ton or part thereof	Only soil from within WC024 allowed. Proof of origin of waste to be declared by user at disposal facility (written proof if requested)	R 456.52	R 547.82
Disposal of soil	Per 500 kg or part thereof	Only waste from within WC024 allowed. Proof of origin of waste to be declared by user at disposal facility (written proof if requested)	R 228.26	R 273.91
Disposal of soil	Per 250 kg or part thereof	Only waste from within WC024 allowed. Proof of origin of waste to be declared by user at disposal facility (written proof if requested)	R 114.13	R 136.96
Interdepartmental Municipal Charges				
Disposal of general waste based on actual mass * contaminated garden waste or contaminated builder's rubble will be classified as general waste	Per metric ton or part thereof	All Departments within Stellenbosch Municipality must pay for the disposal of refuse.	438.6	R 526.32
Disposal of general waste based on actual mass * contaminated garden waste or contaminated builder's rubble will be classified as general waste	Per 500 kg or part thereof	All Departments within Stellenbosch Municipality must pay for the disposal of refuse.	219.3	R 263.16
Disposal of general waste based on actual mass * contaminated garden waste or contaminated builder's rubble will be classified as general waste	Per 250 kg or part thereof	All Departments within Stellenbosch Municipality must pay for the disposal of refuse.	109.65	R 131.58
Klapmuts Transfer Station				
Disposal of general waste	Per metric ton or part thereof	Only waste from within WC024 allowed. Proof of origin of waste to be declared by user at disposal facility (written proof if requested)	R 456.52	R 547.82
Disposal of general waste	Per 500 kg or part thereof	Only waste from within WC024 allowed. Proof of origin of waste to be declared by user at disposal facility (written proof if requested)	R 228.26	R 273.91
Disposal of general waste	Per 250 kg or part thereof	Only waste from within WC024 allowed. Proof of origin of waste to be declared by user at disposal facility (written proof if requested)	R 114.13	R 136.96

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2019 TO 30 JUNE 2020
Applicable to services rendered from 1 July 2019

**DIREKTORAAT INFRASTRUKTUUR DIENSTE /
DIRECTORATE : INFRASTRUCTURE SERVICES**

SERVICES RENDERED	UNIT	COMMENTS	2018/19	2019/20
			R VAT excl	
Solid Waste Management Services				
Franschhoek Drop-off				
Residential properties ONLY				
Disposal of bulky domestic waste	Car, trailer, LDV	These are limited to items that cannot fit into a 240ℓ wheelie bin. Proof of the latest account that reflects payment for refuse removal needs to be shown.	Free	Free
Disposal of small quantities of clean builder's rubble *no contaminated builder's rubble will be allowed	Car, trailer, LDV	Only waste from within Franschhoek boundaries allowed. Proof of origin of waste to be declared by user at drop-off facility (written proof if requested).	Free	Free
Disposal of clean garden waste (Grass cuttings, leaves, etc.) *no contaminated garden waste will be allowed	Car, trailer, LDV	Only waste from within Franschhoek boundaries allowed. Proof of origin of waste to be declared by user at drop-off facility (written proof if requested).	Free	Free
WASTE IN EXCESS OF 1 TON AND ALL OTHER WASTE MUST BE DISPOSED OF AT THE SETTLENBOSCH LANDFILL SITE				
Replacement of bin or lid or wheel or axle				
For bin age up to 5 years		For malicious damage where there is negligence on the part of the owner.		
For the replacement of a complete bin	Replacement	Applicable to malicious damage Lost or stolen bin must be reported to the nearest Police Station and a case number be presented to Council before replacement commences. The replacement due to theft on refuse removal day will be excluded from this arrangement. Client still to obtain a case number from the SAPS and present it to Council before replacement will take effect. Maximum of twice per year.	Cost + 15% applicable to malicious damage, lost or theft. Must be reported to the SAPS and a case number and payment to be presented to Council before replacement. The replacement due to theft on refuse removal day will be excluded from this arrangement (Maximum two replacement allowed during the financial year, thereafter payment to be presented before replacement). Client still to obtain a case number from the SAPS and present it to Council before replacement will take effect.	Cost + 15% applicable to malicious damage, lost or theft. Must be reported to the SAPS and a case number and payment to be presented to Council before replacement. The replacement due to theft on refuse removal day will be excluded from this arrangement (Maximum two replacement allowed during the financial year, thereafter payment to be presented before replacement). Client still to obtain a case number from the SAPS and present it to Council before replacement will take effect.
Hiring and servicing of 240ℓ bins				
Hiring of 240ℓ wheelie bin	Per bin per day	For the hiring of 240ℓ bins to a third party within WC024 (includes delivery, collection and servicing of the bin). Subject to prior approval and availability.	R 43.48	R 52.18
Hiring of 240ℓ wheelie bins: Basic charge for collection and/or delivery on Saturday	Once-off per event	Compulsory fee to be paid when hiring municipal wheelie bins for events taking place over a weekend in WC024	R 2 200.00	R 2 640.00
Hiring of 240ℓ wheelie bins: Basic charge for collection and/or delivery on Sunday	Once-off per event	Compulsory fee to be paid when hiring municipal wheelie bins for events taking place over a weekend in WC024	R 2 900.00	R 3 480.00

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2019 TO 30 JUNE 2020
Applicable to services rendered from 1 July 2019

DIREKTORAAT INFRASTRUKTUUR DIENSTE DIRECTORATE : INFRASTRUCTURE SERVICES

	TOTAL TARIFF/TARIEF 2018/19 (Incl. VAT)	TARIFF/TARIEF 2019/20 (Excl VAT)	BTW/VAT 15%	TOTAL TARIFF/TARIEF 2019/20 (Incl VAT)
*Industrial Effluent Treatment Basic Tariff (T): R/kl effluent discharge excluding penalties and contract arrangements.	R 12.65	R 11.40	R 2.01	R 13.41
*Industrial Effluent Conveyancy Basic Tariff (C): R/kl effluent discharge excluding penalties and contract arrangements.	R 5.75	R 5.18	R 0.91	R 6.10
Clearance of septic tanks: per 5 000 liter of part thereof	R 1 702.00	R 1 446.70	R 255.30	R 1 702.00
Waste Water disposal at designated facility per kl	R 101.20	R 91.18	R 16.09	R 107.27
Chemical toilet disposal at designated facility per toilet	R 98.90	R 89.11	R 15.73	R 104.83
Special agreements when industry do pre-treatment	N/A	N/A	N/A	N/A

FORMULA FOR THE CALCULATION OF EFFLUENT DISCHARGE CHARGES (Schedule C of Bylaws)

Discharge Cost = Basic Tariff + COD Surcharge + Substance Limit Surcharge

Discharge Cost = (Vw) (SVC) + (Vie) (T) ((COD - 1000)/1000) + (Vie) (T) (SF)

SVC = Sewerage Volumetric Charge (T + C) in terms of above tariffs (Conveyancy and Treatment)

Surcharge Factor (SF) = ((X - L) / L)

X = Concentration in discharge of one or more of parameters listed in Schedule A of Bylaws

L = Limit of applicable parameter as listed in Schedule A of Bylaws

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2019 TO 30 JUNE 2020 Applicable to services rendered from 1 July 2019

DIREKTORAAT INFRASTRUKTUUR DIENSTE DIRECTORATE : INFRASTRUCTURE SERVICES

	Tariff 2018/19 (Incl VAT)	Tariff 2019/20 (Excl. VAT)	VAT 15%	Tariff 2019/20 (Incl VAT)
SCIENTIFIC SERVICES/WETENSKAPLIKE DIENSTE				
PARAMETERS				
PHYSICAL ANALYSIS				
Temperature	40.25	37.10	5.57	42.67
Ph @ 25°C	40.25	37.10	5.57	42.67
Electrical conductivity @ 25°Cms ⁻¹	40.25	37.10	5.57	42.67
Turbidity (NTU)	40.25	37.10	5.57	42.67
Total suspended solids (TSS) 105°C mg/1	103.50	95.40	14.31	109.71
Total dissolved solids (TDS-gravimetric) mg/1	103.50	95.40	14.31	109.71
Inorganic dissolved solids (VSS) @600°Cmg/1	161.00	148.40	22.26	170.66
Settleable solids@ 30min in ml	103.50	95.40	14.31	109.71
Volatile organic matter percentage (%)	161.00	148.40	22.26	170.66
CHEMICAL ANALYSIS				
NITRATE (NO ⁻³) mg/1	132.25	121.90	18.29	140.19
NITRITE (NO ⁻²) mg/1	132.25	121.90	18.29	140.19
ORTHO PHOSPHATE (PO ⁻³) mg/1	75.90	69.96	10.49	80.45
TOTAL PHOSPHATE (PO ⁻³) mg/1	299.00	275.60	41.34	316.94
AMMONIA as N (NH ₃) mg/1	75.90	69.96	10.49	80.45
SULPHIDES (S) mg/1	195.50	180.20	27.03	207.23
SULPHATE (SO ⁻²) (total) mg/1	80.50	74.20	11.13	85.33
FREE & TOTAL residual chlorine (CL ⁻²)	57.50	53.00	7.95	60.95
CHLORIDE as Cl mg/1	80.50	74.20	11.13	85.33
PHENOLIS (C ₆ H ₅ OH)	379.50	349.80	52.47	402.27
COD unfiltered mg/1	161.00	148.40	22.26	170.66
COD filtered mg/1	184.00	169.60	25.44	195.04
COD dilution (included in unfiltered) mg/1	161.00	148.40	22.26	170.66
PHENOLIS C ₆ H ₅ OH (total) mg/1	379.50	349.80	52.47	402.27
CHROMATE TEST (CHROMIUM cr ₆₊) as Cr mg/1	458.85	422.94	63.44	486.38
CYANIDE as CN	379.50	349.80	52.47	402.27
SULPHIDES (SO ⁻²) mg/1	379.50	349.80	52.47	402.27
MICROBIOLOGICAL & BACTERIOLOGICAL ANALYSIS				
FAECAL COLIFORMS COUNT/100ml	282.90	260.76	39.11	299.87
E.COLI COUNT/100ml	282.90	260.76	39.11	299.87

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2019 TO 30 JUNE 2020 Applicable to services rendered from 1 July 2019

DIREKTORAAT: INFRASTRUKTUUR DIENSTE DIRECTORATE : INFRASTRUCTURE SERVICES

	Tariff 2018/2019 (Excl VAT)	2018/2019 VAT 15%	Tariff 2018/2019 (Incl VAT)	Tariff 2019/2020 (Excl VAT)	2019/2020 VAT 15%	Tariff 2019/2020 Incl VAT
ROADS & STORMWATER						
Versak randsteen (plat en skuins) per randsteen / Lowering of kerbs	534.64	80.20	614.83	566.72	85.01	651.72
Inspeksiefooi vir die oprigting van fasiliteit tekens / Inspection fee for the construction of facility signs	250.61	37.59	288.20	265.65	39.85	305.50
Oprigting van fasiliteit tekens / Construction of facility signs	891.06	133.66	1024.72	944.53	141.68	1086.21
Konstruksie van bruggies oor leiwater/stormwater kanale Construction of vehicle access over stormwater/irrigation channels	Actual Cost/Werklike koste + 10%		Actual Cost/Werklike koste + 10%			
Padsluitings/Road closures(Fee applicable when the closure is not advertised or advertised in the electronic media)	111.38	16.71	128.09	118.07	17.71	135.78
Padsluitings/Road closures(Fee applicable when the closure is advertised in the printed media / electronic media)	4 622.39	693.36	5 315.75	Actual cost /plus 10%		
Development Charge (DC) - Parking						
Per parking bay	143278.00	21491.70	164769.70	157 419.54	23 612.93	181 032.47

DC per land-use: Stellenbosch Town 2019.20

Usage Codes															Total (excl Vat)
Land Use	Unit	Water		Sewer		Stormwater		Solid Waste		Roads		Community Facilities			
		kl/day	Cost	kl/day	Cost	ha°C	Cost	t/week	Cost	trips/day	Cost	person	Cost		
		factor	R	factor	R	factor	R	factor	R	factor	R	factor	R		
			26 172		25 102		98 557		51 223		6 307		3 234		
Residential	Single Residential >1000m2	dwelling unit	1.200 R 31 407	0.700 R 17 571	0.048 R 4 731	0.040 R 2 049	4.00 R 25 227	4.0 R 12 938	93 922						
	Single Residential >500m2	dwelling unit	0.800 R 20 938	0.650 R 16 316	0.028 R 2 760	0.040 R 2 049	4.00 R 25 227	4.0 R 12 938	80 227						
	Single Residential >250m2	dwelling unit	0.700 R 18 321	0.600 R 15 061	0.023 R 2 267	0.040 R 2 049	4.00 R 25 227	4.0 R 12 938	75 862						
	Single Residential <250m2	dwelling unit	0.600 R 15 703	0.500 R 12 551	0.018 R 1 774	0.040 R 2 049	4.00 R 25 227	4.0 R 12 938	70 242						
	Less Formal Residential >250m2	dwelling unit	0.600 R 15 703	0.500 R 12 551	0.023 R 2 267	0.040 R 2 049	0.75 R 4 730	4.0 R 12 938	50 238						
	Less Formal Residential <250m2	dwelling unit	0.450 R 11 778	0.400 R 10 041	0.018 R 1 774	0.040 R 2 049	0.75 R 4 730	4.0 R 12 938	43 309						
	Group Residential >250m2	dwelling unit	0.700 R 18 321	0.600 R 15 061	0.023 R 2 267	0.040 R 2 049	3.75 R 23 650	4.0 R 12 938	74 285						
	Group Residential <250m2	dwelling unit	0.600 R 15 703	0.500 R 12 551	0.018 R 1 774	0.040 R 2 049	3.25 R 20 497	4.0 R 12 938	65 512						
	Medium Density Residential >250m2	dwelling unit	0.700 R 18 321	0.600 R 15 061	0.023 R 2 267	0.040 R 2 049	2.75 R 17 343	4.0 R 12 938	67 979						
	Medium Density Residential <250m2	dwelling unit	0.600 R 15 703	0.500 R 12 551	0.018 R 1 774	0.040 R 2 049	3.25 R 20 497	4.0 R 12 938	65 512						
	High Density Residential - flats	dwelling unit	0.450 R 11 778	0.400 R 10 041	0.008 R 788	0.040 R 2 049	2.75 R 17 343	4.0 R 12 938	54 937						
	High Density Residential - student rooms	dwelling unit	0.180 R 4 711	0.150 R 3 765	0.004 R 394	0.015 R 768	1.25 R 7 883	1.0 R 3 234	20 757						
Commercial							factor R 7 007	factor R 1 438							
	Local Business - office	100m2 GLA	0.400 R 10 469	0.350 R 8 786	0.008 R 788	0.040 R 2 049	9.00 R 63 067	1.0 R 1 438	86 596						
	Local Business - retail	100m2 GLA	0.400 R 10 469	0.350 R 8 786	0.008 R 788	0.040 R 2 049	9.00 R 63 067	1.0 R 1 438	86 596						
	General Business - office	100m2 GLA	0.400 R 10 469	0.350 R 8 786	0.008 R 788	0.040 R 2 049	9.00 R 63 067	1.0 R 1 438	86 596						
	General Business - retail	100m2 GLA	0.400 R 10 469	0.350 R 8 786	0.008 R 788	0.040 R 2 049	9.00 R 63 067	1.0 R 1 438	86 596						
	Community	100m2 GLA	0.400 R 10 469	0.350 R 8 786	0.008 R 788	0.040 R 2 049	9.00 R 63 067	1.0 R 1 438	86 596						
	Education	100m2 GLA	0.400 R 10 469	0.350 R 8 786	0.008 R 788	0.040 R 2 049	9.00 R 63 067	1.0 R 1 438	86 596						
Industrial							factor R 9 110	factor R 1 438							
	Light Industrial	100m2 GLA	0.400 R 10 469	0.350 R 8 786	0.015 R 1 478	0.040 R 2 049	6.00 R 54 658	1.0 R 1 438	78 877						
	General Industrial - light	100m2 GLA	0.400 R 10 469	0.350 R 8 786	0.015 R 1 478	0.040 R 2 049	6.00 R 54 658	1.0 R 1 438	78 877						
	General Industrial - heavy	100m2 GLA	0.400 R 10 469	0.350 R 8 786	0.015 R 1 478	0.040 R 2 049	2.00 R 18 219	1.0 R 1 438	42 439						
	Noxious Industrial - heavy	100m2 GLA	0.400 R 10 469	0.350 R 8 786	0.015 R 1 478	0.040 R 2 049	2.00 R 18 219	1.0 R 1 438	42 439						
Other							factor R 7 007	factor R 1 438							
	Resort	100m2 GLA	0.400 R 10 469	0.350 R 8 786	0.008 R 788	0.040 R 2 049	9.00 R 63 067	1.0 R 1 437.55	86 596						
	Public Open Space	ha	-	-	0.200 R 19 711	-	-	-	19 711						
	Private Open Space	ha	-	-	0.200 R 19 711	-	-	-	19 711						
	Natural Environment	ha	-	-	0.200 R 19 711	-	-	-	19 711						
	Utility Services	100m2 GLA	0.400 R 10 469	0.350 R 8 786	0.008 R 788	0.040 R 2 049	9.00 R 63 067	1.0 R 1 438	86 596						
	Public Roads and Parking	ha	-	-	0.700 R 68 990	-	-	-	68 990						
	Transport Facility	ha	-	-	0.700 R 68 990	-	-	-	68 990						
	Limited Use		-	-	-	-	-	-	-						
Special	To be calculated based on equivalent demands														

DC per land-use: Dwars River 2019.20

Usage Codes															Total (excl Vat)
Land Use	Unit	Water		Sewer		Stormwater		Solid Waste		Roads		Community Facilities			
		kl/day	Cost	kl/day	Cost	ha°C	Cost	t/week	Cost	trips/day	Cost	person	Cost		
		factor	R 20 515	factor	R 29 244	factor	R 94 040	factor	R 44 302	factor	R 3 555	factor	R 3 234		
Residential	Single Residential >1000m2	dwelling unit	1.200	R 24 618	0.700	R 20 471	0.048	R 4 514	0.040	R 1 772	4.00	R 14 220	4.0	R 12 938	R 78 532
	Single Residential >500m2	dwelling unit	0.800	R 16 412	0.650	R 19 008	0.028	R 2 633	0.040	R 1 772	4.00	R 14 220	4.0	R 12 938	R 66 983
	Single Residential >250m2	dwelling unit	0.700	R 14 360	0.600	R 17 546	0.023	R 2 163	0.040	R 1 772	4.00	R 14 220	4.0	R 12 938	R 63 000
	Single Residential <250m2	dwelling unit	0.600	R 12 309	0.500	R 14 622	0.018	R 1 693	0.040	R 1 772	4.00	R 14 220	4.0	R 12 938	R 57 553
	Less Formal Residential >250m2	dwelling unit	0.600	R 12 309	0.500	R 14 622	0.023	R 2 163	0.040	R 1 772	0.75	R 2 666	4.0	R 12 938	R 46 470
	Less Formal Residential <250m2	dwelling unit	0.450	R 9 232	0.400	R 11 697	0.018	R 1 693	0.040	R 1 772	0.75	R 2 666	4.0	R 12 938	R 39 998
	Group Residential >250m2	dwelling unit	0.700	R 14 360	0.600	R 17 546	0.023	R 2 163	0.040	R 1 772	3.75	R 13 331	4.0	R 12 938	R 62 111
	Group Residential <250m2	dwelling unit	0.600	R 12 309	0.500	R 14 622	0.018	R 1 693	0.040	R 1 772	3.25	R 11 554	4.0	R 12 938	R 54 887
	Medium Density Residential >250m2	dwelling unit	0.700	R 14 360	0.600	R 17 546	0.023	R 2 163	0.040	R 1 772	2.75	R 9 776	4.0	R 12 938	R 58 556
	Medium Density Residential <250m2	dwelling unit	0.600	R 12 309	0.500	R 14 622	0.018	R 1 693	0.040	R 1 772	3.25	R 11 554	4.0	R 12 938	R 54 887
	High Density Residential - flats	dwelling unit	0.450	R 9 232	0.400	R 11 697	0.008	R 752	0.040	R 1 772	2.75	R 9 776	4.0	R 12 938	R 46 168
	High Density Residential - student rooms	dwelling unit	0.180	R 3 693	0.150	R 4 387	0.004	R 376	0.015	R 665	1.25	R 4 444	1.0	R 3 234	R 16 798
Commercial											factor	R 3 950	factor	R 1 438	
	Local Business - office	100m2 GLA	0.400	R 8 206	0.350	R 10 235	0.008	R 752	0.040	R 1 772	9.00	R 35 550.08	1.0	R 1 438	R 57 953
	Local Business - retail	100m2 GLA	0.400	R 8 206	0.350	R 10 235	0.008	R 752	0.040	R 1 772	9.00	R 35 550	1.0	R 1 438	R 57 953
	General Business - office	100m2 GLA	0.400	R 8 206	0.350	R 10 235	0.008	R 752	0.040	R 1 772	9.00	R 35 550	1.0	R 1 438	R 57 953
	General Business - retail	100m2 GLA	0.400	R 8 206	0.350	R 10 235	0.008	R 752	0.040	R 1 772	9.00	R 35 550	1.0	R 1 438	R 57 953
	Community	100m2 GLA	0.400	R 8 206	0.350	R 10 235	0.008	R 752	0.040	R 1 772	9.00	R 35 550	1.0	R 1 438	R 57 953
	Education	100m2 GLA	0.400	R 8 206	0.350	R 10 235	0.008	R 752	0.040	R 1 772	9.00	R 35 550	1.0	R 1 438	R 57 953
Industrial											factor	R 5 135	factor	R 1 438	
	Light Industrial	100m2 GLA	0.400	R 8 206	0.350	R 10 235	0.015	R 1 411	0.040	R 1 772	6.00	R 30 810	1.0	R 1 438	R 53 871
	General Industrial - light	100m2 GLA	0.400	R 8 206	0.350	R 10 235	0.015	R 1 411	0.040	R 1 772	6.00	R 30 810	1.0	R 1 438	R 53 871
	General Industrial - heavy	100m2 GLA	0.400	R 8 206	0.350	R 10 235	0.015	R 1 411	0.040	R 1 772	2.00	R 10 270	1.0	R 1 438	R 33 331
	Noxious Industrial - heavy	100m2 GLA	0.400	R 8 206	0.350	R 10 235	0.015	R 1 411	0.040	R 1 772	2.00	R 10 270	1.0	R 1 438	R 33 331
Other											factor	R 3 950	factor	R 1 438	
	Resort	100m2 GLA	0.400	R 8 206	0.350	R 10 235	0.008	R 752	0.040	R 1 772	9.00	R 35 550	1.0	R 1 438	R 57 953
	Public Open Space	ha					0.200	R 18 808							R 18 808
	Private Open Space	ha					0.200	R 18 808							R 18 808
	Natural Environment	ha					0.200	R 18 808							R 18 808
	Utility Services	100m2 GLA	0.400	R 8 206	0.350	R 10 235	0.008	R 752	0.040	R 1 772	9.00	R 35 550	1.0	R 1 438	R 57 953
	Public Roads and Parking	ha					0.700	R 65 828							R 65 828
	Transport Facility	ha					0.700	R 65 828							R 65 828
	Limited Use														
Special	To be calculated based on equivalent demands														

DC per land-use: Franschhoek 2019.20

Usage Codes																Total (excl Vat)
Land Use	Unit	Water		Sewer		Stormwater		Solid Waste		Roads		Community Facilities				
		kl/day	Cost	kl/day	Cost	ha*C	Cost	t/week	Cost	trips/day	Cost	person	Cost			
		factor	R	R	R	R	R	R	R	R	R	R	R			
		factor	R 24 385	factor	R 16 141	factor	R 69 417	factor	R 55 472	factor	R 6 454	factor	R 3 234			
Residential	Single Residential >1000m2	dwelling unit	1.200 R 29 261.63	0.700 R 11 298	0.048 R 3 332	0.040 R 2 219	4.00 R 25 817	4.0 R 12 938	R 84 866							
	Single Residential >500m2	dwelling unit	0.800 R 19 507.75	0.650 R 10 491	0.028 R 1 944	0.040 R 2 219	4.00 R 25 817	4.0 R 12 938	R 72 917							
	Single Residential >250m2	dwelling unit	0.700 R 17 069.28	0.600 R 9 684	0.023 R 1 597	0.040 R 2 219	4.00 R 25 817	4.0 R 12 938	R 69 324							
	Single Residential <250m2	dwelling unit	0.600 R 14 630.81	0.500 R 8 070	0.018 R 1 250	0.040 R 2 219	4.00 R 25 817	4.0 R 12 938	R 64 925							
	Less Formal Residential >250m2	dwelling unit	0.600 R 14 630.81	0.500 R 8 070	0.023 R 1 597	0.040 R 2 219	0.75 R 4 841	4.0 R 12 938	R 44 295							
	Less Formal Residential <250m2	dwelling unit	0.450 R 10 973.11	0.400 R 6 456	0.018 R 1 250	0.040 R 2 219	0.75 R 4 841	4.0 R 12 938	R 38 676							
	Group Residential >250m2	dwelling unit	0.700 R 17 069.28	0.600 R 9 684	0.023 R 1 597	0.040 R 2 219	3.75 R 24 204	4.0 R 12 938	R 67 711							
	Group Residential <250m2	dwelling unit	0.600 R 14 630.81	0.500 R 8 070	0.018 R 1 250	0.040 R 2 219	3.25 R 20 977	4.0 R 12 938	R 60 084							
	Medium Density Residential >250m2	dwelling unit	0.700 R 17 069.28	0.600 R 9 684	0.023 R 1 597	0.040 R 2 219	2.75 R 17 749	4.0 R 12 938	R 61 256							
	Medium Density Residential <250m2	dwelling unit	0.600 R 14 630.81	0.500 R 8 070	0.018 R 1 250	0.040 R 2 219	3.25 R 20 977	4.0 R 12 938	R 60 084							
	High Density Residential - flats	dwelling unit	0.450 R 10 973.11	0.400 R 6 456	0.008 R 555	0.040 R 2 219	2.75 R 17 749	4.0 R 12 938	R 50 891							
	High Density Residential - student rooms	dwelling unit	0.180 R 4 389.24	0.150 R 2 421	0.004 R 278	0.015 R 832	1.25 R 8 068	1.0 R 3 234	R 19 222							
Commercial	Local Business - office	100m2 GLA	0.400 R 9 753.88	0.350 R 5 649	0.008 R 555	0.040 R 2 219	9.00 R 64 543	1.0 R 1 438	R 84 158							
	Local Business - retail	100m2 GLA	0.400 R 9 753.88	0.350 R 5 649	0.008 R 555	0.040 R 2 219	9.00 R 64 543	1.0 R 1 438	R 84 158							
	General Business - office	100m2 GLA	0.400 R 9 753.88	0.350 R 5 649	0.008 R 555	0.040 R 2 219	9.00 R 64 543	1.0 R 1 438	R 84 158							
	General Business - retail	100m2 GLA	0.400 R 9 753.88	0.350 R 5 649	0.008 R 555	0.040 R 2 219	9.00 R 64 543	1.0 R 1 438	R 84 158							
	Community	100m2 GLA	0.400 R 9 753.88	0.350 R 5 649	0.008 R 555	0.040 R 2 219	9.00 R 64 543	1.0 R 1 438	R 84 158							
	Education	100m2 GLA	0.400 R 9 753.88	0.350 R 5 649	0.008 R 555	0.040 R 2 219	9.00 R 64 543	1.0 R 1 438	R 84 158							
Industrial	Light Industrial	100m2 GLA	0.400 R 9 753.88	0.350 R 5 649	0.015 R 1 041	0.040 R 2 219	6.00 R 55 937	1.0 R 1 438	R 76 038							
	General Industrial - light	100m2 GLA	0.400 R 9 753.88	0.350 R 5 649	0.015 R 1 041	0.040 R 2 219	6.00 R 55 937	1.0 R 1 438	R 76 038							
	General Industrial - heavy	100m2 GLA	0.400 R 9 753.88	0.350 R 5 649	0.015 R 1 041	0.040 R 2 219	2.00 R 18 646	1.0 R 1 438	R 38 747							
	Noxious Industrial - heavy	100m2 GLA	0.400 R 9 753.88	0.350 R 5 649	0.015 R 1 041	0.040 R 2 219	2.00 R 18 646	1.0 R 1 438	R 38 747							
Other	Resort	100m2 GLA	0.400 R 9 753.88	0.350 R 5 649	0.008 R 555	0.040 R 2 219	9.00 R 64 543	1.0 R 1 438	R 84 158							
	Public Open Space	ha	R -	R -	0.200 R 13 883	R -	R -	R -	R 13 883							
	Private Open Space	ha	R -	R -	0.200 R 13 883	R -	R -	R -	R 13 883							
	Natural Environment	ha	R -	R -	0.200 R 13 883	R -	R -	R -	R 13 883							
	Utility Services	100m2 GLA	0.400 R 9 753.88	0.350 R 5 649	0.008 R 555	0.040 R 2 219	9.00 R 64 543	1.0 R 1 438	R 84 158							
	Public Roads and Parking	ha	R -	R -	0.700 R 48 592	R -	R -	R -	R 48 592							
	Transport Facility	ha	R -	R -	0.700 R 48 592	R -	R -	R -	R 48 592							
	Limited Use	ha	R -	R -	R -	R -	R -	R -	R -							
Special	To be calculated based on equivalent demands															

DC per land-use: Klappmuts 2019.20

Usage Codes																Total (excl Vat)						
Land Use	Unit	Water		Sewer		Stormwater		Solid Waste		Roads		Community Facilities										
		kl/day	Cost	kl/day	Cost	ha°C	Cost	t/week	Cost	trips/day	Cost	person	Cost									
		factor	R	10 708	factor	R	21 500	factor	R	130 052	factor	R	65 328	factor	R	7 447	factor	R	3 234			
Residential	Single Residential >1000m2	dwelling unit	1.200	R	12 849	0.700	R	15 050	0.048	R	6 242	0.040	R	2 613	4.00	R	29 788	4.0	R	12 938	R	79 481
	Single Residential >500m2	dwelling unit	0.800	R	8 566	0.650	R	13 975	0.028	R	3 641	0.040	R	2 613	4.00	R	29 788	4.0	R	12 938	R	71 522
	Single Residential >250m2	dwelling unit	0.700	R	7 496	0.600	R	12 900	0.023	R	2 991	0.040	R	2 613	4.00	R	29 788	4.0	R	12 938	R	68 726
	Single Residential <250m2	dwelling unit	0.600	R	6 425	0.500	R	10 750	0.018	R	2 341	0.040	R	2 613	4.00	R	29 788	4.0	R	12 938	R	64 855
	Less Formal Residential >250m2	dwelling unit	0.600	R	6 425	0.500	R	10 750	0.023	R	2 991	0.040	R	2 613	0.75	R	5 585	4.0	R	12 938	R	41 302
	Less Formal Residential <250m2	dwelling unit	0.450	R	4 819	0.400	R	8 600	0.018	R	2 341	0.040	R	2 613	0.75	R	5 585	4.0	R	12 938	R	36 896
	Group Residential >250m2	dwelling unit	0.700	R	7 496	0.600	R	12 900	0.023	R	2 991	0.040	R	2 613	3.75	R	27 926	4.0	R	12 938	R	66 864
	Group Residential <250m2	dwelling unit	0.600	R	6 425	0.500	R	10 750	0.018	R	2 341	0.040	R	2 613	3.25	R	24 203	4.0	R	12 938	R	59 270
	Medium Density Residential >250m2	dwelling unit	0.700	R	7 496	0.600	R	12 900	0.023	R	2 991	0.040	R	2 613	2.75	R	20 479	4.0	R	12 938	R	59 417
	Medium Density Residential <250m2	dwelling unit	0.600	R	6 425	0.500	R	10 750	0.018	R	2 341	0.040	R	2 613	3.25	R	24 203	4.0	R	12 938	R	59 270
	High Density Residential - flats	dwelling unit	0.450	R	4 819	0.400	R	8 600	0.008	R	1 040	0.040	R	2 613	2.75	R	20 479	4.0	R	12 938	R	50 489
High Density Residential - student rooms	dwelling unit	0.180	R	1 927	0.150	R	3 225	0.004	R	520	0.015	R	980	1.25	R	9 309	1.0	R	3 234	R	19 196	
														factor	R	8 274	factor	R	1 438			
Commercial	Local Business - office	100m2 GLA	0.400	R	4 283	0.350	R	7 525	0.008	R	1 040	0.040	R	2 613	9.00	R	74 470	1.0	R	1 438	R	91 369
	Local Business - retail	100m2 GLA	0.400	R	4 283	0.350	R	7 525	0.008	R	1 040	0.040	R	2 613	9.00	R	74 470	1.0	R	1 438	R	91 369
	General Business - office	100m2 GLA	0.400	R	4 283	0.350	R	7 525	0.008	R	1 040	0.040	R	2 613	9.00	R	74 470	1.0	R	1 438	R	91 369
	General Business - retail	100m2 GLA	0.400	R	4 283	0.350	R	7 525	0.008	R	1 040	0.040	R	2 613	9.00	R	74 470	1.0	R	1 438	R	91 369
	Community	100m2 GLA	0.400	R	4 283	0.350	R	7 525	0.008	R	1 040	0.040	R	2 613	9.00	R	74 470	1.0	R	1 438	R	91 369
Education	100m2 GLA	0.400	R	4 283	0.350	R	7 525	0.008	R	1 040	0.040	R	2 613	9.00	R	74 470	1.0	R	1 438	R	91 369	
														factor	R	10 757	factor	R	1 438			
Industrial	Light Industrial	100m2 GLA	0.400	R	4 283	0.350	R	7 525	0.015	R	1 951	0.040	R	2 613	6.00	R	64 540	1.0	R	1 438	R	82 350
	General Industrial - light	100m2 GLA	0.400	R	4 283	0.350	R	7 525	0.015	R	1 951	0.040	R	2 613	6.00	R	64 540	1.0	R	1 438	R	82 350
	General Industrial - heavy	100m2 GLA	0.400	R	4 283	0.350	R	7 525	0.015	R	1 951	0.040	R	2 613	2.00	R	21 513	1.0	R	1 438	R	39 323
	Noxious Industrial - heavy	100m2 GLA	0.400	R	4 283	0.350	R	7 525	0.015	R	1 951	0.040	R	2 613	2.00	R	21 513	1.0	R	1 438	R	39 323
														factor	R	8 274	factor	R	1 438			
Other	Resort	100m2 GLA	0.400	R	4 283	0.350	R	7 525	0.008	R	1 040	0.040	R	2 613	9.00	R	74 470	1.0	R	1 438	R	91 369
	Public Open Space	ha		R	-		R	-	0.200	R	26 010		R	-		R	-		R	-	R	26 010
	Private Open Space	ha		R	-		R	-	0.200	R	26 010		R	-		R	-		R	-	R	26 010
	Natural Environment	ha		R	-		R	-	0.200	R	26 010		R	-		R	-		R	-	R	26 010
	Utility Services	100m2 GLA	0.400	R	4 283	0.350	R	7 525	0.008	R	1 040	0.040	R	2 613	9.00	R	74 470	1.0	R	1 438	R	91 369
	Public Roads and Parking	ha		R	-		R	-	0.700	R	91 036		R	-		R	-		R	-	R	91 036
	Transport Facility	ha		R	-		R	-	0.700	R	91 036		R	-		R	-		R	-	R	91 036
Limited Use			R	-		R	-		R	-		R	-		R	-		R	-	R	-	
Special	To be calculated based on equivalent demands																					

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2019 TO 30 JUNE 2020
Applicable to services rendered from 1 July 2019

DIRECTORATE: PLANNING AND ECONOMIC DEVELOPMENT
(KAYAMANDI ECONOMIC TOURISM CORRIDOR)

Rental Category	Intervals (m ²)		Tariffs		Deposit required
			per m ²	Total @	
a) Formal kiosks (30% discount for Non Profitable Organisations. In meritorious cases, the Accounting Officer may grant discounts larger than 30%)	0	10	40	400	1200
	0	12	40	480	1440
	0	12,5	40	500	1500
	0	13	40	520	1560
	0	13,5	40	540	1620
	0	14	40	560	1680
	0	14,5	40	580	1740
	0	15	40	600	1800
	0	15,5	40	620	1860
	0	16	40	640	1920
	0	17,3	40	692	2076
	0	22	40	880	2640
	b) Internet Cafe	0	44.3	40	1772
c) Restaurant	0	151.3	45	6809	20427
d) ATM's (as per negotiated agreement)	0	18.25			
e) Informal Kiosks	0	10	per day	15	0
f) Conference Facility (30% discount for Non Profitable Organisations. In meritorious cases, the Accounting Officer may grant discounts larger than 30%)	0	144	per day	100.00	1000
	0		per hour	250.00	
g) Amphi Theatre (30% discount for Non Profitable Organisations. In meritorious cases, the Accounting Officer may grant discounts larger than 30%)			per day	1 000.00	1000
			per hour	250.00	500
h) Local Economic Hubs/ Incubators					
Property	Location	Purpose	Tariff		
			Rand per m ²		
1) Erf 2235	Groendal (Mooiwater homestead/ old youth house)	Business Support Services incubator	45.00		
2) Public Place/POS north of Groendal Community Hall	Vacant office on play park land	Business Sector Offices	45.00		
3) Erven 2751 and 6314 (Old Agricultural Hall)	Stellenbosch	Incubator and affordable rentals for Arts, crafts and tourism sector, including parking area.	45.00		
4) Erven: 228, 229 and 230	Franschoek (Triangle Site)	Affordable rental space for shops and tourism activities	45.00		
5) Re Erf 342	Klapmuts	Trading Hub	45.00		
6) Erf 1538	Franschoek (Old Tennis Courts)	Parking/business opportunity for a co-operative	45.00		
7) Erven 1956+6488, 1957, 6487, and 6490 (1977)	Stellenbosch (Old Clinic Site and LED office)	Business Development Incubator and rental space (Arts, crafts, shops, offices, tourism activities)	45.00		
8) Die Boord POS	Intersection Van Rheede Rd and R44	Community Market	45.00		
9) Erf 721	Pniel (Municipal Office site)	Affordable rental space (Shops and tourism activities)	45.00		

Informal Trading

Category A* Sites	
(a) Daily tariff : Residents	30.00
(b) Weekly tariff: Residents	60.00
(c) Monthly : Residents	180.00
(d) Annual tariff: Residents	1 500.00
Category B Sites	
(a) Daily tariff : Residents	10.00
(b) Weekly tariff: Residents	30.00
(c) Monthly : Residents	90.00
(d) Annual tariff: Residents	750.00
Category C Sites	
a) Daily tariff:	30.00
b) Weekly: Residents	100.00
c) Monthly	180.00
d) Annual Tariff	1 500.00

*Where **Category A** means Bergzicht, Meulplein, Stelmark, Die Braak, Fanschhoek Town Hall, Idas Valley and Container sites.

Category B means all other sites

Category C means Food Truck sites

Please note:-

- a) Application fees listed in this tariff structure exclude professional fees such as legal fees, valuation fees, survey costs, publication of notices, etc. Where such costs are incurred, it is payable by the applicant, over and above the application fee as listed in this tariff structure.
- b) All fees include VAT

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2019 TO 30 JUNE 2020
Applicable to services rendered from 1 July 2019

DIREKTORAAT: BEPLANNING EN EKONOMIESE ONTWIKKELING
DIRECTORATE: PLANNING AND ECONOMIC DEVELOPMENT

To be read in conjunction with the Business Rules.

SERVICES RENDERED	UNIT	REMARKS	Tariff	Tariff	Tariff
			2018/19 (Incl VAT)	2019/20 (Excl VAT)	2019/20 (Incl VAT)
LAND USE MANAGEMENT FEES					
REZONING & DETERMINATION OF A ZONING					
Rezoning, inclusive of a determination of a zoning	Per application per property		R 10 000.00	R 8 695.65	R 10 000.00
PERMANENT DEPARTURE					
Departure & applications for second dwelling units	Erven under 250 m ² (subsidized housing/municipal rental)	Residential erven 250 m ² or less for subsidized housing schemes or municipal rental	Zero	Zero	Zero
	Erven which are 251m ² and larger for building lines and/or coverage	Per property	R 2 500.00	R 2 173.91	R 2 500.00
	Erven which are 251m ² and larger for height and/or bulk	Per property	R 2 500.00	R 2 173.91	R 2 500.00
	Erven which are 251m ² and larger for parking and/or second dwellings	Per property	R 2 500.00	R 2 173.91	R 2 500.00
TEMPORARY DEPARTURE / PERMISSION IN TERMS OF ZONING SCHEME (SPECIAL DEVELOPMENT/TECHNICAL APPROVAL) / PERMISSION IN TERMS OF CONDITION IN THE TITLE DEED/ OCCASIONAL USE OF LAND / CONSENT USE IN TERMS OF THE ZONING SCHEME					
Submitted in urban and rural areas	Per application per property		R 2 500.00	R 2 173.91	R 2 500.00
House shops/Early Childhood Development Centres (ECD's)/ Occasional Use of Land	Per application per property (per use)		R 200.00	R 173.91	R 200.00
SUBDIVISION & CONSOLIDATION (AMENDMENT/CANCELLATION OF SUBDIVISIONAL PLAN/GENERAL PLAN/DIAGRAM)					
Subdivision/Consolidation/amendment/cancellation of an approved subdivision plan (or part thereof), including a general plan or diagram	Per application		R 5 000.00	R 4 347.83	R 5 000.00
EXEMPTION CERTIFICATES (SUBDIVISION/CONSOLIDATION) ADMINISTRATIVE FEE					
Exemption certificates for Subdivision or Consolidation	Per request		R 1 220.00	R 2 173.91	R 2 500.00
REMOVAL, RELAXATION, SUSPENSION OR AMENDMENT OF RESTRICTIVE TITLE DEED CONDITIONS					
Removal, relaxation, suspension or amendment	Per application		R 2 500.00	R 2 173.91	R 2 500.00
AMENDMENT, DELETION OR IMPOSITION OF CONDITIONS IN RESPECT OF AN EXISTING APPROVAL					
Amendment of conditions of approval (by the deletion, imposition or amendment of conditions)	Per application	Per application	R 5 000.00	R 4 347.83	R 5 000.00
EXTENSION OF VALIDITY OF APPROVAL					
Extension of validity period of an approval	Per application	Per application	50% of current application fee inclusive of VAT	50% of current application fee inclusive of VAT	50% of current application fee inclusive of VAT
PERMISSION IN TERMS OF CONDITION OF APPROVAL					
New/Amendment of Site Development Plans New/Amendment of HOA Constitutions & Design Manuals	Per application	Per application	R 2 500.00	R 2 173.91	R 2 500.00
CLOSURE OF PUBLIC PLACE OR PART THEREOF					
Closure of Public Place / Roads or Part thereof	Per application	Per application	R 5 000.00	R 4 347.83	R 5 000.00
DIESTABLISHMENT OF HOME OWNERS ASSOCIATION					
Disestablishment of HOA	Per application	Per application	R 2 500.00	R 2 173.91	R 2 500.00
RECTIFY A FAILURE OF A HOME OWNERS ASSOCIATION TO MEET ITS OBLIGATIONS					
Rectification	Per application	Per application	R 2 500.00	R 2 173.91	R 2 500.00
PERMISSION FOR RECONSTRUCTION OF EXISTING BUILDING CONSTITUTING A NON-CONFORMING USE					
Permission for reconstruction of existing building constituting a non-conforming use	Per application	A permission required for the reconstruction of an existing building that constitutes a non-conforming use that is destroyed or damaged to the extent that it is necessary to demolish a substantial part of the building	R 5 000.00	R 4 347.83	R 5 000.00
NAMING AND NUMBERING OF STREETS AND PUBLIC PLACES/BUILDINGS					
Naming and numbering of streets, Places and Buildings	Per application	Per application	R 2 500.00	R 2 173.91	R 0.00
Renaming of Streets, Places and Buildings	Per application	Per application	R 5 000.00	R 4 347.83	R 0.00
ADVERTISING FEES					
Advertisements in the press (All advertisements) Local weekly newspaper (per placement)	Basic per placement	This is a basic advertising fee. Should the actual costs be more, the applicant is liable for such extra costs upon receipt of a quote.	R 12 500.00	R 12 173.91	R 14 000.00
Advertisements in the press(All other advertisements) Daily newspaper (per placement)	Per Quotation		per quotation	per quotation	per quotation
Serving of notices	For every 10 letters or part thereof		R 750.00	R 652.17	R 750.00
OTHER					
Deviation from Council Policies & By-laws	Per application per property	Per application per property	R 5 000.00	R 4 347.83	R 5 000.00
Submit a building plan and build on an unregistered property	Per unregistered property applied for	Per unregistered property	R 0.00	R 2 173.91	R 2 500.00
Appeals	Administration cost per appeal		R 2 500.00	R 2 173.91	R 2 500.00
Intervener Status	Per application	Refundable on obtaining intervener status	R 5 000.00	R 4 347.83	R 5 000.00
Transfer Clearance fee	Per transferable erf		R 400.00	R 347.83	R 400.00

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2019 TO 30 JUNE 2020
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DIREKTORAAT: BEPLANNING EN EKONOMIESE ONTWIKKELING
DIRECTORATE: PLANNING AND ECONOMIC DEVELOPMENT

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SERVICES RENDERED	UNIT	REMARKS	Tariff 2018/19	Tariff 2019/20	Tariff 2019/20
			(Incl VAT)	(Excl VAT)	(Incl VAT)
Zoning Certificate	Per erf		R 400.00	R 347.83	R 400.00
Business Licence	Per application		R 25.00	R 21.74	R 25.00
CONTRAVENTION PENALTY					
Contravention penalty is applied in accordance with a Council Policy, By-law and/or any such enabling planning legislation and associated provisions	Per application (refer to tariff rules 5.1- 5.4.12)	<i>Formula for Contravention Penalty: ((actual area/m² multiply by penalty rate A) + (indirect area /m² multiply by penalty rate B)) x (valuation/m²) = R/m² The area of the construction activity (actual area per square meter x penalty rate A) and/or land area (indirect area per square meter x penalty rate B) that is unlawfully utilised in terms of the relevant zoning of the property) multiplied by (the municipal value per square meter (m²) of the land and/or building as stipulated in the current valuation roll of the municipality as on the date that is indicated on the contravention notice)</i>	((actual area/m ² multiply by penalty rate A) + (indirect area /m ² multiply by penalty rate B)) x (valuation/m ²) = R/m ²	(area/m ²) x (valuation/m ²) = R/m ²	((actual area/m ² multiply by penalty rate A) + (indirect area /m ² multiply by penalty rate B)) x (valuation/m ²) = R/m ²
PRINTING FEES : PHOTOCOPIES / COMPUTER PRINTS - Mono (back and white)					
A4	per copy		5.00	R 4.35	R 5.00
A3	per copy		13.00	R 11.30	R 13.00
A2	per copy		60.00	R 52.17	R 60.00
A1	per copy		80.00	R 69.57	R 80.00
A0	per copy		95.00	R 82.61	R 95.00
PRINTING FEES : PHOTOCOPIES / COMPUTER PRINTS - Colour line prints					
A4	per copy		8.00	R 6.96	R 8.00
A3	per copy		14.00	R 12.17	R 14.00
A2	per copy		80.00	R 69.57	R 80.00
A1	per copy		100.00	R 86.96	R 100.00
A0	per copy		180.00	R 156.52	R 180.00
PRINTING FEES : PHOTOCOPIES / COMPUTER PRINTS - Full colour prints (photo)					
A4	per copy		9.00	R 7.83	R 9.00
A3	per copy		16.00	R 13.91	R 16.00
A2	per copy		180.00	R 156.52	R 180.00
A1	per copy		230.00	R 200.00	R 230.00
A0	per copy		400.00	R 347.83	R 400.00
Electronic information	per document		110.00	R 95.65	R 110.00
Search Fees	per 30 minutes		106.00	R 92.17	R 106.00
HERITAGE RESOURCE MANAGEMENT FEES					
PLANNING ADVISORY COMMITTEE SCRUTINY FEE (AESTHETICS COMMITTEE)					
	Minor alterations to existing buildings and/or demolitions < 500m ²	Building plans for buildings older than 60 years or situated in the historical core Per Application	500.00	R 434.78	R 500.00
	Major alterations to existing buildings and or demolitions >500m ² and new developments	Building plans for buildings older than 60 years or situated in the historical core Per Application	770.00	R 669.57	R 770.00
SPATIAL PLANNING FEES					
COMPLEXITY FEES					
All Impact Assessments		Per study/assessment	4 300.00	R 3 739.13	R 4 300.00
APPLICATION FOR SIGNAGE (ALL ADVERTISING SIGNS ARE SUBJECT TO ADVERTISING AND SIGNAGE BY-LAW AS WELL AS FORMAL BUILDING PLAN APPROVAL)					
Signs < 1m ² (minimum fee)	per sign		430.00	R 373.91	R 430.00
Signs > 1m ² minimum fee plus additional fee/ additional m ²	minimum fee plus an additional fee per additional m ²		1 070.00	R 956.52	R 1 100.00
Flag (<5 flags) (minimum fee)	Up to 5 Flags	All Advertising signs are subject to Outdoor Advertising Policy	1 060.00	R 956.52	R 1 100.00
Flag (>5 Flags)	More than 5 Flags	Minimum flag fee (R1 100.00) plus an additional fee per flag	130.00	R 130.43	R 150.00
BUILDING DEVELOPMENT FEES					
ALL BUILDING PLAN FEES	<ul style="list-style-type: none"> ■ Plan valid for 12 months ■ Where covered areas such as carports, patios, entertainment areas etc. are enclosed to create additional floor area the fees are charged as for new floor area. 				
MINOR BUILDING WORKS (NATIONAL BUILDING REGULATIONS)					
Minor building works - Residential			480.00	R 434.78	R 500.00
Minor building works - Other than residential			640.00	R 565.22	R 650.00
CATEGORIES					
SINGLE RESIDENTIAL BUILDINGS					
0 - 25m ²	R/m ²	Includes Double Dwellings, Second Dwellings and Outbuildings and Additions thereto. Calculate the total m ² with the appropriate tariff	480.00	R 434.78	R 500.00
> 25 - 70m ²			R 23.00/m ²	R 20.00/m ²	R 23.00/m ²
> 70 - 120m ²			R 24.00/m ²	R 20.87/m ²	R 24.00/m ²
> 120 - 200m ²			R 26.00/m ²	R 22.61/m ²	R 26.00/m ²

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2019 TO 30 JUNE 2020
Applicable to services rendered from 1 July 2019

DIREKTORAAT: BEPLANNING EN EKONOMIESE ONTWIKKELING
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SERVICES RENDERED	UNIT	REMARKS	Tariff	Tariff	Tariff
			2018/19 (Incl VAT)	2019/20 (Excl VAT)	2019/20 (Incl VAT)
> 200m			R 28.00/m ²	R 25.22/m ²	R 29.00/m ²
OTHER RESIDENTIAL	Block of flats, Townhouses, Group housing, Single Title				
0 - 25m ²	Minimum fee		640.00	R 565.22	R 650.00
>25m ²	R/m ²	Calculate the total m ² with the appropriate tariff	R 37.00/m ²	R 33.04/m ²	R 38.00/m²
OTHER RESIDENTIAL : ADDITIONS	Block of flats, Townhouses, Group housing, Single Title				
			AS PER SINGLE RESIDENTIAL	R 0.00	R 0.00
NON RESIDENTIAL					
			640.00	R 565.22	R 650.00
NON RESIDENTIAL: COMMERCIAL	Includes shops, offices, service stations, hotels				
0 - 25m ²	Minimum fee		640.00	R 565.22	R 650.00
>25m ²	R/m ²	Calculate the total m ² with the appropriate tariff	R 37.00/m ²	R 33.04/m ²	R 38.00/m²
NON RESIDENTIAL: OTHER	Schools, Churches, Place of Education (i.e. Daycares, technicians etc.)				
0 - 25m ²	Minimum fee		640.00	R 565.22	R 650.00
>25m ²	R/m ²	Calculate the total m ² with the appropriate tariff	R 28.00/m ²	R 25.22/m ²	R 29.00/m²
NON RESIDENTIAL: INDUSTRIAL	Includes Factories, Warehouses, Offices in Industrial Areas				
0 - 25m ²	Minimum fee		640.00	R 565.22	R 650.00
>25m ²	R/m ²	Calculate the total m ² with the appropriate tariff	R 28.00/m ²	R 25.22/m ²	R 29.00/m²
NON RESIDENTIAL: RURAL BUILDINGS	Incl silos, barns, hangers, Cultivation tunnels etc. All farmhouses and labourers accommodation to be taken at residential rate.				
0 - 75m ²	Minimum fee		640.00	R 565.22	R 650.00
> 75m ²	R/m ²	Calculate the total m ² with the appropriate tariff	R 13.00/m ²	R 11.30/m ²	R 13.00/m²
INTERNAL ALTERATIONS -- ALL CATEGORIES	To be calculated as estimated value of alteration (Qs/Architect Estimate) X 0.008				
			Estimated value x 0.008	Estimated value x 0.008	Estimated value x 0.008
SKETCH PLAN FEE					
Single Residential	Per application	Fee not deductible from final plan fee.	640.00	R 565.22	R 650.00
All other categories	Per application	Fee not deductible from final plan fee.	640.00	R 565.22	R 650.00
INSTALLATIONS					
MAJOR HAZARD INSTALLATIONS	Per application	As prescribed by Building Development	640.00	R 565.22	R 650.00
LPG INSTALLATIONS (ALL INSTALLATIONS)	Per application	As prescribed by Building Development	640.00	R 565.22	R 650.00
MASTS					
Greenfield	Per application		850.00	R 747.83	R 860.00
Roof Top	Per application		850.00	R 747.83	R 860.00
Sports fields	Per application		850.00	R 747.83	R 860.00
OTHER					
PROVISIONAL AUTHORISATION	Per application	Application for provisional authorisation to commence work before approval has been granted in terms of Section 7(1) of the Act. Applications to be in writing. Conditions apply. Not Refundable	640.00	R 565.22	R 650.00
EXTENSION OF VALIDITY	Per application	For consideration of extending plan validity. Extensions must be applied for prior to lapse date of the plan.	640.00	R 565.22	R 650.00
REQUEST : OCCUPANCY CERTIFICATE		Where an application is received for the issuing of an occupancy certificate for an existing building where such certificate was not issued on completion of building work and prior to occupancy. Request for occupancy certificate for all buildings where the request is received more than 9 months after the buildings deemed completed by Council and/or occupied. An "As Built" plan is required in all circumstances together with required certificates.	640.00	R 565.22	R 650.00
SECTIONAL TITLE PRIOR TO 1964 SCRUTINY FEE	Per unit	For the consideration of plans for existing structures pre 1964 for Sectional Title purposes	850.00	R 565.22	R 650.00
SPECIAL EVENTS: TEMPORARY GRANDSTAND, EXHIBITIONS AND TENTS	Per application	One application per event. Maximum period of validity: 7 days.	640.00	R 565.22	R 650.00
DEMOLITIONS (ALL APPLICATIONS)	Per application		640.00	R 565.22	R 650.00

TARIFF RULES
DIRECTORATE PLANNING AND ECONOMIC DEVELOPMENT:
BUILDING DEVELOPMENT MANAGEMENT TARIFF STRUCTURE FOR 2019/2020

1. EFFECTIVE DATE

- 1.1 Fees are effective from 1 July 2019.
- 1.1.1 These tariffs replace all previous tariffs charged by the Building Development Management branch of Council.

2. METHOD OF PAYMENT

- 2.1 Fees can be paid in cash, by cheque or electronically.
- 2.2 Cheques and postal orders must be made payable to: Stellenbosch Municipality.

3. TIME OF PAYMENT

- 3.1 Fees are due on submission of the building plan application.
- 3.2 No processing of applications may commence until the fee/s is/are paid.

4. PROOF OF PAYMENT

- 4.1 A receipt must be issued to the applicant for all fees received. A copy of the receipt must be attached to the application.

5. REFUNDS

- 5.1 All fees payable are set fees and are not deposits.
- 5.2 Applications are valid for 12 months from date of payment.

6. SUBJECT TO CHANGE

- 6.1 All fees and business rules are subject to change.
- 6.2 The fees applicable at the time of submission of the application are payable.

7. EXEMPTIONS

- 7.1 The following applications are exempt from the payment of scrutiny fees:
- Applications from Central or Provincial Government for work funded by the Government and for use by Government Departments.
 - Building Plans for all buildings and structures erected for and by the Local Authority. (Plans must be submitted and approved prior to construction.)
 - All applications required to address / give effect to successful resettlement claims in terms of the Restitution of Land Rights Act, as well as in cases where land has been allocated to a successful claimant, such claimant is allowed to submit only one application (building plan), for residential development only which application(s) will be exempted from building plan fees as per normal fees.
 - Applications from Orphanages and Homes for the Aged registered under the National Welfare Act 79 of 1965.

- The Director: Planning & Economic Development may grant or refuse applications for the exemption of some or all the applicable Building Development application fees of a particular application which are necessitated due to changes to developments made at the request of the Environmental Management department or the Heritage Department of the Stellenbosch Municipality in the interests of environmental or heritage conservation.
- In cases where a successful land claimant submits a building plan for a purely non-residential development (which does not include any residential development) on land so obtained, such non-residential application is subject to all the fees applicable to any other similar application which was not obtained by way of the Restitution of Land Rights Act.
- If a successful land claimant submits a building plan for a mixed use development (which includes non-residential development) on land so obtained, such non-residential building plan gets charged the normal fees as specific for such application as if the non-residential part of the application is a separate application from the residential part of the development.

8. OTHER FEES

8.1 Requests for information: if information is specifically requested in terms of the "Access of Information Act," the relevant fees as prescribed in terms of that Act apply.

8.2 Printing fees:

- a) Printing fees are charged per page according to size. Copies will only be made in the sizes that are available at a particular office.

9. APPLICATION OF THE TARIFFS

9.1 Minor Building Work: As defined in the Building Regulations:

- Aviary
- Solid fuel store not exceeding 10m² in area and 2 m in height
- Tool shed not exceeding 10m² in area
- Child's playhouse not exceeding 5m² in area
- Cycle shed not exceeding 5m² in area
- Greenhouse not exceeding 15m² in area
- Open sided car, caravan or boat shelter or a carport where such shelter or carport does not exceed 40m² in area
- Any pergola
- Private swimming pool
- Change room, not exceeding 10m² in area, at a private swimming pool
- Lapas and gazebos (with any type of roof covering) under 40m² in area
- Any free-standing wall where such wall does not exceed 2.1 m in height: max length 120 m thereafter at 0.8% of the estimated value
- Permits valid for 6 months
- Each item charged for separately even if part of a full plan submission.
- Reconstruction of fire and natural disaster damaged buildings at applicable rate as per single/other/non-residential categories

9.2 Applications for Alterations and Additions: Plans will be assessed as follows:

- Additions: assessed on the area (square metres) per category
- Alterations: assessed on the QS/Architect estimated value and calculated at 0.8% of the value

9.3 Applications for Provisional Authorisation to Commence with the erection of a Building:

Applications for provisional authorisation to proceed with the erection of a building prior to final building plan approval will be considered on condition that:

- The application has been formally submitted (the full scrutiny fees paid) and the plans have been circulated to the applicable service branches.
- The application for provisional authority is in writing and is fully motivated.
- The prescribed provisional authority fee is paid. This fee is not refundable.
- The application is for specific items of work clearly defined on the working drawings accompanying the building plan submission.
- The architectural area of the building under consideration (as defined in Section 1 of Act 103 of 1977) is greater than 500 square metres.
- Full Planning (Zoning) approval has been obtained.
- The property must be not encumbered by private restrictive title deed conditions.
- Any work done prior to the approval the building plans is entirely at the applicants risk and should the plans require amendments or should the application be refused for any reason the work already completed will have to altered or removed as the case may be at the applicant's expense.

**TARIFF RULES
DIRECTORATE PLANNING AND ECONOMIC DEVELOPMENT:
LAND USE MANAGEMENT, HERITAGE RESOURCE DEVELOPMENT & SPATIAL PLANNING
TARIFF STRUCTURE FOR 2019/2020**

1 GENERAL

Period applicable

- 1.1 Fees effective from 1 July 2019.
- 1.2 The fees replace all previous fees charged by Council.

Method of payment

- 1.3 Fees can be paid in cash, by cheque, electronically or postal order.
- 1.4 Cheques and postal orders must be made payable to: Stellenbosch Municipality.

Time of payment

- 1.5 Applicants must pay the fee/s when application/s is/are submitted, except in the case of Impact statements and assessments, which become payable when the need for such an Impact statement / assessment becomes known to Council, if it is not evident when the application is submitted. The applicant must then be notified in writing of further payments and processing of the application may then only commence once payment is made which must be clearly stipulated in the notification.
- 1.6 No processing of applications may commence until the fee/s is/are paid.
- 1.7 All application fees are payable in the case of multiple applications.

Proof of payment

- 1.8 A receipt must be issued to the applicant for all fees received. A copy of the receipt must be filed on the relevant file.

Refunds

- 1.9 All fees payable are set fees and not deposits, except in respect of applications for intervener status.
- 1.10 In the case of the withdrawal of applications, refunds will be paid as follows:
 - a) Before advertising takes place – the full advertising component/fee and 50% of the total of all the other application fees is refunded.
 - b) After advertising has taken place – no refund.
- 1.11 If an exemption or reduction of fees is granted in terms of the provisions of subsection 10, refunds will be given as per the decision.

Subject to change

- 1.12 All fees and business rules are subject to change.
- 1.13 The specific fee applicable at the time when the application is accepted by Council, is payable.

LAND USE MANAGEMENT

2 APPLICATION FEES

Description

- 2.1 Application fees are the minimum fee payable for submitted applications.
- 2.2 All fees are payable per item applied for (each consent, departure, rezoning, etc, charged separately) per property in line with the Stellenbosch Land Use Planning By-law (2015), where applicable.

Rezoning & Determination of a zoning

- 2.3 Rezoning fee is payable per application.
- 2.3.1 Determination of a zoning is payable per application.

Permanent Departure (Regulations) fee

- 2.4 The departure fee must be charged for each type of departure separately, i.e. if a building departs from the building lines and/or coverage then one fee is applicable, should the application also include a departure from height and/or bulk, then an additional fee is applicable and finally should the application also include a departure from the parking parameters and/or a second dwelling, then a third fee will be applicable. In the case of residential erven 250m² or less for subsidised housing schemes or municipal rental properties, no departure fee at all would be required.

Temporary Departure, Permission in terms of the Zoning Scheme (Special Development/Technical Approval), Permission in terms of condition in the Title Deed, Occasional Use of Land, Consent in terms of the Zoning Scheme

- 2.5 Temporary departure, Permissions (inclusive of Technical Approvals), Occasional use of land and Consent, etc are charged separately per application per property and in addition to any departures (regulations) applied for.
- 2.5.1 A separate fee is applicable in respect of applications for temporary departure, consent use or special development in order to establish a house shop and/or early childhood development centres (ECD's) and all Occasional use of Land applications.

Subdivision & Consolidation / Amendment of subdivision plan (inclusive of general plan/diagram)

- 2.6 Application fee is payable per application submitted. Applications for the amendment of a subdivision plan required as a result of a condition of approval are exempt from the application fee.

Exemption Certificates (subdivision/consolidation)

- 2.7 This fee is payable for subdivisions/consolidations which are exempted in terms of the applicable legislation. This fee is payable per request submitted as an administrative fee.

Removal, Relaxation, Suspension and Amendment of Restrictive Title Deed conditions

- 2.8 This fee is payable per application submitted.

Amendment/Deletion/Imposition of conditions in respect of an existing approval

- 2.9 This fee is payable per application submitted.

Extension of validity period of approval

- 2.10 Fees should be paid as depicted on the tariff schedule. For all applications for extension the fee will be 50% of the current application fee, for the financial year in which the application for extension is submitted, inclusive of VAT.

Permission in terms of condition of approval (New or Amended Site development plan / New or Amended HOA Constitution & Design Manuals)

- 2.11 This fee is payable per application submitted. Applications for the amendment of a site development plan required as a result of a condition of approval are exempt from the application fee.

Closure of Public Place / Roads or part thereof

- 2.12 This fee is payable per application submitted.

Disestablishment of Home Owners Association

- 2.13 This fee is payable per application.

Rectify failure of a Home Owners Association to meet its obligations

- 2.14 This fee is payable per application.

Permission for reconstruction of existing building constituting a non-conforming use

- 2.15 Permission required for the reconstruction of an existing building that constitutes a non-conforming use that is destroyed or damaged to the extent that it is necessary to demolish a substantial part of the building. This fee is payable per application.

Naming and numbering of streets, Places and Buildings

- 2.16 This fee is payable per application submitted.

Renaming of Streets, Places and Buildings

- 2.17 This fee is payable per application submitted.

3 ADVERTISING FEES

Advertising framework

- 3.1 Advertising: is required in terms of the relevant land use legislation.
- 3.2 Advertising will be done in accordance with the land use legislation and fees will be charged accordingly.
- 3.3 Advertising in the press and advertising which consists of the serving of notices to interested and affected parties are charged independently (with different fees being applicable). No 'serving of notice' fee is applicable when notifying the applicant of the outcome of an application or notifying any objectors of the right of appeal.

Advertising in the press

- 3.4 The fee for advertising in the press is applicable whenever press advertising is required in a local weekly newspaper or daily newspaper and/or Provincial Gazette. This fee is only payable when Council undertakes the advertising.
- 3.5 Advertising in the press is a basic advertising fee. Should the actual costs be more, the applicant is liable for such extra costs upon receipt of a quote.
- 3.6 Composite applications for the same property when advertised collectively in the press carry a single advertising fee.

Serving of notices

- 3.7 The fee for serving of notices is payable when Council conducts the serving of notices. This fee is not applicable when the applicant conducts the advertising.
- 3.8 The fee applicable for every 10 notices or part thereof to be served by Council is depicted in the schedule.
- 3.9 The 'serving of notices' fee is also applicable when notices are delivered by Council to interested and affected parties.

4 OTHER

Deviation from Council Policies and By-laws

- 4.1 Deviation from Council Policies and By-laws are charged per application per property.

Submit a building plan and build on an unregistered property

- 4.2 Submit Building plan and build on unregistered property will be charged per unregistered property applied for.

Appeal

- 4.3 Appeal fees are charged and are payable per appeal submitted in respect of any decision taken by Council.

Intervener Status

- 4.4 This fee is payable per application submitted. The fee is refundable on obtaining intervener status.

Transfer clearance

- 4.5 Transfer clearance fees are payable per erf for which application is made for clearance in terms of the applicable land use legislation.

Zoning Certificate

- 4.6 This fee is payable when a formal zoning certificate is issued. Payment of this fee is required in respect of each erf for which a zoning certificate is requested.

Business Licence

- 4.7 This fee is payable in respect of each application received for the issuing of a business licence.

5 CONTRAVENTION PENALTY

- 5.1 Contravention penalty is applied in accordance with a Council Policy, By-law and/or any such enabling planning legislation and associated provisions.
- 5.2 A contravention penalty as stipulated in terms of section 88 (1) (g) of the Stellenbosch Municipal Land Use Planning By-Law, dated 20 October 2015, is payable within 30 days after approval of the utilization of the land and/or construction activity.
- 5.3 The Contravention penalty is payable within 30 days from date of approval of the land use application that was submitted as a result of a contravention notice that was served.
- 5.7 If the property is to be transferred, the Municipality will only issue a certificate in terms of section 28 of the Stellenbosch Municipal Land Use Planning By-Law dated 20 October 2015, upon proof of payment of the contravention penalty.
- 5.5 No occupancy certificate for the building construction will be issued unless proof of the payment of the contravention penalty is submitted by the applicant.
- 5.6 Formula for Contravention Penalty: **((actual area/m² multiply by penalty rate A) + (indirect area /m² multiply by penalty rate B)) x (valuation/m²) = R/m²**
The area of the construction activity (actual area per square meter x penalty rate A) and/or land area (indirect area per square meter x penalty rate B) that is unlawfully utilised in terms of the relevant zoning of the property) multiplied by (the municipal value per square meter (m²) of the land and/or building as stipulated in the current valuation roll of the municipality as on the date that is indicated on the contravention notice)
- 5.7 **Definitions :**
- 5.7.1 "Area" refers to the utilisation of the land and/or work on the land and/or construction activity on the land and/or any building on the land and/or structure on the land that is being utilised in a manner other than permitted in the zoning scheme without the prior approval of the municipality.
- 5.7.2 "Valuation" refers to the municipal valuation of any land and/or building as indicated in the current Municipal Valuation Roll.
- 5.7.3 "Date" refers to the date as indicated on the contravention notice.
- 5.7.4 "Property value" refers to the Value of property as reflected in the most recent municipal valuation roll.
- 5.7.5 "Valuation year" refers to the year of the last municipal valuation.
- 5.7.6 "Annual adjustment" refers to the Value adjustment (if any) on house price index or any other approved by the municipality.
- 5.7.7 "Size of property" refers to the area in square meters of the property as indicated on the title deed.
- 5.7.8 "Direct area of contravention" refers to the area in which the contravention occurs, e.g. rooms, floor area, coverage, and contravention measured in square meters.
- 5.7.9 "Indirect area of contravention" refers to the area complementary to the contravention, e.g. area used for parking, storage, outdoor activities or purposes.
- 5.7.10 "Penalty Rate A" refers to the rate at which penalty amount will be calculated on area of contravention as approved annually by Council.
- 5.7.11 "Penalty Rate B" refers to the rate at which penalty amount will be calculated on indirect area of contravention as approved annually by Council.

5.7.12 “Amount payable” refers to the total amount payable as a contravention penalty in terms of the relevant bylaw.

6 PRINTING FEES

- 6.1 Printing fees are charged per page according to size and colour. The three types of copies/prints are mono (black & white), Colour line prints and Full Colour prints (photo). Copies will only be made in the sizes that are available at a particular office.
- 6.2 The fee charged for electronic information does not include the CD, which must be supplied by the applicant.
- 6.3 Search fees are charged per half hour when the requested information takes 30 minutes or more to find or produce. If information is specifically requested in terms of the Access of Information Act, the relevant fees as prescribed in terms of that Act applies.

HERITAGE RESOURCE MANAGEMENT

7 PLANNING ADVISORY COMMITTEE SCRUTINY FEE

- 7.1 Planning Advisory Committee Scrutiny fees (Aesthetics Committee) are charged when a matter needs to be submitted to the Planning Advisory Committee (Heritage/Aesthetics Committee) for scrutiny, when buildings are older than 60 years or situated in the historical core. The fees are payable per application and are categorized as follows :
 - 7.1.1 Minor alterations to existing buildings <500m²;
 - 7.1.2 Major alterations to existing buildings >500m² and new developments.

SPATIAL PLANNING

8 COMPLEXITY FEES (ADDITIONAL FEES FOR HIGH IMPACT APPLICATIONS)

Description

- 8.1 Additional fees are charged on top of the basic application fees when a Heritage Impact Assessment (HIA), Environmental Impact Assessment (EIA) and Traffic Impact Statement / Assessment (TIA/S) are required, since such applications are more complex and involve more work. The complexity fees are charged to cover additional expenses due to the processing of complex applications, resulting from the fact that such applications normally are more complicated to process and due to the fact that it requires input from specialised staff which would not normally be involved in the assessment of applications which doesn't require an impact statement/assessment. The EIA and HIA fees are charged up front like all other fees if the application requires assessment in terms of the NEMA and/or NHRA. If an EIA and/or HIA fee has been paid when the SPLUMA/LUPA/By-law application was submitted and it turns out in the end that it did not lead to a full EIA / HIA, the EIA/HIA fee is not refundable. Complexity fees are charged per assessment/study.

9 APPLICATION FOR SIGNAGE

- 9.1 Application fees for signage (including flags) are paid in respect of each sign applied for. A minimum fee for signs smaller than 1m² is in place, but when signs are larger than 1m², the minimum fee plus the enhancement fee will be payable for every additional m².

10 EXEMPTIONS

- 10.1 All applications submitted by or on behalf of Council are exempt from all the application, advertising and other fees in the attached table. This exemption only applies to applications made by Council or where Council is the developer. All other government institutions must pay the normal fees.
- 10.2 Applications for the establishment of state, provincial and/or council subsidised housing schemes are exempt from all the application and other fees in the attached table. Advertising fees are payable in this regard. Application fees are, however applicable in subsidized housing areas after the establishment of the areas has been completed; subject to the conditions in the establishment of any of the less formal townships.
- 10.3 All applications required to address / give effect to successful resettlement claims in terms of the Restitution of Land Rights Act, as well as in cases where land has been allocated to a successful claimant, such claimant is allowed to submit only one application, for residential development only (but including subdivision, removal of restrictions, etc, related to such residential development), which application(s) are exempt from all the application and other fees in the attached table. Advertising fees are payable in this regard. If a successful land claimant submits a mixed use development application (which includes non-residential development) on land so obtained, such non-residential development gets charged the normal fees as specified for such application, including advertising and service of notice fees, as if the non-residential part of the application is a separate application from the residential part of the development. In cases where a successful land claimant submits a purely non-residential development application (which does not includes any residential development) on land so obtained, such non-residential development application is subject to all the fees applicable to any other similar application which wasn't obtained by way of the Restitution of Land Rights Act/Rural Act 9.
- 10.4 The above fees, if not specifically exempted, also applies to applications in the BCDA areas where Council is the commenting authority.
- 10.5 The Director : Planning & Economic Development may grant or refuse applications for the exemption of some or all the applicable fees of particular applications which are necessitated due to changes to the developments made at the request of the Environmental Management Services in the interest of environmental or heritage conservation.

These business rules must be read in conjunction with the "DIRECTORATE PLANNING AND ECONOMIC DEVELOPMENT (LAND USE MANAGEMENT, HERITAGE RESOURCE MANAGEMENT & SPATIAL PLANNING) TARIFF STRUCTURE FOR 2019/2020".

Enquiries: Hedre Dednam Tel: 021 808 8674



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TARIFF STRUCTURE: PROPERTY MANAGEMENT: 2019/20

	DESCRIPTION	APPLICATION FEE	RENTAL/TARIFF
1.	Encroachment Agreements/Permits		
1.1	For commercial purposes, other than outdoor dining and parking purposes	R2 500.00	To be determined by an independent valuer: on an <i>ad hoc</i> basis
1.2	For commercial parking purposes*	R1 200.00	
	(a) Stellenbosch & Franschhoek CBD and Technopark		R275.00/parking bay/month
	(b) Other Areas		R175.00/parking bay/month
	*Up to 5 parking buys, thereafter 50% of the approved tariff		
1.3	For residential parking purposes*	R600.00	R130.00/parking bay/month
	*Up to 3 parking buys, thereafter 50% of the approved tariff		
1.4	Tertiary Institutions, schools and pre-schools	R1 200.00	R60.00/parking bay/month
1.5	For outdoor dining purposes*	R1 200.00	
	(a) Stellenbosch and Franschhoek CBD		R105.00/m ² /month
	(b) Other areas		R40/m ² /month
	*Up to 50m ² , thereafter 20% of the approved tariff		
1.6	For non – commercial purposes (such as garden purposes, gates, ect.)*	R600.00	
	Up to 50m ²		R60.00 per month
	51 m ² to 100 m ²		R80.00 per month
	More than 100 m ²		R150.00 per month

DESCRIPTION	APPLICATION FEE	RENTAL
1.7 Projections and projecting structures	R2 500.00	
(a) Onto street reserves/side walks		Once of payment of:
Up to 50 m ²		R400.00 per m ²
51 m ² to 100 m ²		R350.00 per m ²
More than 100 m ²		R300.00 per m ²
(b) Onto other council – owned property, where such projection has an impact on development value of council – owned property	R3 000.00	To be determined by an independent valuer (should the estimated value be more than R100 000 – 00, then the weighed average of 2 independent valuations must be obtained)
1.9 For temporary use of Council-owned property for construction work		
(a) Stellenbosch and Franschhoek CBD & Technopark	R3 000.00	
Up to 20 m ²		R500.00 per month
20 m ² - 100 m ²		R1 000.00 per month
101 m ² – 1000 m ²		R5 000.00 per month
More than 1000 m ²		R10 000.00 per month
(b) Other areas	R 500.00	
Up to 20 m ²		R200.00 per month
20 m ² - 100 m ²		R600.00 per month
101 m ² – 1000 m ²		R3 000.00 per month
More than 1000 m ²		R7 000.00 per month
Deposit:		An amount to be determined by MPM in relation to the potential risk to infrastructure/improvement with a minimum amount of R2000.00

***Please note:** Where a new owner of a property want to apply for a change in name, 20% of application fees will be payable

2. Lease Agreements*		
2.1 Temporary use of Council-owned property to a maximum of 30 days	R600.00	
Daily tariff:		
a) Up to 100m ²		R220 per day
b) Between 100m ² and 1000m ²		R560 per day
c) More than 1000m ²		R2300 per day
Deposit:		To be determined by MPM, depending on the possible risk associated with the event.
2.2 Short term lease agreements (up to 10 years)		
(a) monthly rental not exceeding R2 000.00		To be determined by CFO
(b) monthly rental not exceeding R5 000.00		To be determined by an independent valuer
(c) monthly rental in excess of R5 000.00		To be determined by two independent valuers (weighed average)
2.3 Long term lease agreements (longer than 10 years)		
(a) monthly rental not exceeding R2 000.00		To be determined by CFO
(b) monthly rental not exceeding R10 000.00		To be determined by an independent valuer
(c) monthly rental in excess of R10 000.00		To be determined by two independent valuers (weighed average)
2.4 Long term lease agreements concluded before 2003 (pre-MFMA)		To be determined by Council from time to time as per individual contract(s).
2.5 Telecommunication structure		
- Application/Power of Attorney	R2000.00	
(a) Antennae only (on existing structure)		R5500.00/pm
(b) Site for mast and antennae		
-up to 100m ²		R6500.00/month
-more than 100m ²		R65.00/m ² /month for each m ² in excess of 100m ²
(c) Mobile antenna		R3150.00/pm
2.6 Temporary use of vacant Council-owned buildings*		
*Not covered by approved tariff structure		
To be considered by:	MPM: To a maximum of 1 month D:SCS: To a maximum of 3 months MM: To a maximum of 6 months EM: To a maximum of 12 months	
Tariff :		Per day: R10.00/m ² /day

NPO's and individuals, for non-commercial purposes

Per week: R9.00/m²/day
Per month: R8.00/m²/day
20% of approved tariff

*** Please Note: -**

- All contracts with an annual contract value exceeding R1M: To be approved by Council, based on independent valuations being obtained.
- Non – profit organizations: 20% of fair market value

3. Servitudes*

3.1	In urban areas	R2500.00	Once-off payment of 80% of municipal valuation of land
3.2	In rural areas	R2500.00	Once-off payment of 60% of municipal land.

*** Please note:**

Where estimated servitude value exceeds R100 000.00, the fair market value is to be determined by an independent valuer. Where estimated servitude value exceeds R1M, the fair market value is to be determined by two independent valuers (weighed average)

4. Posters

4.1	Political parties Up to 200 posters 201 to 500 posters More than 500 posters		R5000.00 (deposit) R25.00 per poster R30.00 per poster R50.00 per poster
4.2	For Commercial purposes (a) Up to 50 posters (b) Between 50 and 100 posters (c) More than 100 posters		R50.00 per poster R60.00 per additional poster R80.00 per additional poster
4.3	Non-commercial purposes (a) Up to 50 posters (b) Between 50 and 100 posters (c) More than 100 posters		R20.00 per poster R30.00 per additional poster R40.00 per additional poster
4.4	Wordfees: Individual artists (a) Per poster (to a maximum of 20 posters)		R50.00
4.5	Local Theaters (a) Up to 500 posters for a season (b) Up to 1000 posters for a season (c) More than to 1000 posters for a season		R2200.00 R5500.00 R10 500.00
4.6	Newspapers Local		

*Where Category **A** means Bergzicht, Meulplein, Stelmark, Die Braak, Fanschhoek Town Hall, Idas Valley and Container sites.

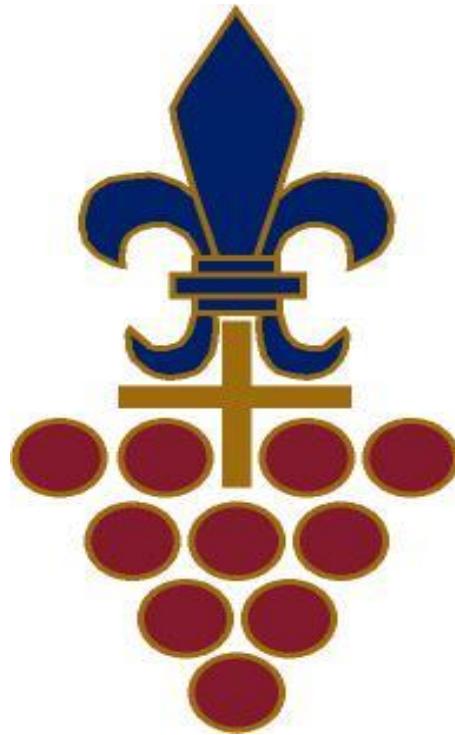
Category **B** means all other sites

Category **C** means Food Truck sites

Please note:-

- a) Application fees listed in this tariff structure exclude professional fees such as legal fees, valuation fees, survey costs, publication of notices, etc. Where such costs are incurred, it is payable by the applicant, over and above the application fee as listed in this tariff structure.
- b) All fees include VAT

STELLENBOSCH MUNICIPALITY



**WARD ALLOCATION
POLICY**

2019/2020



STELLENBOSCH MUNICIPALITY

WARD ALLOCATION POLICY

TABLE OF CONTENTS

PAGE

1. INTERPRETATION.....	3
2. INTRODUCTION	4
3. POLICY OBJECTIVE	4
4. STRATEGIC INTENT	5
5. POLICY PARAMETERS.....	6
6. REGULATORY CONTEXT.....	6
7. ROLE PLAYERS, ROLES AND RESPONSIBILITIES	7
8. CRITERIA FOR THE SELECTION OF PROJECTS	9
9. OWNERSHIP AND ACCOUNTABILITY	11
10. BASIS FOR ALLOCATING WARD ALLOCATION BUDGET	11
11. POOLING OF FUNDS BETWEEN WARDS.....	11
12. PROJECT SELECTION AND IMPLEMENTATION PROCESS.....	11
13. DEVIATION FROM POLICY	14
14. PROJECT REVIEW	14
15. ANNEXURES TO POLICY	15

1. INTERPRETATION

1.1. Acronyms

“IDP”	-	Integrated Development Plan
“SDBIP”	-	Service Delivery and Budget Implementation Plan
“EPWP”	-	Expanded Public Works Programme

1.2. Definitions

“**Capital budget**” is expenditure relating to the purchase, upgrade or refurbishment of a Council asset (property, plant and/or equipment);

“**Town / municipality**” means the Greater Stellenbosch also known as WC024, a local municipality established in terms of section 12 of the Local Government Municipal Structures Act (Act 117 of 1998)

“**Municipal Manager**” means the accounting officer of the municipality of Stellenbosch, appointed in terms of section 54A of the Local Government: Municipal Systems Act (Act No. 32 of 2000) being the head of administration and accounting officer in terms of section 55 of the Local Government: Municipal Systems Act (Act No. 32 of 2000);

“**Council**” means the municipal Council of Stellenbosch Municipality;

“**Councillor**” means a member of the Council of the Stellenbosch Municipality;

“**Lead directorate**” is the directorate whose core business encompasses the ward allocation project, which is the dominant user or beneficiary of the outcome of the ward allocation project and which accepts responsibility and ownership of the ward allocation project;

“**Legacy project**” is a project that is executed in a financial year and of which the benefits to the community continues into the future;

“**User Department**” is the department whose core business encompasses the ward allocation project, which is the dominant user or beneficiary of the outcome of the ward allocation project and which accepts responsibility and ownership of the ward allocation project;

“**Operating budget**” refers to expenditure, other than capital, in respect of Council activities and includes repairs and maintenance of Council assets;

“**Ukey**” refers to a unique numerical key consisting of 7 segments describing the allocation of funds. All budget items must be linked to a Ukey.

“Veriment” refers to the administrative process required to request and approve the transfer of funds from one cost centre to another. Apart from re-allocation of funds through the adjustment budget, transfer of funds can only be done between cost centres within a directorate.

“Ward committee” means a committee that has been established for each ward in terms of section 73 of the Local Government: Municipal Structures Act (Act No. 117 of 1998);

“Ward project” a project identified by the ward councillor in line with the identified IDP needs, in consultation with the ward committee and financed by the ward allocation;

2. INTRODUCTION

The Republic of South Africa Constitution, 1996 requires the Municipality to encourage the public participation of community members and community organizations in the matters of local government. The Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) (“Structures Act”) provides for the establishment of ward committees as formal mechanisms to give effect to this Constitutional obligation. Ward committees play a vital role in bridging the gap between the Community, the Municipality and its Council and also play an important role in:

- a) Enhancing participatory democracy;
- b) Neighbourhood and ward based planning including the encouragement of communities to take charge of their own livelihoods;
- c) Assisting the Municipality in service delivery improvement;
- d) Assisting in the economic empowerment of communities;
- e) Enhancing local democracy and accountability;
- f) Enhancing social cohesion, nation building and integration of communities across class, race, culture

Along with many other responsibilities the Municipality provide support to the Councillors and Ward Committees through the Ward Allocation policy. The policy intends to establish uniform rules and regulations in the identification, planning and implementation of ward projects. It will further encourage accountability and regulate all administrative processes in the execution phases.

3. POLICY OBJECTIVE

- 3.1. The objective of the Ward Allocations Policy is to create opportunities for Councillors to identify ward projects in line with the identified IDP needs, with the support of their Ward Committees, which would improve the quality of living in all wards. These projects would need to fit into the basket of

services of the relevant User Department and must comply with the following:

- 3.1.1. Local Government's mandate;
 - 3.1.2. Council policies;
 - 3.1.3. Support the pillars and objectives of the IDP;
 - 3.1.4. Directly benefit the community.
- 3.2. Ward project must be:
- 3.2.1. Additional projects identified by Councillors as identified through the IDP community participation processes,
 - 3.2.2. Supported by the ward committees, and
 - 3.2.3. Approved by Council.
- 3.3. Ward Allocation funds must be utilised in the manner contemplated in sections
- 3.3.1. **7(e)** categorising municipalities according to their system of municipal government. B Municipalities include a ward participatory system which allows for matters of local concern to be dealt with by committees established for wards;
 - 3.3.2. **72 (3)** describing the object of a ward committee as being to enhance participatory democracy in local government; and
 - 3.3.3. **74** describing the powers and functions of ward committees
- of the Local Government: Municipal Structures Act (Act No. 117 of 1998).**

4. STRATEGIC INTENT

The Policy shall be governed by the underlying principle of ensuring that ward allocation projects meet the requirements of the Integrated Development Plan including specific reference to the following:

- 4.1. A “**valley of possibility**” that creates an environment conducive to business development and job creation. To facilitate and coordinate support to emerging entrepreneurs by utilizing internal SCM processes and linking SMME's with opportunities in the market. To provide, upgrade and maintain an effective engineering infrastructure to support effective service delivery and to ensure the provision of non-motorised transport routes as a functional mode of transport.
- 4.2. A “**green and sustainable valley**” that ensures the management of human use of the biosphere and its resources, enhancing the integrity of the environment as an imperative for long-term sustainability and incorporates bio-diversity into the environment as an imperative for long-term sustainability. A valley that ensures spatial sustainability and facilitate efficient use of all forms of capital available to the Town including human capacity and ability and information management.

- 4.3. A “**safe valley**” where integrated safety strategies with multi-stakeholder engagements are implemented to focus on institutional, situational and social crime prevention interventions that will improve law enforcement and neighbourhood watches.
- 4.4. A “**valley with dignified living**” inclusive of sustainable human settlements, social infrastructure through the involvement and building of capacity of stakeholders in the planning and management of the areas where they live. This includes access to basic services to households.
- 4.5. A “**valley of good governance and compliance**” that ensures transparency and is corruption-free, establishes an efficient and productive administration to prioritise service delivery and ensures financial prudence, with clean audits by the Auditor-General;

5. POLICY PARAMETERS

- 5.1. The provisions of this policy apply to Ward Councillors, Ward Committees and all Directorates and Departments of the municipality;
- 5.2. This policy applies to all programmes and projects within the jurisdiction of Stellenbosch Municipality that are funded through ward allocations and which are approved by Council in accordance with this policy.

6. REGULATORY CONTEXT

This Policy draws its legal mandate from the following laws and relevant policies, as amended from time to time:

- 6.1. Legislation:
 - 6.1.1. The Constitution of the Republic of South Africa, 1996
 - 6.1.2. Local Government: Municipal Systems Act, (Act No. 32 of 2000);
 - 6.1.3. Local Government: Municipal Finance Management Act, (Act No. 56 of 2003);
 - 6.1.4. The Municipal Budget and Reporting Regulations with specific reference to Circular 82 adopted by Stellenbosch Council on 25 May 2016.
- 6.2. Policies and documents
 - 6.2.1. Stellenbosch Municipality: Integrated Development Plan (IDP);
 - 6.2.2. Stellenbosch Municipality: Asset Management Policy;
 - 6.2.3. Stellenbosch Municipality: Supply Chain Management Policy;
 - 6.2.4. Stellenbosch Municipality: Virement Policy

7. ROLE PLAYERS, ROLES AND RESPONSIBILITIES

The relevant role players include, but are not limited to:

- 7.1. The Ward Councillors and members of Ward Committees;
- 7.2. Manager: Councillor Support;
- 7.3. Council support staff;
- 7.4. Directors;
- 7.5. Budget office;
- 7.6. Technical or functional representatives in User Departments;
- 7.7. Ward Administrators; and
- 7.8. IDP Department

Official / Councillor	Role and responsibility
Manager: Councillor Support	Owner and driver of Ward Allocation Policy. Collations of all ward projects. Submission of ward allocation projects for draft budget. Facilitation of meetings with councillors. Manage ward administrators in this process. Monthly and annual collations of all ward-project progress reporting on all ward projects. Elevate problems to MM.
Councillor and Ward Committee	Project identification, development, submission for draft budget inclusion to Manager Councillor Support. Signing of commitment form. Finalization and submission of project plans to lead departments. Attending meetings with lead departments. Identification of IDP link. Identification of beneficiaries. Attendance, overseeing and reporting (incl. pictures) on projects. Return service provider goods/equipment (if applicable). It is important to note that Ward Committees play a supporting and advisory role to the Ward Councillor.
Ward Administrator	Minute keeping of Ward Committee meetings and provision of said minutes relating to project identification to lead departments. Administrative support for the execution of ward projects (communication and arrangements Administrative and coordinating link between lead department, councillor and community (ie. Transport plans, attendance registers, beneficiary communication, indemnity forms, etc.). Assist with the drawing up of project evaluation reports and submission thereof to lead department. Compilation of photographic portfolio of evidence of completed projects with specific focus on goods and

	<p>services procured.</p> <p>Asset registers and general asset management of furniture, tools and equipment procured.</p>
Speaker after consultation with the Executive Mayor	<p>Identify the annual strategic intent of ward projects.</p> <p>Verify that the identified projects comply with the mandate of local government,</p> <p>Respond in writing to the Ward Councillor if projects are approved.</p> <p>Has the prerogative to refuse funding for projects outside the scope of the policy.</p> <p>Continuously, monitor and evaluate the progress of the Ward projects.</p> <p>Provide advice and support to Ward Councillors where necessary in terms of the Ward Allocation projects.</p> <p>Keep record of all proposals and projects arrange All Wards meetings discussing the projects.</p>
MM	<p>The Municipal Manager as head of the administration is responsible and accountable for tasks and functions as provided for in, but not limited to the Local Government: Municipal Systems Act, No. 32 of 2000, Chapter 8 of the Local Government: Municipal Finance Management Act, No. 56 of 2003, other functions/tasks.</p>
IDP and Public Participation	<p>Identification of needs and priorities in the different wards through a valid public participation process.</p> <p>Provide ward committees and ward councillors with updated lists of community needs and ward priorities.</p> <p>Provide feedback to community on project implementation linked to their needs.</p>
CFO	<p>Submission of recommended projects as part of draft and final budget for council approval.</p> <p>The Finance Directorate with the approval of the Speaker may, depending on the circumstances approve the use of the Ward Allocation for projects outside this framework but within the mandate of the Municipality.</p>
Directors	<p>Ensure implementation ownership of projects at manager level.</p> <p>Recommend projects for inclusion after costing.</p> <p>Authorization of procurement documents.</p> <p>Address elevated problems with lead managers.</p>
User department	<p>Costing of projects.</p> <p>Completion of procurement plans and inclusion of ward projects in implementation planning for the year.</p> <p>Implementation of projects.</p> <p>Procurement of services.</p> <p>Arranging meetings with councillors to guide, and explain process to follow.</p> <p>Communication between procured service provider,</p>

	Ward Administrator and Ward Councillor. Signing off and submission of invoices. Monthly reporting on overall departmental expenditure for ward projects.
SCM	Procurement of goods and services.

8. CRITERIA FOR THE SELECTION OF PROJECTS

Projects that are to be implemented under the Ward Allocations Policy must comply with the following criteria:

- 8.1. Be within Local Government mandate as defined in legislation.
- 8.2. Be aligned with the objectives and pillars of the Integrated Development Plan and with the approved strategic intent identified by the Speaker.
- 8.3. Comply with all the Policies of Council.
- 8.4. Be informed by the ward based needs of the wards and municipal infrastructure needs that have been –
 - 8.4.1. assessed by the Ward Councillor and Manager Councillor Support, and
 - 8.4.2. reported and supported by the ward committee in accordance with the budget and IDP timelines.
- 8.5. Fall within the core business activity of the Lead Directorate and shall form part of the Lead Directorate's SDBIP.
- 8.6. Preferably be legacy projects that will address a need and be of a sufficient scale to have a significant impact in the ward.
- 8.7. **Not** be projects that directly benefit an individual.
- 8.8. **Not** be projects that benefit a private property – including repairs and maintenance of property not owned by Stellenbosch Municipality.
- 8.9. Projects shall, as far as possible, be completed within the financial year in respect of which they are approved but capital funds may be rolled over to the next financial year at the August Adjustment Budget (MFMA Sec 28 (2) (e) where compelling reasons exist for such roll-over. Funds remaining after the successful completion of projects will be deemed savings and re-allocated to existing approved projects requiring additional funding during the adjustment budget in January of each year.
- 8.10. Projects may cross ward boundaries provided that the relevant ward councillors are in agreement on collaborative planning, funding and implementation of such projects.

- 8.11. The lead directorate must technically evaluate and cost all projects in order to ensure that they are technically feasible, cost effective and comply with budgetary priorities before council considers a project for approval.
- 8.12. Labour intensive approaches shall be developed to maximise EPWP opportunities wherever possible for projects in both the capital and operating budget components. Councillors should note the timelines for submission of EPWP projects as part of the National EPWP Business Plan. These requirements entail that EPWP project identification must be completed and submitted to the LED Department by March each year.
- 8.13. In the case of projects undertaken on the **capital budget**, the assets created must:
- 8.13.1. Be on council property that is appropriately zoned and reserved for the lead directorate.
 - 8.13.2. Have a provision for maintenance and operating costs (inclusive of human resources) on the operating budget of the user directorate for subsequent years. These projects must adhere to sections 18 and 19 of the Local Government: Municipal Finance Management Act, (Act no. 56 of 2003) describing the funding sources and requirements for capital projects.
 - 8.13.3. Be placed on the asset register of the user directorate responsible for the facility.
 - 8.13.4. Be adequately insured and secured by the user directorate responsible for the facility.
- 8.14. In the case of projects undertaken on the **operating budget**:
- 8.14.1. Adequate supervisory control shall be provided by the user directorate.
 - 8.14.2. Projects will be undertaken on council property, except in cases where:
 - 8.14.2.1. A ward hosts a function or event at facilities that are not council owned - subject to adequate supervisory control provided by the relevant user directorate, or
 - 8.14.2.2. A ward funds or supports a local government function (for example; additional law enforcement officers) that is not necessarily performed on council property.
 - 8.14.3. All operational projects will comply with the requirements of National Treasury Circular 82 specifying requirements to be adhered to when providing catering as adopted by Stellenbosch council.
 - 8.14.4. Community events aimed at vulnerable groups must contain an educational component that speaks to the strategic intent as identified by the Speaker.

- 8.15. To contribute to maximum impact through meaningful legacy projects within communities, projects must be limited to **two operational and two capital** projects per ward. (Except for wards consisting of mostly rural areas where council does not own property.)

9. OWNERSHIP AND ACCOUNTABILITY

Directors are responsible for ensuring that all ward allocation projects within their respective directorates are completed during the financial year in respect of the projects approved by Council. Capital funds may be rolled over to the next financial year where compelling reasons exist for such roll-over and after approval has been obtained.

Directors must ensure timeous monthly and annual reporting on constraints and/or progress to the Manager Councillor Support for inclusion in Council documents.

10. BASIS FOR ALLOCATING WARD ALLOCATION BUDGET

- 10.1. Council may allocate as part of the municipal annual budgetary process certain funding from the rates accounts towards the Ward Allocations which may be an Operating Budget allocation and/or a Capital Budget allocation. The funding provided for each ward in the municipality must be equal;
- 10.2. Ward allocation funding is approved annually as part of the budgeting process with a percentage distribution between capital and operational funding. All capital projects must be captured on the municipality's capital project identification, planning and prioritization system.

11. POOLING OF FUNDS BETWEEN WARDS

Subject to the clause 8.10 ward allocations may be pooled in order to achieve higher impact and enable legacy projects.

12. PROJECT SELECTION AND IMPLEMENTATION PROCESS

The different stages of selection and implementation are set out hereunder and are subject to the timelines set out in the IDP and Budget Preparation process approved by Council in August of each year. See Ward Allocation SOP for detail and roles and responsibilities. **(ANNEXURE 1) Note that the stages are completed in the preceding financial year to ensure implementation of projects within one financial year.**

ACTION	RESPONSIBLE	TIME LINE
STAGE 1: STRATEGIC INTENT		
Determine and announce strategic intent of all ward projects for the ensuing financial year.	Speaker	July
STAGE 2: INTRODUCTION		
Report submitted at All Wards Meeting containing: 1. Clear strategic intent 2. Timeframes 3. Roles and responsibilities 4. Process 5. Updated ward priorities, ward plans and baseline needs	Manager: Councillor Support supported by 1. Manager IDP 2. Manager Budget Office Representation required from all user departments at meeting.	July
Documentation required for this stage: 1. Minutes of meeting 2. Attendance Register 3. Ward Allocation Policy 4. Updated IDP ward priorities	Manager Councillor Support	July
STAGE 3: WORKSHOP AND CONSULTATION PHASE		
Arrange series of workshops with Ward Councillors and Ward Committees to: 1. Discuss strategic intent, ward priorities, process, timelines and costing of proposed projects 2. Explain the project prioritisation and provide technical information regarding projects. 3. Signing of Commitment Form (ANNEXURE 2)	User Departments through Ward Administrator	July - August
Documentation of meetings containing the following: 1. Minutes 2. Attendance Registers 3. Completed Commitment Forms	Ward Administrator	August
STAGE 4: PROJECT IDENTIFICATION, COSTING AND TECHNICAL REVIEW		
Completed project priority list submitted to user department. (ANNEXURE 3) . This list provides clear indication of projects ward councillors would like to have implemented in order of priority. It will minimize time spent on costing of projects that is lower on the list and that might not be implemented.	Ward Administrator – after decisions taken at ward committee meeting.	September
Costing of projects	User Department	September

Project Plans per ward. 2. Minutes of meetings		
STAGE 6: IMPLEMENTATION		
Monthly reporting on implementation of projects submitted to Manager Council Support (ANNEXURE 5)	User Department	Monthly starting in July of each financial year.
Collation and monthly reporting on progress to Executive Mayor and Speaker	Manager Council Support	Monthly starting in August of each financial year.
Changes to approved Ward Allocation Projects can be done as part of the adjustment budget following the same processes and approvals as departmental adjustment budget requests. It is important to note that the adjustment budget does not allow for the creation of new projects, but only for the movement of budget between previously approved projects on the existing budget.		

13. DEVIATION FROM POLICY

- 13.1. Deviation from the project selection criteria as listed in section 8 above may be considered by the Municipal Manager on receipt of a written request from the Manager Councillor Support, supported by the User Directorate, detailing the motivation for such a deviation.
- 13.2. The basis of the Municipal Manager's consideration of a deviation shall be whether the deviation would further the Policy Objective as set out in section 3 of the Policy.
- 13.3. The Municipal Manager shall report to Council on the requests received for deviations from the Policy.

14. PROJECT REVIEW

- 14.1. After every financial year there shall be a review of the projects undertaken by the Ward Allocation process. This review will be undertaken by the Manager Councillor Support and reported to the Municipal Manager and Director's Forum. Once supported the reviewed document must be submitted to Council;
- 14.2. The review must cover the following for all the projects undertaken in the municipal area:
 - 14.2.1. Ward number and Ward Councillor name;
 - 14.2.2. List of projects per User Directorate responsible;
 - 14.2.3. Budgeted cost against projects;
 - 14.2.4. Whether the project was completed within the planned time by the User Directorate – if not, reasons must be supplied;
 - 14.2.5. Assessment of project as to whether the original objectives of the project were achieved;
 - 14.2.6. Assessment of projects in terms of quality;
 - 14.2.7. Assessment of the sustainability of the projects in terms of maintenance and operating cost;
 - 14.2.8. Check list for Asset Register and Insurance;

- 14.2.9. Reason for the under spending of allocated funds in order to reflect savings or over-quoting

15. ANNEXURES TO POLICY

ANNEXURE 1: Ward Allocation SOP

ANNEXURE 2: Ward Allocation Commitment Form

ANNEXURE 3: Ward Allocation Project Plan

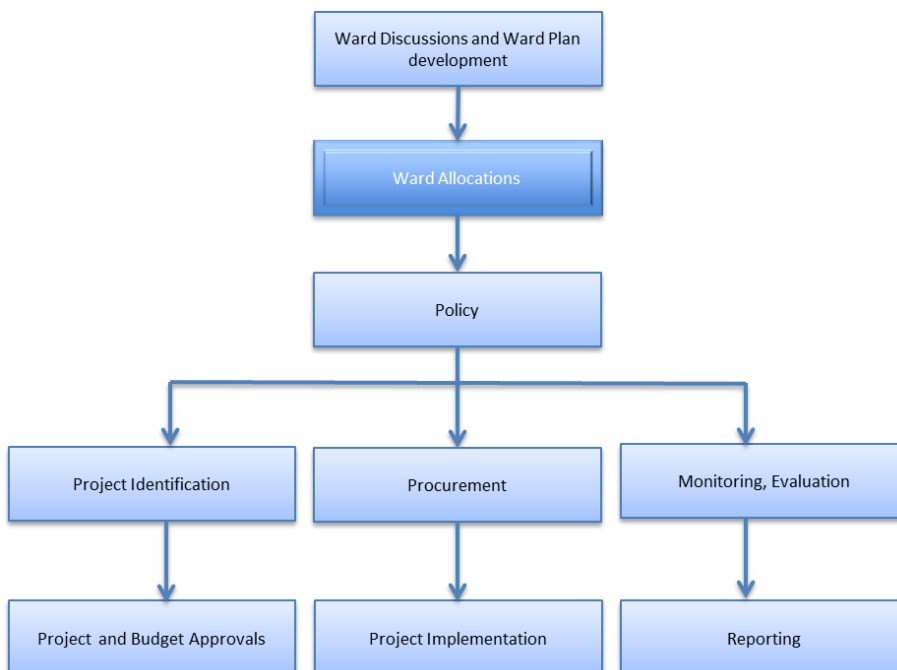
ANNEXURE 4: Ward Allocation Project approval budget submission format

ANNEXURE 5: Ward Allocation Monthly Reporting format

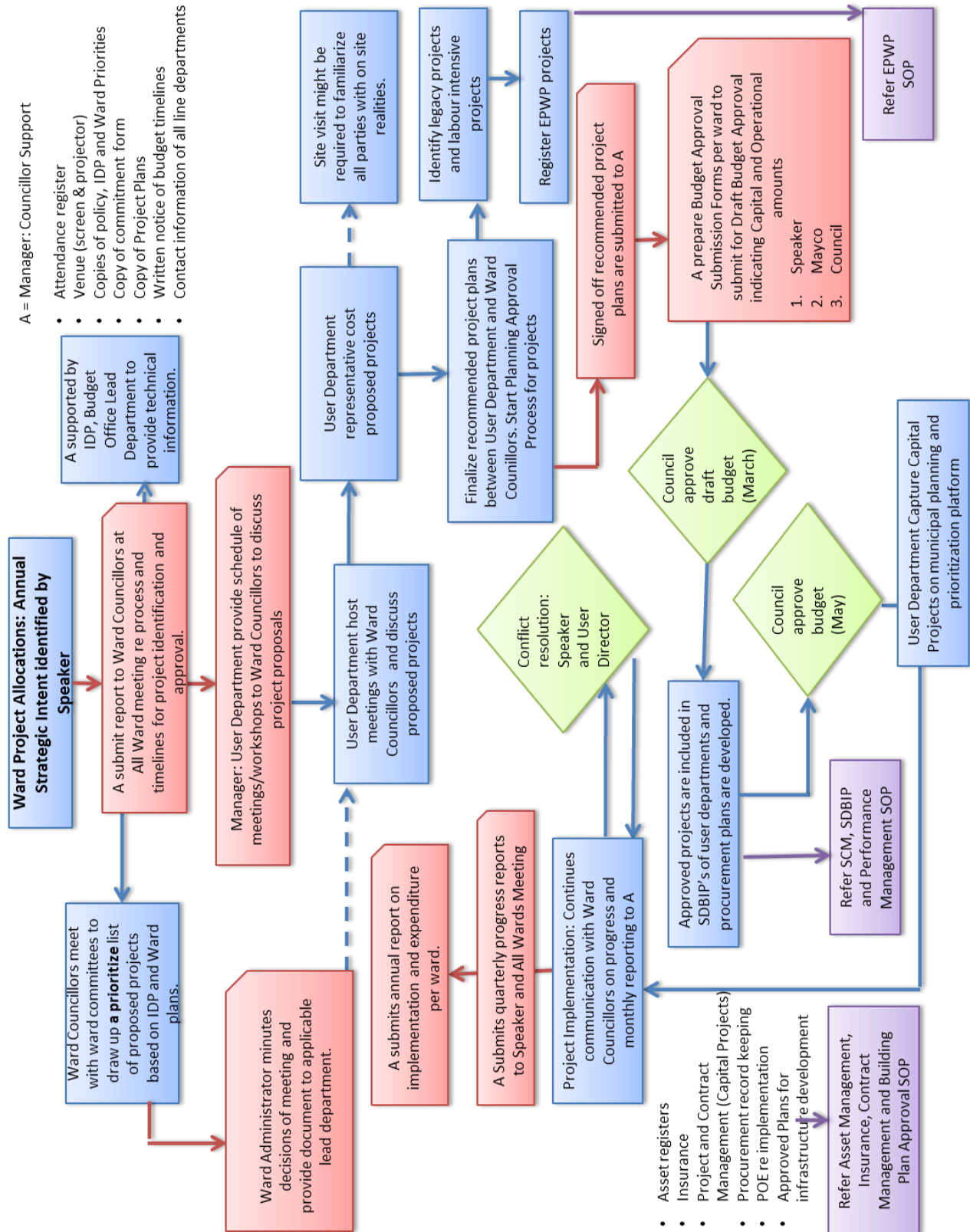
Stellenbosch Municipality
Standard Operating Procedures

SOP #	<input type="text"/>	Version #	<input type="text" value="1.1"/>	Date	<input type="text" value="2018-10-19"/>
Responsible Directorate	<input type="text" value="Strategic and Corporate Services"/>	Responsible Person	<input type="text" value="Manager Councillor Support"/>	Author	<input type="text" value="Manager Community Development"/>
Delegation ref #	<input type="text"/>	Description/ Delegation Name	<input type="text" value="Determine Operational Procedures"/>		
SOP Title	<input type="text" value="Ward Allocation Projects and Funding"/>				
Purpose	<input type="text" value="This SOP explains the process to through which Ward Allocation funds are approved, starting with the identification and costing of projects through to the implementation and reporting on completed ward projects."/>				
Scope	<input type="text" value="Council may allocate as part of the municipal annual budgetary process certain funding from the rates accounts towards the Ward Allocations which may be an Operating Budget allocation and/or a Capital Budget allocation. The objective of the Ward Allocations is to create opportunities for the Councillors to identify ward projects, with the support of their Ward Committees, which would uplift their communities. These projects would need to fit into the basket of services of the relevant User Department."/>				

High Level Process Graph



Standard Operating Procedure Process Flow:



References:

Reference #	Reference Name	Requirements
Act 56 of 2003	Local Government Municipal Finance Management Act	Section 18 and 19: Funding of expenditure and Capital funding. Section 21 (2) a: When preparing a budget the Integrated Development Plan must be taken into account.
Act 32 of 2000	Local Government Municipal Systems Act	Sections 7(e) Ward participatory system which allows for matters of local concern to wards to be dealt with by committees established for wards. Section 72(3) Object of Ward Committees to enhance participatory democracy in local government. Section 74 – Powers and Functions of Ward Committees
National Treasury	Municipal Budget and Reporting Regulations	
Stellenbosch Municipality	Asset Management Policy	Recording and safe keeping of municipal assets. Insurance of municipal assets.
Stellenbosch Municipality	Supply Chain Management Policy	Procurement of goods and services.
Stellenbosch Municipality	EPWP Policy	Registering, management and administration of EPWP projects. Recruitment and selection of beneficiaries.
Stellenbosch Municipality	Integrated Development Plan	Strategic Objectives of Stellenbosch Municipal Services, identification of ward priorities and baseline needs.

Definitions:

Name	Description
Capital budget	is expenditure relating to the purchase, upgrade or refurbishment of a Council asset (property, plant and/or equipment);
Council	means the municipal Council of Stellenbosch Municipality
Councillor	means a ward council member of the Council of the Stellenbosch Municipality
User directorate	is the directorate whose core business encompasses the ward allocation project, which is the dominant user or beneficiary of the outcome of the ward allocation project and which accepts responsibility and ownership of the ward allocation project
Legacy project	is a project that is executed in a financial year and of which the benefits to the community continues into the future
User Department	is the department whose core business encompasses the ward allocation project, which is the dominant user or beneficiary of the outcome of the ward allocation project and which accepts responsibility and ownership of the ward allocation project
Operating budget	refers to expenditure, other than capital, in respect of Council activities and includes repairs and maintenance of Council assets
Ward committee	means a committee that has been established for each ward in terms of section 73 of the Local Government: Municipal Structures Act (Act No. 117 of 1998);
Ward project	a project identified by the ward councillor in consultation with the ward committee and financed by the ward councillor ward allocation
EPWP	Expanded Public Works Programme

Procedure Outline:

Action ref	Procedure Description	Timeframe	Person(s) Responsible	Resources Required	Deliverables	Dependencies	Links to SOP
1.	Stage 1: Strategic Intent Identification and communication	Jul	Speaker		Strategic Intent communicated to Ward Councillors		
2(a)	Stage 2: Report on IDP and budget process and timelines submitted to All Wards meeting.	July	Manager Councillor Support	Information on Budget and IDP Process	All Wards Agenda, minutes and attendance registers.	Reliant on information from Budget and IDP Office. Require attendance of User Department representatives	
2(b)	Stage 3: Ward Committee Meetings	July	Ward Councillor	Stationery	Attendance registers and Minutes of meeting	Availability of committee members and Ward Administrator	
3.	Discussion Workshops between User Departments and Ward Councillors	August	User Department Representative	Functional experience	Minutes of workshops and attendance registers. Annexure 2: Commitment Forms.	Availability of other line departments should projects be across departments. Availability of Ward Committee Meeting minutes.	
4(a)	Stage 4: Costing of projects	September	User Department		Annexure 3: Project prioritization forms. Budget estimations for projects.	Receiving Quotations in time. Detail provided by councilor in draft project plan.	
4(b)	Site visits (if required)	September	User Department	Transport	Detailed sketches		
5(a)	Finalize Project Plans: Ensure appropriate Zoning and Building Plan Approval for CAPEX if required.	September	User Department	OPEX Budget if project require future operational expenditure	Signed Project Plans recommendations	Required approvals received. OPEX	
5(b)	Identify labour intensive projects and register as EPWP projects	September	User Department		EPWP project registered	OPEX to pay stipends	EPWP SOP
5(c)	EPWP Recruitment and Selection Process	April - May	User Department	Approved OPEX	EPWP Employment Contracts	OPEX	EPWP SOP
5(d)	Capture capital projects on municipal identification, planning and prioritization system	September	User Department	Approved CAPEX Access to system	Project register	Approved projects	

6	Submit signed Project Recommendation Plans to Manager: Councillor Support	September	User Department		Signed Ward Allocation Project Plans		
7	Stage 5: Collate recommended Ward Allocation Projects per ward and submit to Executive Mayor	October	Manager: Councillor Support		Ward Allocation Budget Approval Forms for each ward. Annexure 4: Ward Project plans	All User Departments submitting Project Plans on time.	
8	Recommended Ward Allocation Projects included in Draft Budget	Febr	Manager: Budget		Council Agenda	Receipt of all Ward Allocation Project Approval Forms	
9	Approval Draft Budget	March	Council	Funds allocated to Ward Projects	Council Minutes	Council Approval	
10	Assign UKey numbers to all projects	November	Manager: Budget		Detailed departmental budgets		
11	Incorporate projects into departmental SDBIP's	May	Manager: Budget Head: Performance Management		Departmental SDBIP's	Final Council Approval	SDBIP and Performance Management SOP
12	Final Budget Approval	May	Council	Funds allocated to Ward Projects	Approved Budget		
13	Develop Procurement Plans	June	User Departments		Approved Procurement Plans		SCM SOP
14	Stage 6: Project Implementation, including, but not limited to: 1. EPWP management and administration (if applicable) 2. Asset Management and Insurance registration (if applicable) 3. Procurement 4. Meetings with Councillors 5. Contract Management 6. Project Monitoring 7. Monthly progress report submission 8. Record Keeping 9. Dispute resolution	July - June	User Departments User Directors Executive Mayor and Speaker	Approved Orders Staff Capacity Overtime Budgets (OPEX functions) Support from and communication flow between User Departments and Ward Administrators	Orders, Minutes of Meetings, Contract Evaluation Reports, Monthly Progress Reports, EPWP Project Management Reports, Asset and Insurance Registers and, POE's	SCM processes	SCM, Asset Management and Insurance Register SOP Contract Management SOP
15	Combined Ward Allocation Project Implementation Monthly Progress Reports Submission	July - June	Manager Councillor Support		Minutes of Council Meeting	Receipt of Monthly reports from User Departments	

16	Quarterly progress reporting at All Ward Meetings	October, January, April, July	Manager Councillor Support		Quarterly Report	Receipt of Monthly reports from User Departments	
17	Annual Ward Project Implementation Report	June	Manager: Councillor Support	Continues monitoring and evaluation	Council Minutes	Receipt of User Department Monthly Progress Reports	

Competencies and Approvals:

Competency Category	Competency Requirement	Competency Assessment

Health & Safety Considerations:

Name	Description

Applicable Standard Forms/Documents:

Form #	Name	Description
1	Ward Allocation Commitment Form	Confirms commitment of Ward Councillor and responsible User Department regarding implementation of projects aligned with policy requirements.
2	Ward Allocation Project Plan	Provide background information on envisaged projects in order for accurate costing to be done. Completed form serve as recommendation to Council for budget approval per project.
3	Ward Allocation Budget Approval Submission Form	Provide list of recommended projects per ward to Council for approval.
4	Ward Allocation Monthly Report	Monitor, evaluation and reporting on implementation progress along with sustainability and realization of objectives to Council.

Performance Measurement:

KPI	Unit of Measurement	Target/targets
Completed Ward Allocation Project Plans received by Budget Office prior to approval of Draft Budget.	Number of completed Ward Allocation Project Plans received.	2 Capital Budget and 2 Operational Budget projects per ward.
Expenditure on Approved Ward Allocation Projects.	% Expenditure	90%

No	Proposals
1	



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WARD ALLOCATION PROCESS COMMITMENT FORM

2018/2019 Financial Year

CONTACT INFORMATION			
Ward No:		User Department:	
Councillor:		Official Responsible	
Email:		Email:	
Contact Numbers:		Contact Numbers:	
Ward Administrator:		Ward Committee Member	
Email:		Email:	
Contact Numbers:		Cell:	

(To be completed by Ward Councillor)	(To be completed by User Department)	(To be completed by Ward Councillor)	(To be completed by User Department)
PRIORITY RANKING	UKEY / VOTE	IDENTIFIED PROJECT DESCRIPTION (Indicate IDP / Ward Priority / Baseline need linkage)	PROJECT COSTING
Operational Budget			
Capital Budget			
			TOTAL

This document serves as an agreement between the User Department and the Ward Councillor to commit to costing, planning and implementation of ward allocation projects and the agreed upon timeframes in order to achieve identified outcomes.

User Department Representative:
Name:
Date:

Ward Councillor:
Name:
Date:

I have read and understand the Ward Allocation Policy of Stellenbosch Municipality;

And thus commit as follow:

Nr:	Commitment	Councillor Initial	User Department Initial
1	That I will abide by the prescription of the all policies of Stellenbosch Municipality.		
2	As Ward Councillor, I commit to involve my ward committee members in the written identification of projects all projects will be captured in the minutes of the ward committee meeting and will be supplied to the User Department. The projects will be accompanied by a detailed description of what is envisaged in order to enable the User Department to cost the project accurately.		
3	The projects identified by the ward committee and the Ward Councillor will be prioritised and aligned with the IDP strategic objectives, ward based plans and identified baseline needs.		
4	As Ward Councillor and User Department, we commit to attend all agreed upon meetings and workshop to finalize project plans and ensure that we are prepared for these meetings		
5	We will identify and sign off on all agreed upon ward projects in time for the draft budget approval		
6	The submission for the draft budget will cover the total sum for the ward allocations. No projects will be identified after the approval of the draft budget.		
7	As responsible User Department representative, I commit to cost all identified projects		
8	As Ward Councillor, I understand that projects that have not been approved in the annual budget and included in the SDBIP of the User Department cannot be implemented.		
9	We will utilize the adjustment budget to ensure sufficient funding for approved projects and not identify new projects that are not included in the SDBIP of the User Department.		
10	As Ward Councillor, I commit the active involvement on the day of myself, the ward committee members and ward administrator, should operational funds be earmarked for events.		
11	Should operational funding be utilized for labour intensive projects, I commit to register the project as an EPWP project and abide by the applicable policy. As Ward Councillor, I will not interfere with the recruitment and selection of beneficiaries of the project.		
12	Should capital funding be utilized for the acquisition of moveable assets, all assets will be barcoded and registered on the asset register and insured.		
13	As User Department representative, I will take full responsibility for the procurement processes required for the identified project. I will submit requisitions in time, but cannot take responsibility for the time required by SCM to generate an order.		
14	NO instruction will be given to any service provider without first obtaining a green order slip for said services. Once a service provider has been appointed, changes to the scope of work will not be negotiated with or expected from the service provider.		
15	As User Department representative, I will keep accurate records of all procurements and meetings in order to generate monthly reports.		
16	As Ward Councillor, I will ensure that accurate minutes are kept of ward committee meetings relating to ward projects and that ward administrator will make this freely available to the User Department. I commit the cooperation of the ward administrator with the drawing up of project feedback reports and the taking of photographic evidence.		
17	To protect both the Ward Councillor and User Department representative NO petty cash or direct payments will be allowed as part of ward projects.		
18	All discussions surrounding the ward projects will be followed up with written confirmation of said discussion.		

We agree that ward projects can only be successfully implemented if there is full cooperation between all role-players. Should problems be experienced between the Ward Councillor and the responsible User Department representative, it will be referred to The Speaker and the responsible Director.

By signing this commitment form, I confirm that I have read and understand the content and commit to adhere to all the stipulations.

Signed at _____ on this ____ day of _____ 20_____.

Ward Councillor

User Department Representative



WARD ALLOCATION PROJECT PLAN 20____/20____

(To be completed for submission to the Draft Budget Approval. Complete a separate plan per project.)

FOR COMPLETION BY USER DEPARTMENT REPRESENTATIVE IN CONSULTATION WITH WARD COUNCILLOR					
WARD NUMBER		Valley of Possibility		Linked to the following IDP need/s:	
Operational		Green and Sustainable Valley			
Capital funds		Safe Valley			
Pooling of Funds	Y	N	Valley with Dignified Living		
Pooling with ward:			Valley of Good Governance and Compliance		
Signature of Pooling Ward Councillor/s:					
PROJECT NAME:					
PROJECT OBJECTIVES:					
DESCRIPTION (Please be very specific. What, when, where, how, who. If an operational project and in collaboration with a local organization – specify please.) A site visit might be required for all parties to familiarise themselves with the detail.		What:			
		When:			
		Where:			
		How:			
		Who:			
Is this a labour intensive project?	Y	N	EPWP Registration	Y	N
Confirmed (V Swartz):					
Official responsible for managing EPWP project (contracts and monthly admin):	Name and Surname: Contact Details:			Official Signature:	
If capital project:	Are there operational funds linked to project?			Y	N
	Are new assets procured?			Y	N
UKey:					
Location bar code:					
Sustainability of Project:	Indicate how sustainability is ensured: Maintenance, ect.				
Confirmation of Ward Committee involvement in identification of project:		Ward Committee Meeting minutes attached:		Y	N

SHARING OF RESPONSIBILITY (Add additional lines if needed):									
What	Description			Who					
Procurement (Detailed specifications to be attached for procurement needs.)									
Public Participation (if required)									
Transport Plan									
FOR COMPLETION BY RESPONSIBLE USER DEPARTMENT									
Procurement process to follow (Please attach departmental project plan to indicate timelines for specifications, adjudication and implementation):				Normal		FQ		Bid	
COSTING (Please attach quotations as estimate. Add additional lines if needed):				Is this a single or multi-year project?			S	M	
Type of budget	Description			UKey		Amount			
Capital Expenditure (If capital project)	Year 1					R			
	Year 2					R			
Operational Expenditure (If Operational proj)	Item 1					R			
	Item 2					R			
	Item 3					R			
TOTAL						R			
OBSTACLES IDENTIFIED FOR IMPLEMENTATION									

Recommended:

Ward Councillor

User Department

Director

Manager Councillor Support Budget Office

Date

Date

Date

Date

Date



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ANNEXURE 4

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PROJECT BUDGET APPROVAL SUBMISSION FORM (To be completed by Manager: Council Support)

WARD NO

Councillor Name

Completed Project Plans Received

Yes	No

Capital Budget

Ukey No	Description	Lead Department	Amount	Pooling with Ward
1				
2				
3				
TOTAL				

Operational Budget

Ukey No	Description	Lead Department	Amount	Pooling with Ward
1				
2				
3				
TOTAL				

Ward Councillor

Date:

Manager Council Support

Date:

User Director








Date:









Budget Office







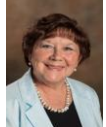
Date:

DEPARTMENT NAME
CAPITAL WARD PROJECTS
MONTHLY REPORT AS AT: 2019-05-15 09:29

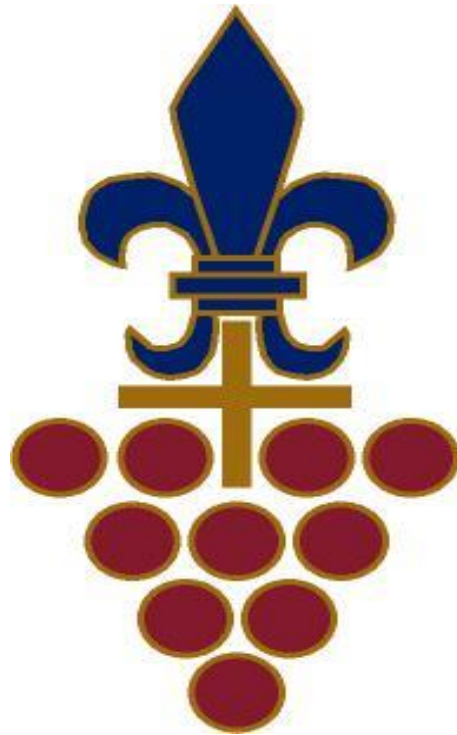
ANNEXURE 5

WARD	CUSTODIAN	STRATEGIC INTENT	IDP NEED / BASELINE NEED	OBJECTIVE	BUDGET DESCRIPTION	BUDGETED AMOUNT	UKEY NUMBER	PROJECT NO	PROJECT / PROGRAMME	ROLL OUT DATE	EVIDENCE	AMOUNT SPEND	REMAINING FUNDS	REQUISITION NUMBERS	ORDER NUMBERS	REMITTANCE NUMBERS	REASONS FOR UNDER / OVER SPENDING	QUALITATIVE MEASUREMENT RE OBJECTIVE	ASSET REGISTER CHECK LIST	ASSESSMENT OF SUSTAINABILITY OF PROJECT / ADANS REQUIRED OPERATIONAL FUNDS	
1						R 0.00		1				R 0.00	R 0.00								
						R 0.00		2				R 0.00	R 0.00								
						R 0.00		3				R 0.00	R 0.00								
						R 0.00		4				R 0.00	R 0.00								
						R 0.00		5				R 0.00	R 0.00								
						R 0.00		6				R 0.00	R 0.00								
								TOTAL BUDGETED					TOTAL SPEND	R 0.00	R 0.00						
						% VALUE	#DIV/0!				% VALUE	#DIV/0!	#DIV/0!								
Ctir. Aldridge Frazenburg X8490 or 082 598 1993																					
2						R 0.00		1				R 0.00	R 0.00								
						R 0.00		2				R 0.00	R 0.00								
						R 0.00		3				R 0.00	R 0.00								
						R 0.00		4				R 0.00	R 0.00								
						R 0.00		5				R 0.00	R 0.00								
						R 0.00		6				R 0.00	R 0.00								
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						% VALUE	#DIV/0!				% VALUE	#DIV/0!	#DIV/0!								
Ctir. Wilhelmina Pietersen X 80xx 082 404 5055																					
3						R 0.00		1				R 0.00	R 0.00								
						R 0.00		2				R 0.00	R 0.00								
						R 0.00		3				R 0.00	R 0.00								
						R 0.00		4				R 0.00	R 0.00								
						R 0.00		5				R 0.00	R 0.00								
						R 0.00		6				R 0.00	R 0.00								
								TOTAL BUDGETED					TOTAL SPEND	R 0.00	R 0.00						
						% VALUE	#DIV/0!				% VALUE	#DIV/0!	#DIV/0!								
Ctir. Charles Manuel X8198 or 074 686 2384																					
4						R 0.00		1				R 0.00	R 0.00								
						R 0.00		2				R 0.00	R 0.00								
						R 0.00		3				R 0.00	R 0.00								
						R 0.00		4				R 0.00	R 0.00								
						R 0.00		5				R 0.00	R 0.00								
						R 0.00		6				R 0.00	R 0.00								
								TOTAL BUDGETED					TOTAL SPEND	R 0.00	R 0.00						
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Ctir. Malcolm Johnson X8506 or 083 983 3351																					
5						R 0.00		1				R 0.00	R 0.00								
						R 0.00		2				R 0.00	R 0.00								
						R 0.00		3				R 0.00	R 0.00								
						R 0.00		4				R 0.00	R 0.00								
						R 0.00		5				R 0.00	R 0.00								
						R 0.00		6				R 0.00	R 0.00								
								TOTAL BUDGETED					TOTAL SPEND	R 0.00	R 0.00						
						% VALUE	#DIV/0!				% VALUE	#DIV/0!	#DIV/0!								
Ctir. Donovan Joubert X8290 or 072 289 4151																					
6						R 0.00		1				R 0.00	R 0.00								
						R 0.00		2				R 0.00	R 0.00								
						R 0.00		3				R 0.00	R 0.00								
						R 0.00		4				R 0.00	R 0.00								
						R 0.00		5				R 0.00	R 0.00								
						R 0.00		6				R 0.00	R 0.00								
								TOTAL BUDGETED					TOTAL SPEND	R 0.00	R 0.00						
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Ctir. Naleshia McCombring x8195 or 079 423 1765																					
7						R 0.00		1				R 0.00	R 0.00								
						R 0.00		2				R 0.00	R 0.00								
						R 0.00		3				R 0.00	R 0.00								
						R 0.00		4				R 0.00	R 0.00								
						R 0.00		5				R 0.00	R 0.00								
						R 0.00		6				R 0.00	R 0.00								
								TOTAL BUDGETED					TOTAL SPEND	R 0.00	R 0.00						
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Ctir. Alwyn Hanekom 072 760 6606																					

WARD	CUSTODIAN	STRATEGIC INTENT	IDP NEED / BASELINE NEED	OBJECTIVE	BUDGET DESCRIPTION	BUDGETED AMOUNT	UKEY NUMBER	PROJECT NO	PROJECT / PROGRAMME	ROLL OUT DATE	EVIDENCE	AMOUNT SPEND	REMAINING FUNDS	REQUISITION NUMBERS	ORDER NUMBERS	REMITTANCE NUMBERS	REASONS FOR UNDER / OVER SPENDING	QUALITATIVE MEASUREMENT RE OBJECTIVE	ASSET REGISTER CHECK LIST	ASSESSMENT OF SUSTAINABILITY OF PROJECT / HOANS REQUIRED OPERATIONAL FUNDS
8						R 0.00		1				R 0.00	R 0.00							
						R 0.00		2				R 0.00	R 0.00							
						R 0.00		3				R 0.00	R 0.00							
						R 0.00		4				R 0.00	R 0.00							
						R 0.00		5				R 0.00	R 0.00							
						R 0.00		6				R 0.00	R 0.00							
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						R 0.00		3				R 0.00	R 0.00							
						R 0.00		4				R 0.00	R 0.00							
						R 0.00		5				R 0.00	R 0.00							
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10						R 0.00		1				R 0.00	R 0.00							
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						R 0.00		3				R 0.00	R 0.00							
						R 0.00		4				R 0.00	R 0.00							
						R 0.00		5				R 0.00	R 0.00							
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11						R 0.00		1				R 0.00	R 0.00							
						R 0.00		2				R 0.00	R 0.00							
						R 0.00		3				R 0.00	R 0.00							
						R 0.00		4				R 0.00	R 0.00							
						R 0.00		5				R 0.00	R 0.00							
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								TOTAL BUDGETED R 0.00 % VALUE #DIV/0!						TOTAL SPEND R 0.00 % VALUE #DIV/0!	R 0.00 #DIV/0!	R 0.00 #DIV/0!				
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						R 0.00		3				R 0.00	R 0.00							
						R 0.00		4				R 0.00	R 0.00							
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						R 0.00		4				R 0.00	R 0.00							
						R 0.00		5				R 0.00	R 0.00							
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								TOTAL BUDGETED R 0.00 % VALUE #DIV/0!						TOTAL SPEND R 0.00 % VALUE #DIV/0!	R 0.00 #DIV/0!	R 0.00 #DIV/0!				

WARD	CUSTODIAN	STRATEGIC INTENT	IDP NEED / BASELINE NEED	OBJECTIVE	BUDGET DESCRIPTION	BUDGETED AMOUNT	UKEY NUMBER	PROJECT NO	PROJECT / PROGRAMME	ROLL OUT DATE	EVIDENCE	AMOUNT SPEND	REMAINING FUNDS	REQUISITION NUMBERS	ORDER NUMBERS	REMITTANCE NUMBERS	REASONS FOR UNDER / OVER SPENDING	QUALITATIVE MEASUREMENT RE OBJECTIVE	ASSET REGISTER CHECK LIST	ASSESSMENT OF SUSTAINABILITY OF PROJECT HIGANS REQUIRED OPERATIONAL FUNDS
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						R 0.00		2				R 0.00	R 0.00							
						R 0.00		3				R 0.00	R 0.00							
						R 0.00		4				R 0.00	R 0.00							
						R 0.00		5				R 0.00	R 0.00							
						R 0.00		6				R 0.00	R 0.00							
								TOTAL BUDGETED R 0.00 % VALUE #DIV/0!					TOTAL SPEND R 0.00 % VALUE #DIV/0!	R 0.00 #DIV/0!	R 0.00 #DIV/0!					
17						R 0.00		1				R 0.00	R 0.00							
						R 0.00		2				R 0.00	R 0.00							
						R 0.00		3				R 0.00	R 0.00							
						R 0.00		4				R 0.00	R 0.00							
						R 0.00		5				R 0.00	R 0.00							
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18						R 0.00		1				R 0.00	R 0.00							
						R 0.00		2				R 0.00	R 0.00							
						R 0.00		3				R 0.00	R 0.00							
						R 0.00		4				R 0.00	R 0.00							
						R 0.00		5				R 0.00	R 0.00							
						R 0.00		6				R 0.00	R 0.00							
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19						R 0.00		1				R 0.00	R 0.00							
						R 0.00		2				R 0.00	R 0.00							
						R 0.00		3				R 0.00	R 0.00							
						R 0.00		4				R 0.00	R 0.00							
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20						R 0.00		1				R 0.00	R 0.00							
						R 0.00		2				R 0.00	R 0.00							
						R 0.00		3				R 0.00	R 0.00							
						R 0.00		4				R 0.00	R 0.00							
						R 0.00		5				R 0.00	R 0.00							
						R 0.00		6				R 0.00	R 0.00							
								TOTAL BUDGETED R 0.00 % VALUE #DIV/0!					TOTAL SPEND R 0.00 % VALUE #DIV/0!	R 0.00 #DIV/0!	R 0.00 #DIV/0!					
21						R 0.00		1				R 0.00	R 0.00							
						R 0.00		2				R 0.00	R 0.00							
						R 0.00		3				R 0.00	R 0.00							
						R 0.00		4				R 0.00	R 0.00							
						R 0.00		5				R 0.00	R 0.00							
						R 0.00		6				R 0.00	R 0.00							
								TOTAL BUDGETED R 0.00 % VALUE #DIV/0!					TOTAL SPEND R 0.00 % VALUE #DIV/0!	R 0.00 #DIV/0!	R 0.00 #DIV/0!					
22						R 0.00		1				R 0.00	R 0.00							
						R 0.00		2				R 0.00	R 0.00							
						R 0.00		3				R 0.00	R 0.00							
						R 0.00		4				R 0.00	R 0.00							
						R 0.00		5				R 0.00	R 0.00							
						R 0.00		6				R 0.00	R 0.00							
								TOTAL BUDGETED R 0.00 % VALUE #DIV/0!					TOTAL SPEND R 0.00 % VALUE #DIV/0!	R 0.00 #DIV/0!	R 0.00 #DIV/0!					

STELLENBOSCH MUNICIPALITY



RATES POLICY

2019/2020



STELLENBOSCH MUNICIPALITY

RATES POLICY

TABLE OF CONTENTS

	PAGE
1. BACKGROUND	1
2. LEGISLATIVE CONTEXT	1
3. GUIDING PRINCIPLES	1
4. DEFINITIONS	2
5. IMPOSITION OF RATES	4
6. CATEGORIES	5
6.1 Categories of Property	5
6.2 Categories for Relief Measures	5
7. APPLICATION OF RATING	6
7.1 Vacant Properties	6
7.2 Multiple use Properties	6
7.3 Public Service Purposes Properties	6
7.4 Public Service Infrastructure properties (PSI)	6
7.5 Rural Properties	6
7.5.1 <i>Agricultural Use</i>	6
7.5.2 <i>Alternate Criteria and Use</i>	7
7.6 Municipal Properties	7
7.7 Special Rating Area (SRA)	7
7.8 Land Reform Beneficiary properties	7
7.9 Adjoining properties	7
8. RELIEF MEASURES	8
8.1 Applying relief measures on Rates	8
8.2 Residential Property	8
8.3 Senior Citizens and Disabled Persons	8
8.4 Conservation Area	9
8.5 Religious Organisations	9
8.6 Stellenbosch Special Rebate	10
8.7 Public Benefit Organizations (PBO)	10
8.8 Non-Profit Organizations (NPO)	10
8.8.1 <i>Prescribed not-for-gain organisations</i>	10
8.9 Heritage Properties	11
8.10 Properties affected by Disaster or adverse Economic Conditions	11
8.11 Exceptional General Valuation Rates Increases: Phasing in	11
9. LIABILITY FOR AND PAYMENT OF RATES	12
9.1 Liability for and payment of rates	12

9.2	Rates in arrears for longer than 90 days	12
10.	QUANTIFICATION OF COSTS TO MUNICIPALITY AND BENEFITS TO COMMUNITY	12
11.	OBJECTION AND APPEALS	12
12.	CLEARANCE CERTIFICATES	13
13.	ADJUSTMENTS OF RATES PRIOR TO SUPPLEMENTARY VALUATION	13
14.	GENERAL	14
14.1.	Applications for Relief Measures	14
14.2.	Regular policy review processes	14
14.3.	Language Interpretation	14
14.4.	Severance	14
15.	BY-LAWS	14
16.	SHORT TITLE	14
17.	CATEGORY AND REBATE CODES	15
17.1	Category Codes	15
17.2	Rebate Codes	16

1. BACKGROUND

In 2007, Stellenbosch Municipality initiated a process to prepare a General Valuation (GV) Roll of all property situated within the geographical boundaries of Stellenbosch Municipality (WC024) in terms of the requirements of the Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004) including any subsequent amendments and consequential regulations (the MPRA) which became effective on 1 July 2009 at Stellenbosch Municipality. This Policy is formulated in terms of Section 3 of the MPRA.

2. LEGISLATIVE CONTEXT

- 2.1 In terms of Section 229 of the Constitution, 1996 (Act 108 of 1996), a municipality may impose rates on property.
- 2.2 In terms of Section 4 (1) (c) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), a municipality has the right to finance the affairs of the municipality by imposing, *inter alia*, rates on property.
- 2.3 In terms of Section 2 (1) of the MPRA a metropolitan or Local municipality may levy a rate on property in its area in accordance with the provisions of the MPRA.
- 2.4 This Policy must be read together with, and is subject to the provisions of the MPRA.
- 2.5 In terms of Section 62 (1) (f) (ii) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (the MFMA), a municipality must have and implement a rates policy as may be prescribed by any applicable national legislation.
- 2.6 In terms of Section 8(1) of the MPRA, Stellenbosch Municipality will, as the primary instrument, levy rates on the use of property, but implemented as per paragraph 5.5 of this Policy.
- 2.7 All citations to applicable Acts as referenced in this Policy shall include all amendments and regulations to such as promulgated.

3. GUIDING PRINCIPLES

- 3.1 The rating of property will be implemented impartially, fairly, equitably and without bias, and these principles also apply to the setting of criteria for exemptions, reductions, and rebates contemplated in Section 15 of the MPRA.
- 3.2 The rating of property will be implemented in a way that:-
 - is developmentally oriented;
 - supports sustainable local government by providing a stable and buoyant revenue source within the legislative control of the Municipality;
 - supports local and socio-economic development;
 - promotes simplicity, uniformity, and certainty in the property rates assessment process;
 - gives due consideration to the need for simple and practical process of billing and collection of property rates;
 - promotes sustainable land management, especially that which reduces the risk from natural disasters;
 - achieves national and local environmental management objectives; and
 - balances the affordability to the public versus the financial sustainability of the Municipality.

3.3 Other principles that will steer the processes of this Policy:

- All ratepayers within a specific category will be treated equally and reasonably.
- The Municipality will, when levying property rates for each financial year, take cognizance of the aggregate burden of rates on property owners in the various categories of property ownership.
- Rates Increases/Decreases will be guided by the budget requirements of the Municipality, and by Section 20 of the MPRA.
- In dealing with the poor/indigent ratepayers the Municipality may provide relief measures through exemptions, reductions or rebates.

3.4 Further determinants that will guide the processes of this Policy:

- The Zoning Scheme of the Municipality determines, via the provisions therein, the zoning and thus the legally binding use of a given property.
- However, the rating of said property is governed by the MPRA which determines a collection of rules that by implication sets the conditions by which the use of a property is categorised. It is therefore possible that even though an owner is using a property within the set rules of the Zoning Scheme, said property would not be rated on the same basis due to the definitions and provisions as applied according to the MPRA and this Policy.
- Moreover, such categorisation instituted according to the MPRA or this Policy does not condone any unlawful use of a property regardless of circumstances.

4. DEFINITIONS

In this Policy, a word or expression derived from a word or expression as defined, has a corresponding meaning unless the context indicates that another meaning is intended.

The following four definitions in the MPRA are merely shown for clarity:

“Exclusion”, in relation to a municipality's rating power, means a restriction of that power.

“Exemption”, in relation to the payment of a rate, means an exemption granted by a municipality.

“Reduction”, in relation to a rate payable on a property, means the lowering of the amount for which the property was valued and the rating of the property at that lower amount.

“Rebate”, in relation to a rate payable on a property, means a discount granted on the amount of the rate payable on the property.

In addition to the definitions contained in the MPRA, the following definitions apply for the purpose of the application of this Rates Policy.

Furthermore, specific terms or phrases used, but not defined in the MPRA are defined herein to elucidate said term or phrase for a specific perspective of the MPRA by the Municipality: -

“the Municipality” means Stellenbosch Municipality (WC024).

“MPRA” refers to the Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004) including any subsequent amendments and consequential regulations.

“Accommodation Establishment” means a property used for the supply of overnight sleeping facilities to transient guests at a fee.

“agricultural Activities” means the intensive cultivation of soils for purposes of planting or growing, and gathering of trees or crops in a managed and structured manner; the intensive rearing of livestock or aquaculture. In addition, all the provisions as detailed in the definition of **“Agricultural Property”** in the MPRA persist in this Policy.

"agricultural purposes" refers to the active pursuit by a *bona fide* farmer to derive the principle source of income, and is commercially sustainable, from agricultural activities.

"bed & breakfast" in relation to *Accommodation Establishment* means an enterprise operated on a property of which the residential character is maintained, where the owner or operator permanently resides in the same dwelling, where normally only breakfast is served and sleeping accommodation to transient guests is limited to no more than 3 guest bedrooms. Provided further, that the enterprise has not been registered as a Guesthouse. This property will be deemed to be a Residential Category.

"bona fide farmer" is a person or legal entity that is a legitimate farmer whose primary income originates from agricultural activities and the business of which must be registered with SARS.

"business and commercial property" means a property that is used for the purpose described as the activity of buying, selling or trade in goods, commodities or services and includes any office or other buildings on the same property, the use of which is incidental to such business. This definition excludes the business of mining and agriculture activities.

"Chief Financial Officer (CFO)" means a person designated in terms of Section 80(2) (a) of the Local government: Municipal Finance Management Act, 2003 (Act 56 of 2003).

"Conservation Area" means:

- a Protected Area as defined in Section 1 of the MPRA and listed in the "Protected Areas Register" as stipulated in Section 10 of the Protected Areas Act defined in the MPRA as the National Environmental Management: Protected Areas Act, 2003 (Act 57 of 2003); nevertheless, specifically those parts of properties as described in Section 17 (1) (e) of the MPRA; or
- a mountain catchment area as described in Section 9 of the *Protected Areas Act* and declared in terms of the Mountain Catchment Areas Act, 1970 (Act 63 of 1970).

"Guesthouse" in relation to *Accommodation Establishment* means an enterprise that has either been registered as a Guesthouse; or an enterprise that is operated on a property of which the residential character is maintained and where the sleeping accommodation to transient guests exceeds 3 but limited to 16 guest bedrooms and/or if any services is offered beyond the limited breakfast only service of a Bed and Breakfast establishment. This property will be deemed to be a Business Category.

"industrial property" means a property that is used for the purpose described as the branch of trade or manufacturing, production assembling or processing of finished or partially finished products from raw materials or fabricated parts, typically via a high-volume production process and on such large scale that capital and labour are significantly necessitated; and includes any office or other buildings on the same property, the use of which is incidental to such business.

"Open Space" means a property, but specifically land that is used as a park, garden, for passive leisure or maintained in its natural state and which is zoned as open space. These properties may either be publicly owned being commonly open to public access; or privately owned and used without financial gain.

"SARS" means the South African Revenue Service.

"ratepayer" means a person or legal entity that is liable in terms of the MPRA for the payment of rates on property levied by the Municipality. The term "Ratepayer" is herein considered to be synonymous with the MPRA definition of the term "owner".

"residential purposes" in relation to the use of the property means improved property primarily intended for human habitation and inhabited as such; taking cognisance of paragraph 7.9 of this Policy and provided that:

- the following properties are specifically excluded from this definition: hostels, old age homes, guesthouses, and vacant land; and
- to qualify, the predominant use of a property with not more than two dwelling units on said property, must be 80% or more (based upon a percentage of the total area of buildings and structures) for this purpose; or
- to qualify, properties registered in terms of the Sectional Title Act, 1986 (Act 95 of 1986) must solely be used for this purpose; or
- to qualify, properties owned by a share-block company must solely be used for this purpose; or
- to qualify, a block of flats must solely be used for this purpose; or
- to qualify, a dwelling used for this purpose must be situated on property used for or related to educational purposes; or
- to qualify, the predominant use of a retirement scheme or life right scheme must be 60% or more for this purpose.

“**vacant land**” means a property without any buildings or structures, and where no immovable improvements have been erected.

“**valuation roll**” means a valuation roll drawn up in terms of Section 30 of the MPRA or a supplementary valuation roll drawn up in terms of Section 78 of the MPRA.

5. IMPOSITION OF RATES

- 5.1 The Municipality shall as part of the annual budgeting cycle, set for each category a rate, (being a cent amount in the Rand) that will be imposed, in accordance with the MPRA, on the market value of a property, for all rateable properties as recorded in the Municipality’s valuation roll, drawn up in terms of the MPRA. The amount so determined together with any relief measures as described in this Policy shall be the Rates due and payable by the owner of said property.

The levying of rates forms part of the Municipality’s annual budget process as set out in Chapter 4 of the MFMA.

Details of the resolution pertaining to the rate for each of the various property categories are to be published in the *Provincial Gazette* as set out in Section 14 of the MPRA.

- 5.2 The rates charged as a cent amount in the Rand for the residential property as per paragraph 6.1 (a) of this Policy is the base rate and the rate charged to all other categories of properties are reflected as a ratio to the residential rate if so prescribed by Regulations promulgated in accordance with the MPRA.
- 5.3 The Municipality will be guided by the definition of “ratio” in the MPRA and directed by Regulations pertaining to rate ratios as promulgated in terms of Section 19 of the MPRA and as applicable to the prescribed non-residential properties.
- 5.4 For properties used for multiple purposes, the Municipality may apply the category of multiple use. For such properties, the Municipal Valuer will apportion a value to each distinct use and apply the appropriate category for billing at the applicable rate.

5.5 For the purposes of determining a property’s category, the Municipality will determine such as per Section 8 (1) of the MPRA. It should be noted that the Municipality considers permitted use to be appropriate on vacant properties and that all other properties would be categorised according to the actual use of said property.

5.6 Building Clause references

Obligations pertaining to Building Clauses as per the development agreements or contracts will be dealt with according to the contract obligations.

Properties that have attached building clause obligations as per the development agreements or contracts will not be considered as being vacant.

5.7 Period for which rates are levied

The Valuation Roll will, according to Section 32(1) of the MPRA, remain valid for a General Valuation cycle of four years.

6. CATEGORIES

6.1 Categories of Property

Property Categories, each of which correlates to a distinct use of a property, have been determined as described below.

The codes that have been associated with each property Category are listed in paragraph 17.1 of this Policy. In addition, paragraph 17.1 identifies the attributes and criteria that determines the basis for application.

The Municipality will apply the following property Categories:

Item	Category (of property)	Purpose/Use
(a)	Residential	Refer Section 1 (“Definitions”) in the MPRA and the defined term “Residential Purposes” as per paragraph 4 in this Policy.
(b)	Industrial	Refer the definitions as per paragraph 4 in this Policy.
(c)	Business (and commercial)	Refer the definitions as per paragraph 4 in this Policy.
(d)	Agricultural	Refer Section 1 (“Definitions”) in the MPRA and the defined term “Agricultural Purposes” as per paragraph 4 in this Policy.
(e)	Mining	Refer Section 1 (“Definitions”) in the MPRA.
(f)	Public Service Purposes	Refer Section 1 (“Definitions”) in the MPRA.
(g)	Public Service Infrastructure	Refer Sections 1 and Sub-sections 17(1)(a) and 17(1)(aA) in the MPRA.
(h)	Public Benefit Organisation	Used for a “Specified public benefit activity” as defined in Section 1 in the MPRA.
(i)	Multiple Use	Refer paragraph 7.2 in this Policy.
(j)	Heritage	Refer paragraph 8.9 in this Policy and Section 15(2A)(b) in the MPRA.
(k)	Vacant Residential	Vacant and Permitted use set for a Residential property.
(l)	Vacant Other	Vacant and Permitted use set for a property category other than Residential.

6.2 Categories for Relief Measures

The Municipality will consider relief measures on rates, being Exemptions, Rebates and/or Reductions on properties, according to various criteria as described in this Policy.

The codes (referred to as the Rebate Codes), associated with the specific relief measure, are listed in paragraph 17.2 of this Policy.

7. APPLICATION OF RATING

The Municipality will, in addition to the various criteria referenced above, apply the following criteria when rating a property:

7.1 Vacant Properties

Vacant residential property will be rated as per the Vacant Residential Category.

Vacant property other than residential property will be rated as per the Vacant Other Category.

Normally, Agricultural properties will not be considered as being vacant, however this consideration lapses if the ambit (scope) of either of the terms “*agricultural activities*” or “*bona fide farmer*” as defined in this Policy is not relevant or cannot be applied to said property.

The Category of Vacant properties will be determined according to the property’s permitted use and these properties will not qualify for any relief measures.

7.2 Multiple use Properties

Properties with multiple uses as per Section 9 of the MPRA may be categorised for each distinct use as determined by the Municipality and which category will be applied for billing at the appropriate and applicable rate.

The different uses will be grouped into two or more components. The first component, which will be determined by the largest apportioned area of the property will be the primary component; the other components (sub-components) will be identified by their generalised functional name.

The category of the primary component of such a property will be directed in the first instance by the dominant use of the property, but at the sole discretion of the Municipality.

A multiple use property may only qualify for the valuation exclusion as per paragraph 8.2.1 (i) of this Policy, provided that at least one of the components has been categorised as residential.

7.3 Public Service Purposes Properties

Properties used for Public Service Purposes will be categorised as per paragraph 6.1 (f) of this Policy and will be rated at the applicable rate. The exclusions, exemptions, rebates and reductions relating to the usage of properties as detailed in this Policy and the MPRA, will apply if applicable.

7.4 Public Service Infrastructure properties (PSI)

The Municipality will apply the rate ratio as set out in the MPRA to public service infrastructure. Furthermore, the Municipality will grant 100% exclusion on all such properties.

7.5 Rural Properties

The categorizing and/or qualification of all rural properties will be dealt with at the sole discretion of the Municipality.

7.5.1 *Agricultural Use*

The Municipality will apply the rate ratio as set out in the MPRA to properties that are used for agricultural purposes by *bona fide* farmers. These properties will however not qualify for any relief measures.

The Municipality deems property with extent less than two hectares not to be agricultural property.

7.5.2 *Alternate Criteria and Use*

- (a) Where a property in a rural area is being used for business, mining, or industrial purposes, such as truck depots, construction yards, restaurants, functioning venue, guesthouses, and/or factories, said property will be valued and rated according to the category for business, mining or industrial properties as applicable. The Municipality may however, consider valuating said property as a Multiple Use Property (refer to paragraph 7.2 of this Policy).
- (b) Properties in rural areas that are primarily used for residential purposes will be valued and rated as residential properties and may thus qualify in terms of the definition of residential property for the applicable relief measures (refer to paragraph 8 of this Policy).
- (c) Owners of a property in rural areas which is not categorised as agricultural, but which in the opinion of the owner should be agricultural, must apply (refer to paragraph 14.1 of this Policy) for a revaluation, submit documentation as required by the CFO and declare in an affidavit, that no contraventions of the criteria for agricultural activities are taking place on the property. The application will be dealt with according to the supplementary valuation process.

7.6 **Municipal Properties**

Municipal-owned properties which are leased in terms of a lease agreement or those properties which are allocated to beneficiaries but not yet transferred, will be rated as per the provisions of this Policy. The exclusions, exemptions, rebates, and reductions relating to the usage of properties as detailed in this Policy and the MPRA, will apply if applicable. The rates of said non-excluded property will be passed on to the lessee or the allocated beneficiary.

All other Municipal-owned properties as described in Section 7 (2) (a) (i) of the MPRA, will be excluded from paying property rates.

7.7 **Special Rating Area (SRA)**

The Municipality may consider the application for a Special Rating Area (SRA) provided that the owners of the predefined demarcated area have approved the budget and the specifics relating to such SRA. The process must adhere to Section 22 of the MPRA and to the Municipality's Special Rating Area Policy and By-Law.

The budget for such SRA will be raised via a pre-determined tariff applied on the municipal valuation of each property. This pre-determined tariff is linked to the annual budget proposal and would therefore be unique to a specific SRA and for a given financial year.

7.8 **Land Reform Beneficiary properties**

The Municipality will apply a category for a Land Reform Beneficiary Property that corresponds to the use of said property. The said category will be applied for billing at the appropriate and applicable rate. However, the Municipality will exclude such properties from rates for a period of 10 years subject to Section 17(1)(g) and phase-in the rates as per Section 21(1)(b) of the MPRA.

7.9 **Adjoining properties**

The Municipality acknowledges that there are residential properties, registered in the name of the same owner which are used basically as if such properties were one property. Consequently, these properties will be regarded as one residential property for the application of relief measures.

Such grouping usually consists of adjoining properties but may include in the case of properties registered in terms of the Sectional Title Act, 1986 (Act 95 of 1986) any units such as a garage or domestic worker's quarters, in the same sectional title scheme registered in the name of the same owner.

Administratively a link between the adjoining property and its associated parent property must be set so as to facilitate tracking of such pairing.

8. RELIEF MEASURES

8.1 Applying relief measures on Rates

Notwithstanding that the Municipality is obligated as per the MPRA to exclude specific properties or parts thereof from rating, the Municipality will consider applying relief measures on property rates, being Exemptions, Rebates and/or Reductions as described in this Policy.

- (a) The Municipality may grant exemptions, rebates and/or reductions to the categories of properties and/or categories of owners that meet the specified criteria as indicated in subparagraphs of paragraph (7) above or as indicated below.
- (b) The Municipality will exclude specific properties or parts thereof as indicated in subparagraphs of paragraph (7) above or as indicated below.
- (c) The Municipality will not grant relief in respect of payments for rates to any category of owners or properties other than that as provided for in this Policy, nor to owners of properties on an individual basis.
- (d) Any application (when required or as requested) for a relief on rates must be submitted as per paragraph 14.1 of this Policy.

8.2 Residential Property

8.2.1 The Municipality will not levy a rate on the initial portion of the valuation of a residential property being the sum of:

- (i) the first R15 000 exclusion on the basis set out in Section 17 (1) (h) of the MPRA; and
- (ii) on a further R185 000 reduction, provided it does not exceed the remaining valuation in respect of a residential property, or the primary component of a multiple use property, that is categorised for *residential purposes*, as per the definition in paragraph 4 of this Policy. This reduction will only apply if the total valuation of said property does not exceed R 5 000 000. All non-primary components of a multiple use property do not qualify.

The above where applicable, will be applied once only per property.

8.3 Senior Citizens and Disabled Persons

Designated owners being registered owners of properties or allocated beneficiaries as per paragraph 7.6 of this Policy who are senior citizens or who are disabled persons may qualify for a rebate according to their gross monthly household income.

To qualify for the rebate referred to above, the designated owner must be a natural person, registered as a South African citizen. If not a South African citizen, the designated owner must be the registered owner of the property within the jurisdiction of the Municipality and must submit proof of his/her permanent residency in South Africa. The property in question must satisfy the residential property requirements as per this Policy and in addition to the above-mentioned, the designated owner must also:

- 8.3.1 Occupy the property as his/her normal residence; and
- (a) be at least 60 years of age, or in receipt of a disability grant; and
 - (b) be in receipt of a gross monthly income from all sources (including financial contributions of all members of the household permanently residing at that property) not exceeding the highest income amount as referenced in the table of paragraph 8.3.4 of this Policy; and
 - (c) when being the designated owner of more than one property, a rebate will be granted only on the occupied property; and
 - (d) where the designated owner is unable to occupy the property due to no fault of his/her own, the spouse or minor children may satisfy the occupancy requirement; and
 - (e) where the occupant of a residential property is a senior citizen or a disabled person and is the usufructuary of the property, he/she may satisfy the occupancy requirement.
- 8.3.2 Apply as per paragraph 14.1 of this Policy with proof of income, which may include proof of a SARS assessment or any other relevant document as requested.
- 8.3.3 If the property in question is alienated by the designated owner, then that owner would be liable for the *pro rata* rates, inclusive of the pension rebate. The new owner will be liable for the full *pro rata* portion of the rates excluding any pension rebates.
- 8.3.4 The percentage rebate granted to different monthly household income levels will be determined according to the schedule below. The income bands and rebates for the effective financial period of this Policy are as follows:

Gross Monthly Household Income				% Rebate
Income bands				
	Up to		8 000	100%
From	8 001	to	10 000	75%
From	10 001	to	12 000	50%
From	12 001	to	15 000	25%

8.4 Conservation Area

The Municipality will exclude those portions of a property within the ambit of a conservative area as defined in this Policy.

The apportioned value of any portion of such property, utilized for any purpose other than that used for such conservation purposes, or developed and used for commercial, business, agricultural or residential purposes will be categorised accordingly and rated at the applicable rate as described in paragraph 7.2 of this Policy.

The Municipality will apply Section 17 (2) of the MPRA upon withdrawal of said property from the conservation agreements inferred in Section 17 (1) (e) of the MPRA.

8.5 Religious Organisations

In terms of Sections 1 and 17 (1) (i) of the MPRA, the Municipality will not levy a rate on a property used primarily as a place of public worship by a religious community, including the official residence which is occupied by the office bearer of that community who officiates at services at that place of worship.

The Municipality will apply Section 17 (5) of the MPRA if as per Section 17 (5) (a) of the MPRA said property is no longer used or has been disposed by the religious community.

8.6 Stellenbosch Special Rebate

The Municipality may, for the organisations not meeting all the public benefit organisations criteria as described in paragraph 8.7, nor the criteria for NPO organisations as described in paragraph 8.8, consider a rebate which shall be identified as “Stellenbosch Special Rebate” (SSR). The Municipal Council will annually during the budget processes approve this rebates’ discount percentage.

This rebate will only be applicable to said organisations that apply as per paragraph 14.1 of this Policy for such rebate.

8.7 Public Benefit Organizations (PBO)

The Municipality will apply the rate ratio as set out in the MPRA to public benefit organisations.

As per the MPRA the specific public benefit activity listed in Item 1 (Welfare and Humanitarian), Item 2 (Health Care), and Item 4 (Education and Development) of Part I of the Ninth Schedule of the Income Tax Act will be applicable and must be conducted/executed on said property.

All Public Benefit Organisations must annually submit, according to paragraph 14.1 of this Policy proof of their status as per the above criteria.

8.8 Non-Profit Organizations (NPO)

An organisation must be registered as a Non-Profit Organisation (NPO) under the Non-profit Organisations Act, 1997 (Act 71 of 1997) to be considered as a candidate for the relief measures described below.

Organizations listed in paragraph 8.8.1 below that are operated as not-for-gain (declared or registered by law) or organisations that execute activities as per Item 6 (Cultural), item 7 (Conservation, Environment and Animal Welfare) and Item 9 (Sport) of Part 1 of the Ninth Schedule to the Income Tax Act may receive a rebate. All abovementioned organisations being privately controlled must be the owner of said properties.

These rebates are not applicable to any vacant land irrespective of its zoning or intended usage unless stated otherwise in this Policy.

All NPO must annually submit, according to paragraph 14.1 of this Policy proof of their status as per the above criteria.

Abovementioned organisations which have a total revenue/income not exceeding one million Rand per annum, will receive a 100% rebate. On the other hand, those organisations having a revenue/income exceeding one million Rand per annum will receive a rebate percentage of 20%.

8.8.1 Prescribed not-for-gain organisations

(a) Health and welfare institutions

Privately owned properties used exclusively as a hospital, clinic, mental hospital, orphanage, non-profit retirement village, old age home or benevolent institution, including workshops used by the inmates, laundry or cafeteria facilities.

(b) Charitable institutions

Properties used solely for the performance of charitable work.

(c) Agricultural societies

Property owned by agricultural societies used for the purposes of the society.

(d) *Cemeteries and crematoria*

Privately owned properties used as cemeteries and crematoria.

(e) *War veterans*

Property registered in the name of a trustee or organisation in terms of the Social Assistance Act, 2004 (Act 13 of 2004), maintained for the welfare of war veterans and their families.

(f) *Heritage properties*

Open to the public and used as historical monuments, museums, libraries, and art galleries.

8.9 Heritage Properties

The Municipality recognises properties as described in Section 15(2A)(b) of the MPRA and as per paragraph 6.1 (j) of this Policy as Heritage properties which will be rated at the applicable rate.

Owners of heritage properties must annually submit, according to paragraph 14.1 of this Policy proof of their status as per the above criteria.

8.10 Properties affected by Disaster or adverse Economic Conditions

The Municipality may consider additional relief measures as envisaged in Section 15(2)(d) of the MPRA and as approved by Council.

8.11 Exceptional General Valuation Rates Increases: Phasing in

The Municipality may consider a relief measure for owners of property adversely affected by exceptional rates increase of a new General Valuation (GV) cycle. This incentive will only be implemented as from the implementation date of a GV and on proviso that:

- (a) for a property to qualify, the Rates for the first financial year of the GV cycle for the property, as result of the property valuation of a GV cycle, must be at least four (4) times more than that of the rates for said property during the financial year preceding the start of the GV cycle.
- (b) the rates for the financial year preceding the start of the GV cycle must be at least R1 000 per annum;
- (c) the rebate granted would be phased-out over two financial years;
- (d) the rebate for the first financial year will be 50% and during the second year it will be 25% rebate on the rates applicable for that year;
- (e) this incentive will not be cumulative on any other rebate that may be granted to said owner;
- (f) the most beneficial rebate between this incentive and any other rebate which said owner may receive in each financial year will prevail;
- (g) improvements or errors of valuations to said property that could have influenced the GV valuation will be reviewed during the application approval;
- (h) applications will only be considered until the end of the initial 6 months of a GV cycle; and
- (i) owners of such property must apply as per paragraph 14.1 of this Policy.

9. LIABILITY FOR AND PAYMENT OF RATES

9.1 Liability for and payment of rates

Liability for and payment of rates is governed by criteria in this Policy, by the MPRA, the Stellenbosch Municipality's Credit Control and Debt Collection Policy, By-Laws and any other applicable legislation. Actions as per the applicable By-Laws and/or Policies shall be taken against defaulters.

There are one of two methods of payment that the owner of the property must agree upon, namely (i) paying the rates on a monthly basis or (ii) paying the rates in one amount every annum.

The paying of rates on a monthly basis will be the preferred method unless the owner has selected (via a written request before 31 May preceding a financial year) the annual method of payment.

- (i) When paying on a monthly basis the amount due shall be paid not later than the date as specified on the monthly accounts. The cycle of such payments will start on the first day of July (the start of a financial year) and extend to the 30th of June the following year.
- (ii) When paying a once-off amount (the full rates for that financial year), then that amount shall be paid in full not later than the date as specified on the account.

Changes to the preferred method of payment must be exercised by the owner before 31 May of a financial year and once set the method of payment will not be changed during a current financial year.

9.2 Rates in arrears for longer than 90 days

When an owner's rates account is in arrears for longer than 90 (ninety) days, then the Municipality may initiate the proceedings as described in Sections 28 or 29 of the MPRA.

A notice to this effect will be forwarded to the tenant, occupier or agent providing the required legal information regarding their payments to the owner, which are to be redirected to the Municipality so as to cover the arrear rates account.

A notice will be forwarded to the owner in question to indicate the legal proceedings and the actions that the Municipality has initiated.

10. QUANTIFICATION OF COSTS TO MUNICIPALITY AND BENEFITS TO COMMUNITY

The cost to the Municipality and benefit to the local community in terms of exemptions, rebates, reductions and exclusions referred to in the MPRA and rates on properties that must be phased-in in terms of the MPRA will be reflected in the Municipality's budget.

11. OBJECTION AND APPEALS

- (a) Any person may lodge an objection to a valuation subject to Section 50 of the MPRA but within the period stated in the notice referred to in Sections 49(1)(a) and 78(5)(b) of the MPRA.
- (b) An appeal to an appeal board against a decision of a municipal valuer in terms of section 51 of the MPRA may be lodged in the prescribed manner subject to Section 54 of the MPRA. The appeal must be lodged (as a guideline), within a period of 30 days nonetheless, as set out in Section 54(2) of the MPRA.

- (c) The administrative actions or processes as described in the MPRA for the handling of objections or appeals will be the basis that the Municipality will follow.
- (d) The lodging of an objection or appeal: -
 - (i) In terms of Section 50 of the MPRA does not defer liability for the payment of rates in terms of this Policy; or
 - (ii) In terms of Section 54 of the MPRA does not defer liability for the payment of rates in terms of this Policy.

12 CLEARANCE CERTIFICATES

All monies collected by the Municipality, specifically in respect of Special Rating Areas and any estimated amounts in terms of Section 118(1A) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) (the Systems Act), or Section 89 of the Insolvency Act, 1936 (Act 24 of 1936), are for the purpose of Section 118 of the Systems Act, deemed to be due and must be paid in order to facilitate the transfer of immovable property:

- (i) All amounts that are due must be paid in full prior to the issuing of any clearance certificate in terms of Section 118, of the Systems Act; and
- (ii) No interest shall be paid by the Municipality to the registered seller in respect of these payments which are deemed to be due.
- (iii) The Municipality will not be responsible for the apportionment of rates and/or services due or paid in respect of any rates clearances and registrations.
- (iv) The Municipality will issue only one clearance certificate for properties deemed to be in an adjoined state as per paragraph 7.9 of this Policy.

13 ADJUSTMENTS OF RATES PRIOR TO SUPPLEMENTARY VALUATION

13.1 If the owner of a property which has been subdivided or consolidated after the last general valuation wishes to sell the consolidated erf, or one or more of the erven which have been subdivided from the parent erf, as the case may be, applies to the Municipality for a clearance certificate in terms of Section 118 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), and if the Municipality has not yet included such valuation of the relevant property(ies) in a supplementary valuation:-

- (a) the Municipal Valuer shall conduct a valuation of the relevant property(ies) for purposes of a supplementary valuation; and
- (b) the valuation shall be submitted to the CFO for approval of the levying of rates on such property(ies) in accordance with such valuation, with effect from the date on which the relevant subdivision or consolidation (as the case may be) was registered in the Deeds Office

13.2 Any valuations performed in terms of paragraph 13 shall be included in the next supplementary as per the provisions in Section 78 of the MPRA.

14. GENERAL

14.1 Applications for Relief Measures

- (a) All applications, required in terms of this Policy for a specific relief measure must be submitted to the Municipality by 30 November of each year, which date precedes the financial year in which the rate is to be levied. If the relief measure applied for is granted, the relief measure will apply for the full financial year. All successful applicants are bound by all the criteria as per paragraph 14.1 of this Policy.
- (b) Any applicant who, during a financial year, for the first time, meets all the criteria other than (a) above, may apply to receive the relief measure initiated from the month following the approval by the Municipality of said application for the remainder of that financial year, thereafter all the criteria as per paragraph (a) above will apply to applications for subsequent financial years.
- (c) Late applications received after 30 November of a given year may be considered by the Municipality, in which case, if the relief measure applied for is granted, a *pro rata* rebate for the remainder of the next (new) financial year may be applicable.
- (d) Persons who have submitted false information and/or false affidavits will have the relief measure withdrawn with effect from the commencement of the financial year in question.
- (e) All applications for relief measures will require the applicant's municipal accounts to have been paid up to date or the conclusion of a suitable arrangement with the Municipality as provided for in the Stellenbosch Municipality's Credit Control and Debt Collection By-Law and Policy.
- (f) The Municipality reserves the right to request current and/or previous audited financial statements or to inspect all properties before or after implementing the applicable rate and to revoke or amend any decision made prior to such investigation or financial review.
- (g) The Municipality reserves the right to recover any rates and/or relief measures from owners of properties after the status of said properties have changed.
- (h) The Municipality reserves the right to request any additional information as may be deemed necessary.

14.2 Regular policy review processes

This Policy will be reviewed on an annual basis to ensure that it complies with the Municipality's strategic objectives and with legislation.

14.3 Language Interpretation

The legal interpretation of the English version of this Policy only shall prevail above all other language translations of this Policy.

14.4 Severance

If any provision of this Policy is struck down as invalid by a court of law, such provision shall be severed from this Policy, and shall not affect the validity of the remaining provisions.

15 BY-LAWS

The principles contained in this Policy will be reflected in the By-Law as promulgated and adjusted by Council from time to time.

16. SHORT TITLE

This Policy is the Rates Policy of the Stellenbosch Municipality.

17. CATEGORY AND REBATE CODES

17.1 Category Codes

The Formulae Codes (Derived from the Categories listed in paragraph 6.1 of this Policy) as listed below will be used in the Valuation Roll and supporting letters or Notices to reflect by association the applicable Category (as indicated in the "Category (of property)" column).

Council shall on an annual basis during the budget approval cycle set the cent amount in the Rand values (being the Category Tariff) for each of the Categories in the table below.

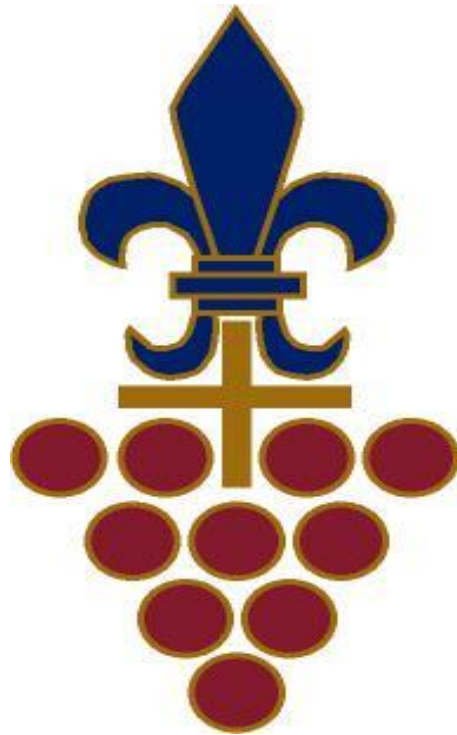
Category (of property)	Category Code	Formulae Code	Supporting references
Residential	RES	RES	MPRA Sections 8(2)(a); 17(1)(h) and the Policy paragraph 8.2.1
	RES	RESA	Adjoining residential; the Policy paragraph 7.6
	RES	RESM	MPRA Section 17(1)(h) i.e. ONLY Policy paragraph 8.2.1 (i)
	RES	RELI1	MPRA Section 17(1)(i) – the official residence; the Policy paragraph 8.5
	RES	MUNRR	Municipal Owned: Rented or Leased property; the Policy paragraph 7.6
	RES	MUNR	Municipal Owned: Section 8(2)(h) and the Policy paragraph 7.6
	RES	LRBR	Land Reform Beneficiary: MPRA Section 17(1)(g); the Policy paragraph 7.8
Industrial	IND	IND	MPRA Section 8(2)(b); Policy Definitions for "industrial"
Business	BUS	BUS	MPRA Section 8(2)(c); Policy Definitions for "business"
	BUS	RELIG	MPRA Section 17(1)(i) – the place of worship; the Policy paragraph 8.5
	BUS	MUNBR	Municipal Owned: Rented or Leased property; the Policy paragraph 7.6
	BUS	MUNB	Municipal Owned: Section 8(2)(h) and the Policy paragraph 7.6
	BUS	POS	Public Open Spaces
	BUS	PROS	Private Open Spaces
Agricultural	AGR	AGR	MPRA Section 8(2)(d); (Not considered to be a vacant property); the Policy paragraph 7.5
	AGR	PROT	Protected Areas: MPRA Section 17(1)(e); the Policy paragraph 8.4
	AGR	MUNAR	Municipal Owned: Rented or Leased property; the Policy paragraph 7.6
	AGR	MUNA	Municipal Owned: MPRA Section 8(2)(h) and the Policy paragraph 7.6
	AGR	LRBA	Land Reform Beneficiary: Section 17(1)(g); the Policy paragraph 7.8
Mining	MIN	MIN	MPRA Section 8(2)(e).
Public Service Purposes	PSP	PSP	MPRA Section 8(2)(f); the Policy paragraph 7.3
Public Service Infrastructure	PSI	PSI	MPRA Sections 8(2)(g); 17(1)(a) and the Policy paragraph 7.4
	PSI	PSIE	MPRA Sections 8(2)(g); 17(1)(aA) and the Policy paragraph 7.4
	PSI	MUNP	MPRA Sections 7(2)(a)(ii) and 8(2)(h); the Policy paragraph 7.6
Public Benefit Organisation	PBO	PBO	MPRA Section 8(2)(h) and the Policy paragraph 8.7
Multiple purposes	<i>Multi tariff</i>	MULTI	MPRA Sections 8(2)(i) and 9 and the Policy paragraph 7.2
Heritage	HER	HER	MPRA Section 15(2A)(b) and the Policy paragraph 7.9
Vacant Residential	VACR	VACR	the Policy paragraph 7.1
Vacant Other	VACO	VACO	NOT agricultural properties; the Policy paragraph 7.1

17.2 Rebate Codes

The Rebate Codes in the table below serves to indicate the rebate if any that could be applicable to a property.

Rebate Code	Purpose	Supporting references
NONE	No rebate is applicable	
INDP	Indigent and 100% Pension rebate	Rates Policy paragraphs 8.3 and the Indigent Policy
INDIG	Indigent only rebate	Indigent Policy
PENS	100% Pension rebate	Rates Policy paragraph 8.3
PENS1	75% Pension rebate	Rates Policy paragraph 8.3
PENS2	50% Pension rebate	Rates Policy paragraph 8.3
PENS3	25% Pension rebate	Rates Policy paragraph 8.3
NPO	Non-Profit Organisation (100% rebate)	Rates Policy paragraph 8.8
NPO1	Non-Profit Organisation (Rebate as per table)	Rates Policy paragraph 8.8
SSR	Stellenbosch Special Rebate	Rates Policy paragraph 8.6
EGVI	Exceptional General Valuation Rates Increases	Rates Policy paragraph 8.11

STELLENBOSCH MUNICIPALITY



INDIGENT POLICY

2019/2020



STELLENBOSCH MUNICIPALITY

INDIGENT POLICY

TABLE OF CONTENTS

	PAGE
PREAMBLE	1
1. DEFINITIONS	2
2. POLICY OBJECTIVES	2
3. POLICY PRINCIPLES	2
4. LEGISLATIVE CONTEXT	3
5. QUALIFICATIONS AND SCOPE	3
5.1 Subsidy	3
5.2 Household	4
5.3 Basis of Subsidy	5
5.4 Liability for payment of municipal accounts	5
5.5 Qualifying income	5
5.6 Targeting mechanisms	6
5.7 Basic services	6
5.7.1 Formal Households	6
5.7.2 Informal Settlement Households	6
5.7.3 Indigent households residing in homes for senior citizens	7
5.8 Free bulk services	7
5.9 Other concessions	7
6. ALLOCATION OF SUBSIDIES	7
7. APPLICATIONS FOR INDIGENT SUBSIDIES	8
8. PROPERTY TAX REBATES BASED ON MUNICIPAL VALUATION	8
9. CONTACT OF OFFICE RESPONSIBLE	9
10. SHORT TITLE	9

PREAMBLE

The Stellenbosch Municipal Council accepts and acknowledges its Constitutional duties and mandate relating to indigent support in terms of Sections 152 and 153 of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) towards the community/consumers within the jurisdiction of Stellenbosch Municipality (WC024).

Council further acknowledges that because of the level of unemployment and consequential poverty in the municipal area, there are households incapable of paying for basic municipal services.

Indigent relief measures are thus a fundamental requirement that is achievable only within sustainable budgets set by Council as well as support and direction via National Government.

Concomitantly, indigent households equally have the responsibility of managing their levels of consumption and that they are responsible for the payment of municipal services that are consumed in excess of the reduced cost or Free Basic Service levels as described in this Policy.

The effective implementation of such a program depends principally on affordability and is supported by the socio-economic analysis of various areas as included in the Council's Integrated Development Planning. The Council's mandate regarding affordability of basic services to poor households is directed by mechanisms in Section 74(2)(c) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) and Section 15 of the Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004).

In order to give effect to the foregoing, the Council of Stellenbosch Municipality has adopted a policy relating to indigence as set out hereinafter.

1. DEFINITIONS

In this Policy, a word or expression derived from a word or expression as defined, has a corresponding meaning unless the context indicates that another meaning is intended.

“the Municipality” means Stellenbosch Municipality (WC024).

“Basic Services” means that level of services delivered by the Municipality at a reduced cost or at no cost to the indigent consumer and which the Council has considered reasonable and sustainable within budget constraints.

“Child-headed household” means a household where the main caregiver of said household is not older than 18 years of age and is a child as defined in Section 28(3) of the Constitution.

“Constitution” refers to the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996)

“Household” means a family unit comprising a head of the family, being a natural person. The family may include blood related or adopted dependents. This is further described in paragraph 5.2 of this Policy.

“Indigent” means the lack of necessities of life such as sufficient water, basic sanitation, refuse removal, environmental health, basic energy, health care, housing, food and clothing.

“Indigent Income Threshold” means the qualifying monthly income as described in paragraph 5.5 and as set in paragraph 5.5(b) of this Policy.

“Valuation Threshold” means that value of municipal valuation (the reduction amount) as set for residential properties in paragraph 8.2 of the Municipality’s Rates Policy.

2. POLICY OBJECTIVES

The objectives of this Policy are to:

- (a) Provide a framework within which the Municipality can exercise its executive and legislative authority regarding the identification of indigent households and the implementation of financial aid to such.
- (a) ensure the provision of basic services to indigent households within the jurisdiction of the Municipality in a sustainable manner and within the financial and administrative capacity of the Municipality.
- (b) ensure the establishment of procedures and guidelines for the effective subsidisation of basic services charges to such approved indigent households within budgetary and national grant guidelines.

3. POLICY PRINCIPLES

The following guiding principles for the formulation of this Policy, are to:

- (a) ensure that the portion for free basic services allocated as part of the equitable share received annually, be utilised for the benefit of indigent households.
- (b) promote an integrated approach to subsidised basic service delivery.
- (c) optionally use external services and/or references to verify the information provided by the applicants.
- (d) maintain the relief measures to indigent households for a period of 12 months after the approval of such, after which the subsidy will automatically lapse,
- (e) review the relief measures by random sampling to ensure *bona fide* indigent support.
- (f) engage the community in the development and implementation of this Policy.

4. LEGISLATIVE CONTEXT

4.1 This policy is implemented within the framework of the following legislation:

All citations to applicable Acts as referenced in this Policy shall include all amendments and regulations to such as promulgated.

- (a) The Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), in particular Sections 152 and 153.
- (b) Local Government: Municipal Systems Act, 2000 (Act 32 of 2000).
- (c) Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003).
- (d) Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004), in particular Section 15 and/or.
- (e) any other legislation that may be applicable

4.2 This Policy was developed using the following guideline(s):

- (a) National Framework for Municipal Policies.
- (b) National Indigent Policy Assessment tool, 2018 - COGTA

5. QUALIFICATIONS AND SCOPE

The introduction of reduced cost or free basic services will ensure that indigent consumers have access to basic services.

5.1 Subsidy:

Subsidies are granted from external funds, allocated by the National Government as an Equitable Share allocation, to subsidize Indigent households with specified levels of basic services. This is based on a:

- (a) Level of income enabling Indigent households to pay for a basic package of municipal services; and/or
- (b) Municipal property valuation value that sets the level at which indigent support may be granted.

- (c) Subsidy scheme that is promoted through the press and by means of personal referral, but principally via referrals by the credit control and debt recovery section of the Municipality.

5.2 Household:

- (a) The head of the household must be a South African citizen and have permanent residency.
- (b) The head of the household should be:
 - (i) the registered owner or part owner of the property; or
 - (ii) the registered lessee of a Council housing unit; or
 - (iii) the registered lessee of a Government owned housing unit; or
 - (iv) a person, being the head of the household, who is incapable of paying for basic municipal services and who resides in said property/unit.The head of the child-headed household shall be deemed to meet these criteria.
- (c) To register as an indigent consumer the head of the household must personally complete and sign the registration form.
- (d) Child-headed households will only be approved on the basis of the following criteria:
 - (i) both parents of the household are deceased, or one parent and/or guardian is deceased, and the other is totally alienated from the household;
 - (ii) a minor has assumed the role of caregiver in respect of the other minor(s) in the household;
 - (iii) such minors reside permanently on the property;
 - (iv) such minors, and exclusively only minors occupy the property as their normal residence;
 - (v) such minors are scholars or unemployed and if income is derived, the household earns less than the qualifying income as envisaged by the defined Indigent Income Threshold;
 - (vi) the situation pertaining to the household has been verified by the Municipality; and
 - (vii) the situation pertaining to the household will be reviewed when the caregiver as per (ii) above reaches the age older than 18 years.
- (e) Indigent households living in homes for senior citizens shall be eligible to qualify for assistance and support under this Policy, subject to the following rules and procedures:
 - (i) For the purposes of passing/issuing the free basic electricity units to such indigent household, the onus will be on the unit owner or lessee to apply and submit proof that the electricity connection is in the name of the Indigent consumer and not in the name of the organization providing the accommodation.

- (ii) In the event of the unit being occupied by a single individual without any dependents as per the definition of a household above, the level of income to qualify shall be equal to or less than 50% (fifty percent) of the defined Indigent Income Threshold per month.

5.3 Basis of Subsidy:

- (a) Only formal or informal housing units utilized for residential purposes will be taken into consideration for the purpose of this subsidy, being the provision of free basic services.
- (b) All informal structures where a prepaid electricity meter has been installed by the Municipality will qualify for this subsidy. In the cases where off-grid electricity is supplied by an authorised service provider appointed in terms of paragraph 5.7.2(b) of this Policy such households will also qualify for a subsidy, which subsidy will be paid directly to the authorised service provider.
- (c) Applications deviating from the above will only be considered after a detailed investigation and evaluation by the Municipality.

5.4 Liability for payment of municipal accounts:

- (a) Subsidies will only be granted to households liable for the payment of municipal service fees.
- (b) Subsidies will only be granted by means of a credit on municipal accounts and free basic electricity vouchers or in the form of subsidy paid directly to the authorised service providers of off-grid electricity as envisaged in paragraph 5.7.2(b) of this Policy. No subsidy will be paid directly to any Indigent consumer or household in the form of cash or any such disbursement.
- (c) Households are liable for the payment of fees, as stated on the monthly account, for any service in a given month that exceeds that service's subsidy.
- (d) Monthly accounts, as well as the instalments arranged in respect of the repayment of debt, must be paid punctually and in full. If required, and after reasonable alternatives have been exhausted, the process to recover debt from indigent consumers will be dealt with in terms of the Credit Control and Debt Collection Policy and procedures of the Municipality.
- (e) Prepaid electricity meters will be installed on all properties of formal households before receiving indigent subsidies to prevent escalation of debt.
- (f) Water management devices may be installed on properties of formal households before receiving indigent subsidies to prevent escalation of debt.

5.5 Qualifying income:

- (a) Gross household income is defined as the earnings of the head of the family, plus any other financial contribution towards the household income by any other dependant or occupant. Government grants as received by dependent minors will be ignored and not be added as a financial contribution towards the household income.
- (b) The maximum qualifying income level defined as the Indigent Income Threshold for a household as described in paragraph 5.2 of this Policy will be equal to or less than R 6 500 per month. Proof must be produced in the form of pay slips,

unemployment certificates, income certificates or other acceptable proof of income.

- (c) Should proof of income not be available, income may be declared by means of a sworn statement. Such applications may be verified by means of a full investigation and a socio-economic survey.

5.6 Targeting mechanisms:

The following principles for the granting of free basic services apply:

- (a) Properties in respect of which property tax is levied on a municipal valuation amount will qualify as follows:
 - (i) The municipal valuation of a property being less than or equal to the defined Valuation Threshold will be used as the guiding threshold.

5.7 Basic services :

The Municipality will provide the following basic services at reduced or at no cost to the Indigent consumer:

5.7.1 Formal Households

Free basic services for Formal households will consist of the following:

- (a) 100 kWh electricity per household per month subject to it being supplied via a prepayment metering system as the qualifying criteria for a registered indigent household to be placed on the Lifeline Electricity Tariff. Free electricity units will not be applicable should the Indigent Household choose not to install a pre-paid meter;
- (b) a basic charge for water and a maximum of 6 kl water per household per month;
- (c) a service subsidy not exceeding the cost of one refuse unit in respect of a single residential property not exceeding an area of 250m² and a maximum valuation not exceeding the defined Valuation Threshold;
- (d) a service subsidy not exceeding the cost of one sewerage service unit supplied to residential properties with a maximum area of 250m²; and/or
- (e) 50% of the applicable tariff for clearances of septic tanks.

5.7.2 Informal Settlement Households

Free basic services for Informal Settlement Households will consist of the following:

- (a) 100 kWh electricity per household per month; or
- (b) a maintenance and operations subsidy (equivalent in Rand value to 100kWh electricity per household per month) for off-grid solar home systems, operated by a municipal approved service provider or Energy Service Company (ESCO).

(In the case of off-grid electricity subsidies as contemplated above, the Municipality may, subject to a detailed review by the Revenue Section appoint an authorised service provider to provide the maintenance and operations function for a group or groups of indigent recipients of off-grid electricity at a

maximum rand equivalence of the value of 100 kWh electricity per household per month.)

- (c) Other services (specifically water, sewerage and refuse removal services) are not billed for.

5.7.3 Indigent households residing in homes for senior citizens

Free basic services for qualifying households residing in homes for senior citizens as per paragraph 5.2(e) of this Policy will consist of 100 kWh electricity per household per month.

5.8 Free bulk services

Free Bulk Services shall be the provision of services (water stand pipes, high mast lighting, ablution facilities and refuse removal) to informal settlements.

The cost of the provision of free bulk services is recovered from the Equitable Share Allocation from National Government and processed monthly.

5.9 Other concessions

- (a) Registered indigent consumers limited to the immediate occupants of the household occupying the property excluding any extended family members could qualify for a discount of up to 50% (fifty percent) on the approved fees and tariffs for non-trading services (refer paragraph (d) below) as defined by Council from time to time subject to application to the relevant Director.
- (b) Proof of registration as an indigent consumer must be obtained from the Credit Control Section of Financial Services prior to the application for the discount being made.
- (c) For the purposes of clarity, other categories of consumers (other than registered indigent consumers) such as back yard dwellers, farm workers and lessees of other property earning equal to or below the Indigent Income Threshold per month, may also qualify for the concessions (i.e. a discount of up to 50% (fifty percent) on the approved fees and tariffs, limited to the services envisaged in paragraph (d) below.
- (d) Discounted non-trading Services; refers to:
 - (i) Community hall discounts.
 - (ii) Burial fees in sections of cemeteries without head stones (i.e. crosses or flat stone areas only) and cremations when available. This concession is only applicable for burials on Mondays to Saturdays, excluding Public Holidays. Farm workers must provide written confirmation regarding the burial site from the farm owner.

6. ALLOCATION OF SUBSIDIES

- (a) The subsidy in any given month and service will be an amount not exceeding the amount as reflected in the Council's approved Tariff Schedules for services for Indigent households as per paragraphs 5.7 and 5.9 of this Policy.

- (b) Only one subsidy per service per property may be allocated in any given month.
- (c) Subsidy levels may be adjusted from time to time, depending on the availability of funds.
- (d) Lessees of subsidized housing units already receiving a municipal subsidy for the alleviation of municipal service costs included in rentals will not qualify for an Indigent subsidy. Should the latter subsidy be more advantageous, such a lessee may request that the Indigent subsidy replace the Rental subsidy.

7. APPLICATIONS FOR INDIGENT SUBSIDIES

- (a) Self-targeting applications (i.e. applications submitted by individuals) will be required if the property does not qualify within the Valuation Threshold parameter as described in paragraph 5.6(a) of this Policy or if a household considers themselves to be an indigent household.
- (b) Self-targeting applications lodged by means of the prescribed application form will be considered by the Municipality.
- (c) Such households may be visited by employees of the Municipality or approved service providers, where after a written recommendation would be considered.
- (d) The maximum subsidy may be granted to households with no income, even if the corresponding accounts are not paid in full. The status of any change of employment must be reported to the Municipality for the purposes of reviewing the subsidy.
- (e) Indigent subsidy applications must be renewed every 12 months to ensure that circumstances did not change to such an extent that it could have an influence on the granting of such a subsidy. An Indigent consumer shall automatically be de-registered if an application is not renewed and such subsidy will be cancelled. Normal credit control procedures will be applicable on arrear accounts of such cancelled applications.
- (f) The Municipality has the right to disclose a list of Indigent households for public inspection, which may include the publication thereof.
- (g) In a case of misrepresentation or any other transgression of the conditions for the provision of subsidies, the subsidy will be withdrawn with immediate effect and not be reconsidered for a period of at least 12 months. Legal actions may be instituted to recover subsidies obtained under false pretences.
- (h) Indigent relief will not apply in respect of property owners with more than one property, whether such property is situated inside or outside the area of jurisdiction of the Municipality.
- (i) Subsidies will not be granted on a pro-rata basis and applications received after the twentieth day of a month will be granted in the following month.

8. PROPERTY TAX REBATES BASED ON MUNICIPAL VALUATION

This Policy only addresses indigent subsidies and any form of rates relief is addressed as provided for in the Rates Policy of the Municipality.

9. CONTACT OF RESPONSIBLE OFFICE

The contact details for Indigent enquiries:

E-mail Address: Indigent.office@stellenbosch.gov.za

Telephone Numbers : 021 – 808 8501/8579/8597/8932

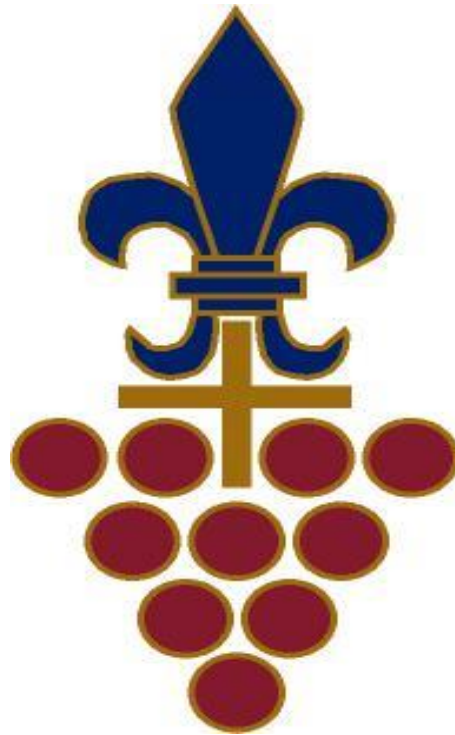
PO Box 17, Stellenbosch

Any Municipal Office in the jurisdiction of Stellenbosch Municipality

10. SHORT TITLE

This Policy is the Indigent Policy of the Municipality.

STELLENBOSCH MUNICIPALITY



**SPECIAL RATING AREA
POLICY**

2019/2020



STELLENBOSCH MUNICIPALITY

SPECIAL RATING AREA POLICY

TABLE OF CONTENTS

	PAGE
1. DEFINITIONS	1
2. INTRODUCTION	2
3. AIM OF THE POLICY	2
4. POLICY STATEMENT	3
5. FACTORS CONSIDERED WHEN DETERMINING A SPECIAL RATING AREA	3
6. APPLICABILITY OF STELLENBOSCH MUNICIPALITY'S RATES POLICY AND OTHER POLICIES	5
7. PROCESS	5
8. INSTITUTIONAL ARRANGEMENTS	5
8.1 Administration by a Non-Profit Company	5
9. APPLICATION FOR THE ESTABLISHMENT OF A SPECIAL RATING AREA	7
10. MOTIVATING A SPECIAL RATING AREA	7
10.1 Business Plan	7
10.2 Implementation Plan	8
10.3 Budget Plan	9
11. ANNUAL REQUIREMENTS	9
12. AMENDMENT AND/OR EXTENSION OF TERM	9
13. DISSOLUTION	9
14. FINANCIAL CONTROL	9
15. COMMENCEMENT AND IMPLEMENTATION	10
16. COST	10
17. SHORT TITLE	10

1. DEFINITIONS

In this Policy, words or expressions shall bear the meaning assigned to them and, unless context otherwise indicates: –

“**additional rate**” means an additional rate contemplated in sections 19(1)(d) and 22(1)(b) of the Property Rates Act and in section 12(2) of the By-Law;

“**applicant**” means any owner who makes an application for the determination of a special rating area in accordance with provisions of Chapter 1 of the By-Law, or if a management body is established in terms of section 10 of the By-Law, any reference to “**the Applicant**” means the management body;

“**By-Law**” means the Stellenbosch Municipality’s Special Rating Area (SRA) By-Law;

“**CFO**” means the Chief Financial Officer of Stellenbosch Municipality, or his or her nominee;

“**Council**” means Council of Stellenbosch Municipality;

“**implementation plan**” means an Implementation Plan as contemplated in section 6 of the By-Law;

“**majority**” means the majority of property owners as contemplated in section 22 of the Property Rates Act;

“**management body**” means the management body of a special rating area to be establishment in accordance with the provision of section 10 of the By-Law;

“**motivation report**” means a motivation report as contemplated in section 6 of the By-Law;

“the Municipality” means Stellenbosch Municipality (WC024),

“**owner**” has the meaning assigned to it in section 1 of the Property Rates Act;

“**Policy**” means the policy for the determination of special rating areas and will be referred to as this Policy;

“**Property Rates Act**” means the Local Government: Municipal Property Rates Act, 2004 (Act No.6 of 2004);

“rateable property” has the meaning assigned to it in section 1 of the Property Rates Act;

“special rating area” means a special rating area approved by the Council in accordance with the provisions of section 22 of the Property Rates Act and section 8 of the By-Law.

2. INTRODUCTION

- 2.1 This policy for the establishing of special rating areas must be read together with the Local Government: Municipal Property Rates Act, Act 6 of 2004 and the Municipality’s Special Rating Area (SRA) By-law, as in force from time to time.
- 2.2 All words and phrases defined in the Property Rates Act and the By-Law have the same meaning in this Policy.
- 2.3 In the event of any conflict between the provisions of the By-Law and the provisions of this Policy, the By-Law prevails.
- 2.4 This Policy needs to be read together with the Municipality’s Rates Policy.

3. AIM OF THE POLICY

This Policy aims to –

- 3.1 Set out Council’s position on special rating areas and the factors that will influence Council’s decision whether or not to institute a particular Special Rating Area.
- 3.2 Provide guidance to members of the local community and to decision-makers within the Municipality in relation to the establishment of special rating areas; and
- 3.3 Strike an appropriate balance between facilitating self-funded community initiatives that aim to improve and/or upgrade neighbourhoods by –
 - (a) making use of Council resources and structures; or
 - (b) making use of a Non-Profit (previously known as a Section 21) company structure (refer paragraph 8.12.5 of this Policy); and to
 - (c) ensure commitment to good, fair and transparent governance by the managing body, by implementing a transparent process when appointing service providers to improve and/or upgrade the special rating area in the public areas and ensuring that these improved and/or upgraded services are not provided on private properties.

4. POLICY STATEMENT

- 4.1 The special rating area model is aimed at preventing the degeneration of towns and the consequential urban decay, and facilitating their upliftment, economic growth and sustainable development.
- 4.2 The purposes of a special rating area are to –
- (a) enhance and supplement the municipal services provided by Stellenbosch Municipality;
 - (b) facilitate investment in the special rating area;
 - (c) facilitate a cooperative approach between Stellenbosch Municipality and the private sector in the provision of municipal services;
 - (d) halt the degeneration and facilitate the upliftment of distressed business and mixed-use areas; and
 - (e) promote economic growth and sustainable development and in this way, assist the Council in the fulfilment of its objects and developmental duties as set out in its Integrated Development Plan (“IDP”).
- 4.3 Stellenbosch Municipality regards special rating areas as a potential tool for allowing it to fulfil its constitutional and statutory obligations to promote;
- (a) social and economic development; and
 - (b) a safe and healthy environment in a way which balances the guiding principles underlying its Rates Policy.
- 4.4 Special rating areas allow property owners within an explicitly defined geographical area to improve and upgrade their area by means of a property rate in addition to the standard property rate.
- 4.5 Special Rating Areas do not give property owners or the management structures of the Special Ratings Area the right to infringe on any of the constitutional rights as enshrined in the Bill of Rights, Chapter Two of the Constitution of South Africa, 1996 of any juristic or natural person in any way. Specifically, the right to freedom of movement and residence of any juristic or natural person referred to in Section 21 of the Constitution must be guaranteed by the Special Rating Area as a pre-requisite for approval by the municipality.

5. FACTORS CONSIDERED WHEN DETERMINING A SPECIAL RATING AREA

The Council will consider instituting a special rating area where the requirements of Section 22 of the Property Rates Act are complied with, including that –

- 5.1 the purpose of the special rating area is to allow an additional rate to be levied on property in the defined area to raise funds for improving or upgrading the area;
- 5.2 the special rating area will not be used to reinforce existing inequities in the development of the Stellenbosch Municipality's (WCO24) area of jurisdiction;
- 5.3 the determination of the special rating area is consistent with Stellenbosch Municipality's IDP;
- 5.4 residential special rating area refers to an area in which more than 40% (forty percent) of the rates based municipal valuation consists of Residential Property as defined in the Rates policy.
- 5.5 any residential special rating area must comply fully with the provision of the By-Law, save that, with reference to the majority support the applicant must provide written proof to the Council that owners of rateable property within the boundary of the special rating area who own not fewer than 60% (sixty percent) in number of such properties, approve the formation of the special rating area.
- 5.6 the majority of members of the local community who will be liable for paying any additional rate in the special rating area, other than residential special rating areas, have consented to its establishment;
- 5.7 the procedural requirements of Section 22 of the Property Rates Act as well as the By-Law and this Policy are complied with, which include the community consultation requirement as determined by the Municipality's Chief Financial Officer (CFO);
- 5.8 the proposed improvement or upgrade has been clearly and fully defined;
- 5.9 the proposed improvement or upgrade can be clearly and logically linked to a geographical area, the boundaries of which must be clearly determined;
- 5.10 there is evidence that it will be financially viable to use a special rating area to raise funds for the proposed improvement or upgrade;
- 5.11 Stellenbosch Municipality is satisfied with the institutional arrangements proposed in respect of the special rating area; and
- 5.12 Ultimately, the decision whether or not to determine a special rating area rests with the Council in its sole discretion.

6. APPLICABILITY OF STELLENBOSCH MUNICIPALITY'S RATES POLICY AND OTHER POLICIES

- 6.1 When Stellenbosch Municipality grants any rebate to Senior Citizens, Disabled Persons and Non-Profit Organisations in terms of the Rates Policy, or registered indigents in terms of the Indigent Policy, the relevant property owner will be granted a full (100%) rebate in relation to the additional special ratings area rate.

7. PROCESS

This Policy sets out –

- (a) the institutional arrangements for special rating areas (paragraph 8 of this Policy)
- (b) the establishment requirements which must be followed (paragraph 9 of this Policy);
- (c) the information which needs to be submitted to Stellenbosch Municipality in order to motivate a request for determination of a special rating area (paragraph 10 of this Policy);
- (d) the annual requirements which must be followed (paragraph 11 of this Policy);
- (e) the amendments and/or extension of term for a special rating area (paragraph 12 of this Policy);
- (f) the dissolution requirements which must be followed (paragraph 13 of this Policy)
- (g) financial arrangements (refer paragraph 14 of this Policy).

8. INSTITUTIONAL ARRANGEMENTS

Section 22 of the Property Rates Act is not prescriptive as to the structural arrangements which need to be put in place to administer a special rating area. The structural arrangement that will be considered by the municipality is the following:

8.1 Administration by a Non-Profit Company

- 8.1.1. Stellenbosch Municipality will require the ratepayers within the special rating area to establish and participate in an appropriate structure to carry out planning, contracting, financial control and administrative functions within the special rating area.
- 8.1.2. This does not entail ratepayers setting the additional rate, which under law can only be done by Stellenbosch Municipality (paragraph 14 of this Policy).
- 8.1.3. This places funds collected by government in the hands of the private sector, thus the requirements set out in this Policy must be met.

8.1.4. The functions of the Non-Profit Company would include:

- (a) Determining the funding required each year (refer paragraph 14.2 of this Policy);
- (b) Appointing contractors or service providers to effect the improvement/s or upgrade/s;
- (c) Receiving the additional rate collected by Stellenbosch Municipality and expending the funds in accordance with the approved Business Plan.

8.1.5. Structural requirements of the Non-Profit company:

- (a) Before Stellenbosch Municipality will consider allowing ratepayers in a special rating area to carry out administrative and other functions in relation to the area, the Steering Committee must establish a Non-Profit company (company not for gain) as per the Companies Act, Act 71 of 2008 (as amended or replaced) ("the Companies Act") for that purpose. The provisions of the Companies Act must be complied with, particularly those relating to non-profit companies (which effectively replaced Section 21 companies as per the old Companies Act, Act 61 of 1973), subject to the transitional provisions contained therein;
- (b) The founding documentation ("the Memorandum of Incorporation") in relation to the structure established by ratepayers (this is equivalent to the Memorandum and Articles of Association, as per the old Companies Act, Act 61 of 1973), must be as per the prescribed format determined by the CFO;
- (c) The Non-Profit company must be managed under the Companies Act, and also comply with any other legislation as a result of the financial connections to Council; and
- (d) The Non-Profit company must give a written notice by the most effective manner to all the property owners within the special rating area of the intention to hold an Annual General Meeting (AGM) on the date stated in the notice;
- (e) A Special General Meeting ("SGM") must be called within 6 months of the establishment of the Non-Profit Company. The purpose of the SGM is to:
 - (i) Accept new members;
 - (ii) Appoint directors;
 - (iii) Amend the Memorandum of Incorporation if required; and
 - (iv) Approve the following year's Budget and Implementation Plan (refer paragraph 14.2 of this Policy).

9. APPLICATION FOR THE ESTABLISHMENT OF A SPECIAL RATING AREA

- 9.1 The process for establishing special rating areas as set out in Chapter 1 of the By-Law must be followed.
- 9.2 The special rating area application must be submitted by end of September of the financial year preceding the establishment of the special rating area.
- 9.3 Further to section 7.2 of the By-Law the applicant must hold another public meeting within 30 days after submitting the application to confirm that it was lodged and to discuss details with the community.

10. MOTIVATING A SPECIAL RATING AREA

The Motivation Documentation must comprise of the following:

10.1 Business Plan –

The Business Plan must clearly define and indicate all the required improvements or upgrades and must contain -

10.1.1. Introduction;

- (a) an executive summary of the improvement or upgrade proposed for the special rating area as set out in the Implementation Plan;
- (b) An explanation of how the proposed improvement or upgrade is linked to the geographical area of the proposed special rating area;
- (c) An explanation of why the proposed special rating area will not reinforce existing inequities in the development of Stellenbosch Municipality;
- (d) An explanation of how the special rating area, if instituted, will be consistent with Stellenbosch Municipality's IDP as per the Service Departments' Business Plans;
- (e) An explanation of the institutional arrangements proposed in relation to the special rating area.

10.1.2. Vision;

10.1.3. Mission;

10.1.4. Goal;

10.1.5. A diagram clearly indicating the boundaries of the proposed special rating area;

10.1.6. Management;

- (a) Administrative policies of the Non-Profit company;
- (b) Proposed management structure:
 - Composition of the management body including allocation of portfolios and;
 - Operational Arrangements

10.1.7. Services;

Service providers must be appointed as per paragraph 3.3(c) and 10.1.1(d) of this Policy.

10.1.8. Financial Impact;

- (a) Provide details regarding the calculation of the cent-in-the-rand and as acted on the municipal valuation value of each property;
- (b) Provide details of criteria to qualify for exemption of additional rate;

10.1.9. A list of all rateable properties within the proposed special rating area, contact details of owners and the value of each property as set out in the Council's municipal valuation role. Differentiation between categories of properties, as provided for in Section 8 of the Property Rates Act and used in the valuation role, must be considered;

10.1.10. Proof of the consent of the majority of the members of the local community as per paragraph 5.5 of this Policy, in the proposed special rating area who will be liable for paying the additional rate;

10.1.11. Proof of the notice of the public meeting or meetings contemplated in the By-Law;

10.1.12. Minutes of the public meeting or meetings; and

10.1.13. Compilation date.

10.2 Implementation Plan

The Implementation Plan is a schedule of goals to implement improvements or upgrades as per the motivation report and must at least address the following:

10.2.1 Milestones;

10.2.2 Tasks per milestone;

10.2.3 Start and finish date per task;

10.2.4 Assign responsibility per goal, milestone & task; and

10.2.5 Performance indicators per milestone.

10.3 Budget Plan

The Budget Plan for the proposed improvements or upgrades must at least address the following:

10.3.1 a budget line item should be set for each milestone or task and grouped in such a way that there is a clear indication how the Implementation Plan is financially structured;

10.3.2 an annual budget per line item commencing on 01 July of the first year and end on 30 June of the last year of the term; and

10.3.3 a budget split for the provision of improvements or upgrades between the different categories of properties.

11. ANNUAL REQUIREMENTS

11.1 Confirm property data base (Register of members in the special rating area);

11.2 Submit an audited financial Statement and Trail Balance as approved/accepted at a SGM called for that purpose and

11.3 Submit an annual budget and an Implementation Plan as approved at the Annual General Meeting (AGM) by 31 January (refer paragraph 14.2 of this Policy).

12. AMENDMENT AND/OR EXTENSION OF TERM

In the event that a special rating area seeks to extend the term over which it will operate or amend the goals as per its Implementation Plan, then the procedures set out in Chapter 3 of the By-Law must be followed and submitted by the end of October.

13. DISSOLUTION

The special rating area may be dissolved by resolution of the Council, subject to the provision of section 16 of the By-Law.

14. FINANCIAL CONTROL

14.1 As stated in the By-Law, the amount of any additional rate levied in a special rating area is determined by the Council. The additional rate is imposed by the Council, is debt owing to Stellenbosch Municipality and is payable and collected in the same manner as other property rates imposed by the Council.

- 14.2 The management structure must recommend the annual budget amount of the additional rate to the Stellenbosch Municipality by 31 January, with appropriate motivation including an Implementation Plan and a Budget Plan for the next financial year, and the Council will consider the recommendation during its budgeting process.
- 14.3 Before Stellenbosch Municipality will pay over any additional rate collected to the management structure, the management structure and Stellenbosch Municipality must have concluded a written finance agreement regulating, amongst other things;
- (a) the mechanisms and manner of payment;
 - (b) how the additional rate is to be held by the management structure;
 - (c) any parameters relating to expenditure; and
 - (d) any obligations on the management structure to take out and maintain appropriate insurance.
- 14.4 The financial year of the Municipality shall be deterministic and shall be applied to the Budget plan and all financial transactions.

15. COMMENCEMENT AND IMPLEMENTATION

- 15.1 Implementation of this Policy will commence on 01 July 2019.
- 15.2 Where Stellenbosch Municipality is legally empowered to do so, requirements set out in this Policy may be imposed as conditions attached to the determination of a special rating area.
- 15.3 This Policy and its implementation will be reviewed annually.

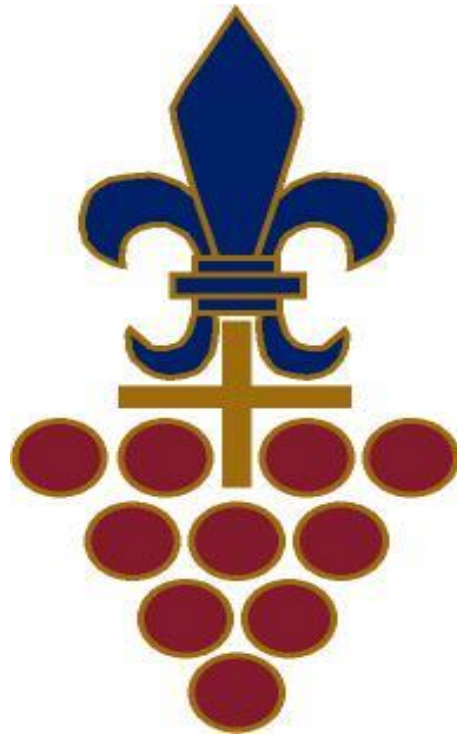
16. COST

Stellenbosch Municipality shall not be liable for any costs incurred by ratepayers within the relevant proposed special rating area in respect of the implementation of the steps set out in this Policy and in the By-Law.

17. SHORT TITLE

This policy is the Special Rating Area Policy of the Stellenbosch Municipality.

STELLENBOSCH MUNICIPALITY



**CREDIT CONTROL AND
DEBT COLLECTION POLICY**

2019/2020



STELLENBOSCH MUNICIPALITY

CREDIT CONTROL AND DEBT COLLECTION POLICY

TABLE OF CONTENTS

	PAGE
PREAMBLE	1
1. PRINCIPLES	2
2. MUNICIPAL ACCOUNTS and ADDITIONAL MECHANISMS	2
2.1 Notices and Demands	2
2.2 Additional Mechanisms	3
3. ARRANGEMENTS	4
4. ADJUSTMENT OF DEPOSITS/BANK GUARANTEES	5
5. FURTHER ACTIONS	6
6. NEW APPLICATIONS FOR SERVICES	6
7. THE RENDERING OF ACCOUNTS	7
8. ACCOUNT QUERIES	7
8.4. Accounts in Dispute	8
8.5. Errors or Omissions	8
9. DUE DATES OF ACCOUNTS	9
10. ALLOW SUFFICIENT TIME TO SETTLE ACCOUNTS	9
11. CONSOLIDATION OF ACCOUNTS	9
12. PAYMENT OF ACCOUNTS – GENERAL	9
13. DISHONOURED PAYMENTS	10
14. PENDING LEGAL ACTIONS AGAINST CONSUMERS	10
15. INTEREST	10
16. GENERAL AND OTHER SERVICES	11
16.1 Monthly Consumer accounts	11
16.2 Sundry Services	11
17. CONDITIONS RELATING TO RENTAL AND PURCHASING OF MUNICIPAL PROPERTY	11
18. RENTALS IN RESPECT OF MUNICIPAL EMPLOYEES	12
19. INDIGENCE	12
20. SHORT TITLE	12

PREAMBLE

In terms of Section 96 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) a Municipality shall-

- (a) collect all money due and payable to it, subject to the provisions of said Act and any other applicable legislation and By-laws; and
- (b) for this purpose, implement and maintain a credit control and debt collection system which is not in conflict with its Rates and Tariffs policies and which complies with the provisions of said Act.
- (c) In order to give effect to the afore going provisions of said Act, the Council of the Stellenbosch Municipality has adopted a policy relating to credit control and debt collection as set out hereinafter.

1. PRINCIPLES

This Policy supports the following principles:

- (a) Human dignity must be upheld at all times.
- (b) This Policy must be implemented with equity, fairness and consistency.
- (c) Endeavours shall be focused such that data related to owners/debtors/consumers and accounts are correct at all times.
- (d) The implementation of this Policy shall be based on sound business principles, which may include credit worthiness checks and assessments of the credit risks involved.
- (e) New services will only be provided if supported by the relevant service contract(s) and payment of a consumer deposit alternatively, a bank guarantee in a form acceptable to the Municipality's Chief Financial Officer will be considered.
- (f) Interest on overdue accounts will be charged at the South African Reserve Bank's prime interest rate plus one percent, and will be levied on accounts outstanding after the relevant due dates thereof. For the purposes of calculation, a portion of a month will be deemed to constitute a full month.
- (g) Deposits/Bank guarantees will be utilised to proactively mitigate the potential of unnecessary credit risk exposure to Council.
- (h) An administration fee and/or collection fee will be charged on overdue accounts, according to Council's approved tariffs and the By-laws of Stellenbosch Municipality (WC024). Such fees will not apply to the accounts of unemployed registered indigent consumers.
- (i) The rates components on overdue accounts may be processed in terms of Sections 28 and 29 of the Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA) and as described in the Rates Policy of Stellenbosch Municipality.

2. MUNICIPAL ACCOUNTS and ADDITIONAL MECHANISMS

2.1 Notices and Demands

The Owner's/Debtor's/Consumer's attention is drawn to the note on the municipal account, which states that the supply of services will be discontinued/restricted without further notice if the accounts are not settled in full. This serves as a warning to a defaulting owner/debtor/consumer that services will be discontinued/restricted upon defaulting on payments.

Notices, e-mails, cell phone text messages (SMS) or any available informative actions will however be issued to account holders as a first attempt (first notice) after the due date as a means to recover debt and to remind consumers/debtors/owners of their obligation to pay for services.

The aim of such reminders is to urge co-operation to settle accounts without the necessity to employ more drastic steps and to offer the opportunity to make arrangements to pay off such debt where the financial position of a consumer is such that relief is possible as per criteria in the Municipality's Rates or Indigent Policies.

Failure to respond to the aforesaid first notice will result in the disconnection and/or restriction of services and a final demand being issued where applicable.

Failure to respond to a final demand and in the event of arrears not being settled within the period stipulated in the final demand, or an arrangement not being concluded, legal action may be instituted (with the Municipality's rights reserved, notwithstanding the fact that services were disconnected/restricted or not) to recover the full outstanding debt.

In this regard the Municipality may consolidate any separate accounts of a debtor, credit a payment by a debtor against any account of that debtor and implement any of the measures provided for in this policy or the Credit Control and Debt Collection By-law in relation to any arrears of any of the accounts of such a debtor.

In the case of housing rental contracts, the Municipality may consider procedures for eviction or right sizing.

2.2 Additional Mechanisms

2.2.1 Electricity Services:

In the event of an owner/debtor/consumer other than a registered unemployed Indigent consumer regulated by Stellenbosch Municipality's Indigent Policy, failing to pay for electrical services due and payable, and in the event of such consumer having been placed on the disconnection list 3 times within a twelve (12) month period prior to such event, then Stellenbosch Municipality will have the right to install pre-paid electricity meters in a bid to limit credit risk. The Municipality may also consider upward adjustment of the relevant consumer deposit/bank guarantee.

2.2.2 Water Services:

The Stellenbosch Municipality may in the event of an owner/debtor/consumer exhibiting a trend of non-payment of accounts during a twelve (12) month period prior to a non-payment event (i.e. 3 times or more non-payment events) consider the installation of water demand management devices with pre-paid functionality in a bid to limit credit risk. The Municipality may also consider upward adjustment of the relevant consumer deposit/bank guarantee.

2.2.3 Rental Services:

Actions against defaulters are regulated to a degree by the contracts involved.

All contracts must at minimum and where appropriate, include the following criteria/requirements:

- (i) Due date for payments.
- (ii) Applicable procedures upon the defaulting of payments.
- (iii) Handover procedures.

- (iv) Eviction or right sizing actions.

3. ARRANGEMENTS

Should owners/debtors/consumers wish to make arrangements to pay off accounts in arrears, the following guidelines shall apply:

- (a) The main aim of arrangements should be to ensure that current accounts (which may include penalties/interest and/or any admin fees) are at least paid in full, before entering into acceptable arrangements to pay off arrears.
- (b) The Municipality may enter into an arrangement with a tenant or occupier of a property which is linked to an account in arrears, on proviso that:
- (i) a written affidavit is received which certifies that the registered owner of said property, at which such tenant or occupier resides; is:
- untraceable;
 - not contactable;
 - of unknown whereabouts; or
 - not co-operating with said tenant or occupier.
- (ii) such tenant or occupier has substantiated the ability to pay and the right to occupation stating the rental due and the time period of such occupation and providing the last known address of the registered owner;
- (iii) such tenant or occupier undertakes to advise the registered owner, at the first reasonable opportunity, of the current situation and further agrees to obtain the consent of the registered owner to condone the process as described in this paragraph 3 (b); and
- (iv) where applicable, such tenant or occupier provides comprehensive details of the non-co-operation of the registered owner.
- (c) Care must be taken to ensure that all reasonable financial and social assistance, as provided for in various Municipality's Policies, is rendered to assist owners/debtors/consumers before drastic action is taken to recover debt e.g. subsidies for Free Basic Services and relief measures on property tax.
- (d) All arrangements must be concluded in writing and the debtor must be provided with a copy thereof. Arrangements will be invalid unless signed by the debtor and one or more delegated representative(s) of the municipality.
- (e) Arrangements must be entered into that are both affordable to the consumer and protect the Municipality's interest by ensuring the most cost-effective debt recovery.
- (f) Arrangements must be final and debtors will not be allowed to re-arrange debt repayments. The Municipality may for a meritorious case, upon presentation of proof of current difficulties, consider delaying the receipt of the arranged instalment. This delay may not exceed 3 months.
- (g) It is of vital importance to ensure that the settlement of current accounts (which may include penalties/interest and/or any admin fees), together with the debt

repayment instalment, is seen as the minimum requirement for any agreement.

- (h) Arrangements must be compiled in a format that facilitates legal action, upon breach of contract. Written arrangements must as far as possible be in the form of agreements in terms of Section 57 of the Magistrate's Courts Act, 1944 (Act 32 of 1944) and as amended by the Jurisdiction of Regional Courts Amendment Act, 2008 (Act 32 of 2008) (hereinafter referred to the Section 57 Agreements).

All debt repayment arrangements will be logged on the financial system to ensure maximum accessibility and to enable the effective administration of such repayments.

- (i) Arrears of Councillors and other Municipal Officials must be settled in full or arrangements to pay off such amounts, by means of salary deductions, may be entered into. This includes the seizure of bonuses or any other additional allowances (this paragraph (i) must be read in conjunction with the relevant sections of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)).

The Stellenbosch Municipality is entitled to recover all arrears more than ninety days by means of salary deductions and proportionally from increases and/or the official's thirteenth cheque/performance bonus. In this regard, all temporary contract workers are also regarded as municipal officials.

- (j) No interest will be levied on outstanding amounts for which arranged agreements have been entered into.
- (k) It is a preferable that a water demand management device and/or a prepaid electricity meter be installed when any arrangement is entered into.
- (l) Arrangements may only be concluded upon submission of the following documentation:
 - (i) Proof of identification;
 - (ii) Proof of Income;
 - (iii) Supporting documentation relating to expenses;
 - (iv) Three-month bank statements and/or payslips; and/or
 - (v) Any other relevant documentation as may be requested by the Credit Control Section.

4. ADJUSTMENT OF DEPOSITS/BANK GUARANTEES

Deposits/Bank guarantees may be increased to cover the additional risk as regulated in terms of the Municipality's By-Laws. Increases in deposits/bank guarantees shall be utilised to cover the additional risk resulting from default payments. The latter deposits will be utilised only after closing of account by debtor or transfer of property. Should the account remain unpaid, such deposit will be utilised for the unpaid portion. Any credits will be refunded to the consumer.

5. FURTHER ACTIONS

- (a) Should arrangements not be made, or not be accepted or not be adhered to, services are discontinued or restricted; or pre-paid services are restricted, provided that a fair and equitable procedure, including reasonable notice of the intention to discontinue or limit is followed. Where legislation does not allow for the complete termination of services, the Credit Control Section will determine the appropriate minimum level of service provision, where after, all amounts owing become due and must be paid in full before services are restored to full capacity.
- (b) Should amounts owed not be settled by the final date, i.e. after the date for payment set out in a final demand, such accounts and the relevant Agreements, where applicable, will be handed over to the Municipality's Collection Attorneys for recovery and/or to consider instituting further legal action.
- (c) The Municipality shall at its own discretion in compliance to the measures provided for in the Municipality's By-Laws, be entitled to withhold or limit the supply of services until the total costs, penalties, other fees, tariffs and rates due and owing to the Municipality have been paid in full. This will include the restriction of supply of water or electricity to a debtor who is found guilty by the Municipality or any Court of Law:
 - (i) of fraud or theft of water and electricity,
 - (ii) any another criminal activity relating to the supply or unauthorised consumption of water and electricity, or
 - (iii) if it is evident that fraud, theft or any other criminal activity has occurred relating to such supply or consumption.
- (d) Stellenbosch Municipality may consider an auxiliary levy of up to 50% on the purchase of pre-paid electricity to recover arrear debt.
- (e) Stellenbosch Municipality may consider black-listing consumers in cases where the consumer was handed over to institute legal proceedings.
- (f) The Municipality may attach the rental income in whole or in part from a tenant or occupier of a property which is left unpaid by the owner thereof, provided that Section 115 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) is adhered to.
- (g) Once the Municipality has exhausted all reasonable and practicable debt recovery measures and, in an effort to recover outstanding debt, the Municipal Manager will have sole discretion to approve the litigation process for the disposal of the movable and/or immovable assets of defaulting owners/debtors/consumers by means of a Sale in Execution order.

6. NEW APPLICATIONS FOR SERVICES

- 6.1 No transfer of services from an owner to a tenant (Municipal property excluded) will be allowed. The status quo of contracts signed before 01 July 2011 will be maintained, provided that the tenant does not default on payments.

- 6.2 The owner or his/her proxy applying for a service to be rendered must be positively identified by means of a generally acceptable means of identification as used by financial institutions. A copy of the identification details (such as a copy of the person's ID and proof of residence (for business users)) must be kept for reference purposes.
- 6.3 The payment of a service deposit/bank guarantee will be based on tariffs as determined by the Council.
- 6.4 Adjustments to deposits/bank guarantees will be determined by the debtor's payment record of municipal accounts and consumption levels.
- 6.5 The provision of all services not regulated by acts and by-laws will be subject to the signing and acceptance of the conditions of supply contained in a service contract.
- 6.6 Where the consumer is not the owner of a property, the owner must, on his/her request, regularly be served with a copy of a statement of the amount due.
- 6.7 The Municipality may subscribe to the services of a credit bureau in order to enhance the effectiveness of credit checks.

7. THE RENDERING OF ACCOUNTS

- 7.1 Accounts must be rendered regularly and timeously to all property owners and consumers utilising municipal services.
- 7.2 Accounts must be consumer friendly and must clearly reflect the following minimum information:
- (a) the name, address and contact numbers of Stellenbosch Municipality;
 - (b) the name and postal address of the account holder;
 - (c) details of the property in respect of which the account is issued;
 - (d) the contents of the account will be reflected in at least one of the three official languages of the Western Cape province;
 - (e) the balance brought forward from the previous account, as well as a summary of transactions for the present period;
 - (f) all services for which the account is rendered, as well as amounts billed for such services;
 - (g) the final amount payable;
 - (h) the final date for payment;
 - (i) soft reminders in respect of interest levies and discontinuation of services; and
 - (j) the situation of payment facilities, and modes of payment accepted and office hours for payment.

8. ACCOUNT QUERIES

- 8.1 Consumers have the right to query accounts. In order to ensure the correctness of accounts and the satisfaction of consumers, all queries must be attended to swiftly and effectively.
- 8.2 Claims of not having received an account do not constitute a valid reason for non-

payment of accounts. Queries regarding such non-receipt must be followed up with the Revenue Section in order for same to be addressed. A consumer liable for any services rendered by, or rates due to the Municipality must furnish the Municipality with an address where correspondence can be directed to. Consumers should be encouraged to provide the Municipality with e-mail addresses where accounts could be sent to, rather than traditional postal addresses.

8.3 Duplicate accounts shall be available upon request at a prescribed fee.

8.4 Accounts in Dispute

8.4.1 Should an account in respect of water or electricity consumption be disputed, the concerned consumer must at minimum pay the average amount of the previous 12 (twelve) month's accounts. This shall be applicable only for the month in which the dispute was raised. Subsequent accounts issued in months thereafter (barring any new dispute raised) shall be considered unrelated to the dispute in question.

All other Municipal services or rates disputed will be dealt with at the discretion of the Municipality.

8.4.2 The dispute in question shall be considered to be resolved after all actions have been taken by the Municipality; including but not limited to the following:

- (i) determining the correctness of the account;
- (ii) relevant procedures were taken to adjust the account accordingly; and
- (iii) a written notice or a telephonic confirmation to such effect has been given to the concerned consumer.

8.4.3 In the event that a consumer declaring a dispute does not adhere to paragraph 8.4.1 above the disputed account will be subject to the normal Credit Control and Debt collection procedures.

8.5 Errors or Omissions

8.5.1 The Municipality strives to ensure the accuracy of consumer accounts. The onus of the consumer is however to verify that the services as stipulated on the account statement has been delivered and is correct. Upon detection of any errors or omissions the consumer should raise the dispute and notify the Municipality soonest and preferably in writing.

8.5.2 Accounts will only be rectified as from the date such errors or omissions was brought under the Municipality's attention. The adjustment (if applicable) to the account will be processed as per paragraph 8.4 above and applied after the date of inspection or confirmation by the specific Services Department.

8.5.3 Upon the sole discretion of Council serious nonconformities of an account may be adjusted as from the start of the current financial year.

9. DUE DATES OF ACCOUNTS

Accounts are payable by the 7th day of each month or the first working day thereafter, should the 7th day fall on a weekend or public holiday.

10. ALLOW SUFFICIENT TIME TO SETTLE ACCOUNTS

In order to allow sufficient time to settle accounts, the account should, where possible, be ready for delivery at least two weeks before the due date.

This necessitates proper scheduling of all processes leading to the issuing of accounts to meet the Municipality's commitment to its consumers.

11. CONSOLIDATION OF ACCOUNTS

In order to reduce cost and to enhance credit control and debt collection measures, separate accounts for services rendered in respect of a property or separate accounts of a debtor will be consolidated as far as possible. This will not be limited to consumer accounts only but may be extended to any other amount payable arising from any liability or obligation due to the Municipality.

12. PAYMENT OF ACCOUNTS – GENERAL

12.1 In order to promote the payment of accounts, payment facilities and hours for payment must be convenient to consumers, but the establishment of such facilities should still be subject to normal business principles and the economy of the provision of such services.

12.2 The following facilities are presently available – with the office hours and modes of payment indicated. Facilities are extended on an on-going basis.

<i>Facility</i>	<i>Hours</i>	<i>Payment methods accepted</i>
Cash offices at Stellenbosch, Franschhoek and Pniel	Office hours: Monday to Friday	Cash, bank guaranteed cheques, debit cards
Debit orders	Application during office hours	Bank transfers
EasyPay and Pay@: Countrywide outlets of Pick 'n Pay, Shoprite/Checkers, Pep Stores, Ackermans and other stores	Trading hours: 7 days per week	Cash, cheques, credit cards, debit cards
Internet payments	All hours	Bank transfers
Direct bank deposits	Banking hours	Bank transfers
Personnel deductions	Office hours	Direct deductions from earnings
24 hour Utility shops at petrol stations	All hours	Cash, cheques, credit cards, debit cards
Approved Pre-Paid Vending Agents	Trading hours	Cash, cheques

- 12.3 The use of correct account references for electronic payments and/or direct deposits is a requirement to ensure correct allocation of payment and to avoid any penalties and administration costs. It is the responsibility of the consumer making the payment to ensure that the correct reference number is made known to the Municipality.
- 12.4 All payments by means of Electronic Funds Transfer (EFT) or payments via the facilities as approved must be made in time so as to reflect in the Municipality's bank account before close of business on the due date.
- 12.5 Payment prioritisation of payments received will be allocated in the following order:
- (i) Penalties.
 - (ii) Municipal Rates.
 - (iii) Special Rating Area Levies.
 - (iv) Sewerage.
 - (v) Refuse.
 - (vi) Rentals.
 - (vii) Sundries.
 - (viii) Water.
 - (ix) Electricity.

13. DISHONoured PAYMENTS

- 13.1 Receipts issued in respect of dishonoured cheques and ACB deductions must be written back upon receipt of such notices. Interest on arrears must be raised where applicable and administration costs be debited to debtors account. Debtors must be notified and debt recovery actions be instituted where necessary.
- 13.2 Should payments be dishonoured twice, the debtors system must be encoded not to accept cheques or debit order transactions of such a debtor and he/she must be informed thereof in writing.
- 13.3 If payments are dishonoured twice in a financial year, consumer deposits/bank guarantees may be adjusted to mitigate increased financial risk.

14. PENDING LEGAL ACTIONS AGAINST CONSUMERS

Legal actions, such as notices of intended sales in execution, press releases regarding pending insolvency's, etc. may be followed up to evaluate the credit rating of such debtors in order to take steps to minimize the risk of financial loss for the Municipality.

15. INTEREST

- 15.1 Interest will be raised monthly, on a reasonable time after due date, to allow finalization of EFT payments, journal processing, system updates, etc. The latter interest raising will be on all arrear balances of all services (excluding housing services), property rates or arrangements as per paragraph 3 of this Policy, remaining unpaid.
- 15.2 A portion of a month is deemed to be a full month for the purposes of calculation of interest payable.

15.3 Interest on outstanding arrear accounts will be calculated and charged at the South African Reserve Bank's prime interest rate plus one percent.

16. GENERAL AND OTHER SERVICES

16.1 Monthly Consumer accounts:

16.1.1 Debtor's records must be coded correctly and timeously to ensure the rendering of accurate accounts to consumers.

16.1.2 The supply of water and electricity must conform to the conditions of supply set out in the By-Laws for Stellenbosch Municipality, as promulgated in the *Provincial Gazette*.

16.1.3 Due to the inclined block tariffs employed for these services, care must be taken to ensure meter readings are taken accurately and at intervals as close as possible to 30 days. Should this not be possible, consumption may be estimated as set out in the Municipality's By-Laws. As a general rule it is accepted that deviations in consumption periods exceeding 10% should be guarded against.

16.2 Sundry Services:

16.2.1 Accounts for recovery of cost encountered by the Municipality in respect of sundry services rendered are issued if and when such services are rendered to consumers.

16.2.2 As these services are usually not based on formal service contracts, it is essential that it be billed as soon as possible, and the recovery of such debt must receive priority, as the risk of loss to the Municipality is more eminent than in the case of other services.

16.2.3 Care should be taken to obtain full and accurate information of such debtors and to obtain prepayment for such services where possible.

16.2.4 Actions applied to follow up unpaid accounts will be determined by the nature and extent of the debt and the cost effectiveness of such actions.

17. CONDITIONS RELATING TO RENTAL AND PURCHASING OF MUNICIPAL PROPERTY

17.1 Municipal property may only be leased or sold after approval of such transactions and the signing of a rental or purchase agreement. Such approvals may be by way of specific Council resolutions or in the form of delegations.

17.2 The conditions for payment of instalments and deposits are regulated by the contents of the rental and purchase agreements and the Municipality explicitly reserves its rights to discontinue services for non-payment not only limited to the leased property but any other property of the lessee within the jurisdiction of Stellenbosch Municipality (WC024).

17.3 Other specific rental and purchase agreements are tailored to the specific nature and requirements of such transactions.

17.4 Full details of remedies for defaulting lessees and purchasers and procedures to address such defaults must be contained in the relevant contracts, but must not have the effect of limiting the Municipality in terms of this or any other Policy regulating

arrears.

- 17.5 These remedies usually commence with written reminders, leading to the cancellation of the contracts and the institution of further legal action where necessary.
- 17.6 Rental and purchase agreements represent formalised individual contracts that form the basis of all actions by the parties involved. Both parties are bound to such conditions, failing which may lead to the cancellation of such contracts by the parties involved and claims for damages.
- 17.7 Lessees whom may qualify for rental subsidies must be referred to the housing office to apply for such subsidies in an effort to make rentals more affordable.

18. RENTALS IN RESPECT OF MUNICIPAL EMPLOYEES

Apart from the general conditions applicable to general rental the following conditions will also be applied:

- (a) Rent will be based on the principle of market related rentals as required by Municipal Supply Chain Management (SCM) Regulation 40.
- (b) Rent, and optionally rates and service charges, where applicable, may only be paid by means of salary deductions. A specific clause to this effect must form part of the contract.
- (c) The relevant Director, or his/her delegated official, must co-sign rental agreements of employees to ensure that financial conditions are met.

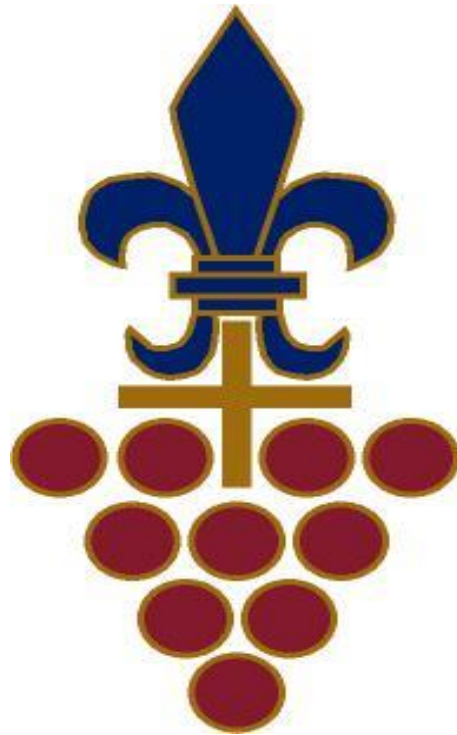
19. INDIGENT CONSUMERS

- 19.1 The Stellenbosch Municipality supports the principle of providing support to indigent consumers by way of providing free basic services in accordance with the provisions of the Municipality's Indigent Policy. All effort must be made to limit the re-occurrence or accumulation of indigent debt of such consumers.

20. SHORT TITLE

This Policy is the Credit Control and Debt Collection Policy of the Stellenbosch Municipality.

STELLENBOSCH MUNICIPALITY



**IRRECOVERABLE DEBT
POLICY**

2019/2020



STELLENBOSCH MUNICIPALITY

IRRECOVERABLE DEBT POLICY

TABLE OF CONTENTS

	PAGE
PREAMBLE	1
1. Requirements before writing-off debt	2
2. Bad Debt Recovered	2
3. Thresholds for writing-off of debt	2
4. Provision for irrecoverable debt	2
5. Short Title	2

PREAMBLE

The Stellenbosch Municipal Council accepts and acknowledges its Constitutional duties and mandate towards the community/consumers of Stellenbosch Municipality (WC024).

Council further acknowledges that in order to deliver services in a sustainable manner, that same be managed in terms of Council's Credit Control and Debt Collection Policy having due regard of its limited financial resources and the need to manage cash flows.

Council therefore is aware of its duty to prepare financial statements that gives a true reflection of the financial position for a given period.

1. Requirements before writing-off debt

All applicable actions as contained in the approved Credit Control and Debt Collection Policy of Stellenbosch Municipality must have been executed/implemented before any debt, owed to the Municipality for any reason whatsoever will be considered for writing-off. However, in special cases where the requirements in terms of the Municipality's Credit Control and Debt Collection Policy were impossible/impractical to implement, the administration must motivate such write-off.

2. Bad Debt Recovered

Bad debt recovered after having been written-off will be treated in terms of the Municipality's Accounting Policy.

3. Thresholds for writing-off of debt

3.1 The writing-off of debt per individual case may be considered as follows:

- (i) Above twenty thousand rand (R20 000) will be effected after Council approval.
- (ii) Amounting to twenty thousand rand (R20 000) and below may be effected after motivation to and approval by the Chief Financial Officer (CFO) or his/her delegate.
- (iii) Amounting to ten thousand rand (R10 000) and below may be effected after motivation to and approval by the Senior Manager: Revenue and Expenditure.
- (iv) Amounting to five thousand rand (R5 000) and below may be effected after motivation to and approval by the Manager Revenue.

3.2 The writing-off of any interest (or part thereof) component of debt, providing that the debt excluding the interest component, is paid in full, may be considered as follows:

- (i) Above one hundred thousand rand (R100 000) will be effected after Council approval.
- (ii) Amounting to one hundred thousand rand (R100 000) and below may be effected after motivation to and approval by the Chief Financial Officer (CFO).
- (iii) Amounting to five thousand rand (R5 000) and below may be effected after motivation to and approval by the Senior Manager Revenue and Expenditure or Manager Revenue.

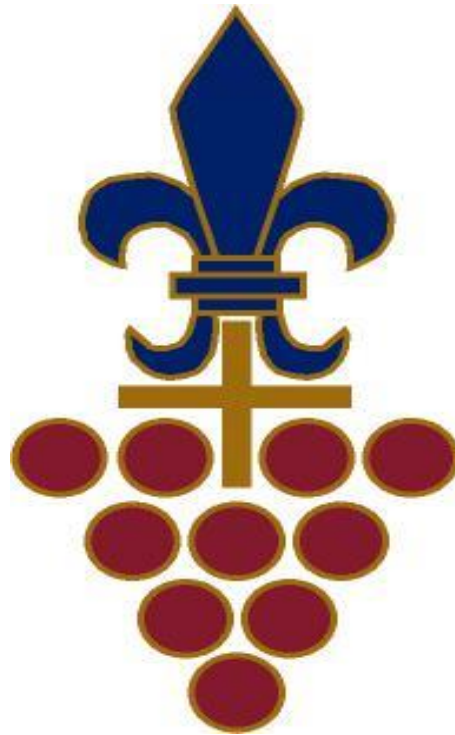
4. Provision for irrecoverable debt

Provision for bad/irrecoverable debt will be dealt with in terms of the Municipality's Accounting Policy.

5. Short Title

This Policy is the Irrecoverable Debt Policy of the Stellenbosch Municipality.

STELLENBOSCH MUNICIPALITY



**PETTY CASH
POLICY**

2019/2020



STELLENBOSCH MUNICIPALITY

PETTY CASH POLICY

TABLE OF CONTENTS

	PAGE
1. INTRODUCTION	1
2. REGULATORY FRAMEWORK.....	1
3. OBJECTIVES	1
4. RESPONSIBILITY AND ACCOUNTABILITY	1
5. PETTY CASH FRAMEWORK.....	2

1. INTRODUCTION

The accounting officer of a municipality is responsible for the management of the expenditure of the municipality in an effective and controlled manner. Therefore the Stellenbosch Municipality adopts the following petty cash policy.

2. REGULATORY FRAMEWORK

- a) The Municipal Finance Management Act (56 of 2003)
- b) Section 15 of the Municipal Supply Chain Regulations
- c) Treasury regulations in terms of Section 13(1) of the Act.
- d) MFMA Circular 82 (Cost Containment Measures)
- e) Any subsequent MFMA Circulars relevant to Petty Cash that may be issued By National Treasury from time to time.

3. OBJECTIVES

Compliance with the regulatory framework in terms of the relevant legislation is required.

4. RESPONSIBILITY AND ACCOUNTABILITY

The key responsibilities in terms of the MFMA (Section 65) are:

Accounting Officer (Municipal Manager)-

- (1) The accounting officer of a municipality is responsible for the management of the expenditure of the municipality.
- (2) The accounting officer must for the purpose of subsection (1) take all reasonable steps to ensure—
 - (a) that the municipality has and maintains an effective system of expenditure control, including procedures for the approval, authorisation, withdrawal and payment of funds;
 - (b) that the municipality has and maintains a management, accounting and information system which—
 - (i) recognises expenditure when it is incurred;
 - (ii) accounts for creditors of the municipality; and

- (iii) accounts for payments made by the municipality;
- (c) that the municipality has and maintains a system of internal control in respect of creditors and payments;
- (d) that payments by the municipality are made—
 - (i) directly to the person to whom it is due unless agreed otherwise for reasons as may be prescribed; and
 - (ii) either electronically or by way of non-transferable cheques, provided that cash payments and payments by way of cash cheques may be made for exceptional reasons only, and only up to a prescribed limit;

The Municipal Manager delegates authority to the Chief Financial Officer to ensure compliance and adherence to the principles established by this policy.

5. PETTY CASH FRAMEWORK

5.1 General Policy

- a. The use of petty cash floats is strictly confined to individual cash purchases of:
 - i) up to a maximum of R500, where the petty cash floats in other departments are used to make purchases,
 - ii) up to a maximum of R2 000, when claimed from the Financial Services Petty Cash Float.
- b. All Petty Cash expenditure must be in compliance with this Policy and MFMA Circular 82 (Cost Containment Measures). Attention is specifically drawn to Section 4 of the Circular.
- c. Under no circumstances may Petty Cash be abused for purposes of avoiding Supply Chain Management procedures. It is not acceptable for one receipt or a number of receipts, in respect of the same event, which have been obtained by the same person, to be split over multiple cash purchase claims.
- d. The Directorate making use of Petty Cash for smaller purchases is responsible for ensuring that sufficient budget is available on the relevant votes.

- e. A petty cash float is not to be used for any of the following:
- i) the cashing of cheques;
 - ii) loans to any person whatsoever;
 - iii) payment of personal remuneration to any employee whatsoever, whether for fees, salaries, wages, travel allowance as part of remuneration, honorarium or other reason.
 - iv) Purchase of capital items
- f. Examples of permissible Petty Cash Expenditure may include, but is not limited to:
- Toll Fees
 - Parking Fees
 - Postage
 - PDP and Licence fees
 - Keys
 - Car Wash
 - Fire Arm Licencing
- g. Should there be any uncertainty, the relevant Director may exercise discretion and approve a requisition for Petty Cash, or in the case of an own Petty Cash Float, approve such expenditure.
- hotter cash floats may also be established for the purpose of providing change, for a cash register, or any other purpose approved by the Chief Financial Officer. Use of such floats is restricted to the purpose for which they were established.
- i. The Chief Financial Officer may approve the use of petty cash for specific use, based on practical reasons or cost-benefit reasons. Such an authority will be done on a case by case basis for the purposes of considering merit.
- j. The CFO may determine and approve the maximum amount to be held in any individual petty cash float.

5.2 Purchases through Petty Cash Float – Supply Chain Management Office

- a. Purchases from SCM database suppliers shall be allowed in the following instance, provided that a monthly submission are made to the CFO of all purchases and the respective director confirming the enforcement of rotation of suppliers:

- i) When the amount of the individual purchase / event is less than R250.00, irrespective of it being an emergency or not.
- b. Purchases from SCM database suppliers are NOT allowed for capital items or fuel.
- c. Petty claims will be dealt with on a first come, first serve basis and it is subject to the monetary limit of the petty cash.

5.3 Establishing and Operating a Petty Cash Float

- a. To establish a new petty cash float or increase an existing advance, a written application is to be made to the Chief Financial Officer by the relevant Department, motivating the need for such petty cash float.
- b. The total value of the advance requested will be an amount which would normally necessitate reimbursement approximately once a fortnight. This level of advances keeps to a minimum the overall cash in the buildings on municipal property and ensures regular inclusion of information regarding expenditure in financial reports and for budget control purposes.
- c. A request for the establishment of an advance will indicate the name and status of senior administrative or clerical staff to be held responsible for the operation of the petty cash float. The staff member's specimen signature must also be submitted by the Department to the Chief Financial Officer, together with the application documentation.
- d. The application will indicate the security arrangement in place to ensure safe custody of funds in the office. The minimal security arrangement that will be acceptable is that the float will be kept in a locked box which will be kept in a locked filing cabinet or safe. If an advance is approved, the Assistant Accountant: Creditors will advise the Department accordingly and request that the responsible staff member collect the advance. This establishing advance will be charged to a "Petty Cash Advances - ...Name/Dept..." in the General Ledger and not against any expenditure votes. A register of advances is thus maintained per Ledger Account for the purpose of accounting for all petty cash floats.

5.4 Security of Petty Cash Floats

- a. The cash on hand and used petty cash vouchers are to be kept in a locked box for which there should be two keys. One key is to be retained by the officer (on their

person) normally responsible for the petty cash and the other to be kept in a sealed envelope in the office safe or other secure place, to be used only in an emergency.

- b. The locked petty cash box must be kept in a secure place when not in use and should be removed and returned by the responsible staff member only. At no stage should staff other than the responsible administrative/clerical staff member have access to the storage place of the petty cash box.
- c. Under no circumstance are keys to be left in the lock to the petty cash box, cabinet or safe.
- d. If the responsible officer is either going on leave or is leaving the Municipality's employment, the petty cash float is to be reconciled and signed by the departing- as well as replacement staff members, to indicate their agreement as to its balance. The replacement staff specimen signature must also be submitted to the Chief Financial Officer.

5.5 Completing a Cash Purchase Claim Form

- a. Petty cash stationery is available from the Expenditure Section (Financial Services). The form consists of two parts:
 - (i) Cash Purchase Claim page
 - (ii) Cash Purchase Record page
 - (iii) Receipt for cash advance (Only when appropriate, refer paragraph on Advances).
- b. All details entered on the Cash Purchase Claim appear on the Cash Purchase record page.
- c. The Cash Purchase Claim must be completed as follows:
 - (i) description and cost of the goods/services purchased
 - (ii) purchaser's signature
 - (iii) vote number to be charged
 - (iv) signature of the Officer in Charge of Petty Cash.
- d. Original receipts or other valid documentation as required must be attached as proof of payment, with the signature of an appropriate financial delegate on this documentation. A financial delegate cannot authorise a cash purchase claim where she or he is the purchaser.

5.6 Sub-Advances to staff members

- a. If it is necessary to make an initial sub-advance to a staff member for various needs, a receipt for cash advance must be completed. The receipt for Cash Advance Form must be completed as follows:
 - (i) description and *estimated* cost of the goods/services purchased
 - (ii) purchaser's signature
 - (iii) vote number to be charged
 - (iv) signature of the Officer in Charge of Petty Cash.
- b. On completion of the purchase, the recording-, documentation- and authorization requirements will be as stated in the above paragraph: Completing a Cash Purchase Claim Form.

All such sub-advances will be accounted for within 24 hours, by submitting original receipts and other applicable documentation required, attached as proof of payment (with the approval signature on the documentation). Where this cannot be achieved, the buyer will be liable to pay back the advance without any delay or the money will be deducted on his/her next salary irrespective of consent being given or noted. Not more than one advance will be made to any one person at a time.

5.7 Out-of-Pocket Payments

- a. Where a staff member has made purchases from their own funds and now seeks reimbursement from the petty cash, supporting documentation must be provided to substantiate the claim.
- b. The supporting documentation is to be attached to the Claim.
- c. The recording-, documentation- and authorization requirements will be as stated in the above paragraph (**Completing a Cash Purchase Claim Form**).

5.8 Reimbursement of Petty Cash Floats

- a. A petty cash float is operated on the basis that expenditure from the float is periodically reimbursed. Such reimbursement-
 - (i) returns the cash level of the petty cash float to its original level and
 - (ii) charges the expenditure which has been made, to the correct expenditure vote.

- b. Accordingly, at any point of time, the sum of the cash on hand, i.e. remaining unspent, plus the cash advances for un-finalised purchases, plus the completed cash purchase claim forms, will equal the level of the petty cash advanced to the Department.
- c. Completed Cash Purchase Claim forms, with attached cash register slips, etc., must be taken by the officer in charge of the Petty Cash in a Directorate/Department, to the Assistant Accountant: Accounts Payable for reimbursement, after the Summary Claim Cover Page and attached documentation have been authorised by a financial delegate at least once in 14 days. Reimbursement of claims where supporting documentation is missing will not be entertained.
- d. The prescribed Summary Cash Purchase Claim form as well as other relevant forms attached to it must be completed in full.
- e. The most recently completed Cash Purchase Claim form must record the reconciliation of the petty cash float. The Assistant Accountant: Accounts Payable will refuse reimbursement of claims where this is not supplied.
- f. A petty cash float must never be reimbursed with funds derived from any other source whatsoever.

5.9 Shortages

- a. Any shortages in respect of a petty cash float must be paid in immediately.
- b. Where a petty cash float is stolen the incident must be reported promptly to the Chief Financial Officer in the required format, after which same needs to be reported to the South African Police Services and a case number provided to the Assistant Accountant: Accounts Payable.

5.10 Procedure applicable when a Petty Cash Float is repaid/cancelled

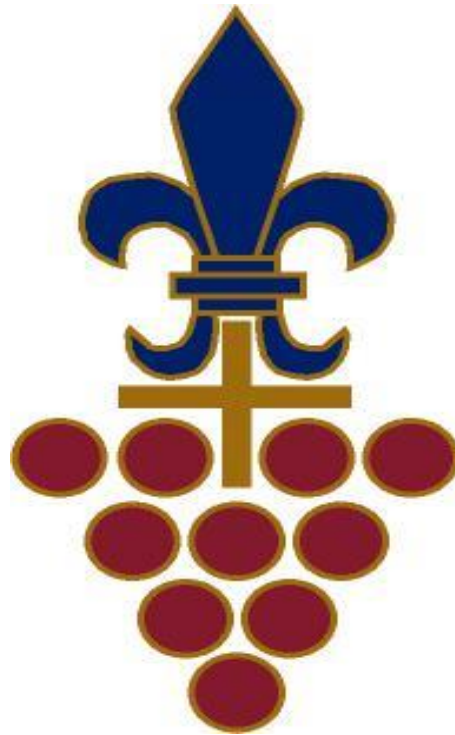
When an advance is no longer required, a statement in a form of a memorandum is to be completed and signed by the Head of the relevant Department and submitted to the Assistant Accountant: Accounts Payable, with the balance of cash on hand and completed and authorized Cash Purchase Claim forms. The most recently completed Cash Purchase Claim form will record the reconciliation of the petty cash float, where after a cheque will be issued to the relevant person to effect completion of the transaction..

The Cashier will issue a receipt to the affected department.

5.11 Financial year-end procedures

Reconciled petty cash registers (cash slips attached), accompanied with the cash balance must be returned to the Senior Accountant: Expenditure a week before the financial year end

STELLENBOSCH MUNICIPALITY



**TRAVEL AND SUBSISTENCY
POLICY**

2019/2020



STELLENBOSCH MUNICIPALITY

TRAVEL AND SUBSISTENCE POLICY

TABLE OF CONTENTS

PAGE

1. OBJECTIVE	1
2. TRAVEL	1
2.1 RESPONSIBILITIES OF REPRESENTATIVES WHO TRAVEL ON BUSINESS OF THE MUNICIPALITY	1
2.2 CAR RENTAL, TRAVEL COSTS AND RATES	1
3. SUBSISTENCE	3
3.1 SUBSISTENCE ALLOWANCE	3
4. ACCOMMODATION	4
4.1 ACCOMMODATION COSTS	4
5. TRAVEL AND SUBSISTENCE ALLOWANCES FOR APPLICANTS INVITED FOR INTERVIEWS	5
6. AUTHORISATION	5
6.1 FOR PURPOSES OF IMPLEMENTING THIS POLICY	5
7. COUNCIL DELEGATES	6
8. COMMITTEES ESTABLISHED AS A RESULT OF PRESCRIBED LEGISLATION	6
9. AUTHORITY	7
10. TRAVEL AND SUBSISTENCE ALLOWANCE CLAIM FORM	7

1. OBJECTIVE

It is essential that representatives of this municipality from time to time travel in order to establish and maintain links and relationships with other municipalities, government bodies, and other parties, institutions and organizations operating in the sphere of local government. It should also be read together with paragraph 2 of MFMA Circular 82 of 30 March 2016 as well as the Cost Containment Regulations as far as it is applicable to travel and subsistence issues.

This policy sets out the basis for the payment of a subsistence travel allowance, hourly rate when applicable and for the purpose of such official traveling.

2. TRAVEL

2.1 *Responsibilities of Representatives who travel on Business of the Municipality*

- a) Every representative who travels on the business of the municipality must comply with this policy in letter and in spirit.
- b) Representatives who travel on the business of the municipality must take note that their actions, conduct and statements must be in the best interest of the municipality, and they must comply with any specific mandates they have been given.

2.2 **Car Rental, Travel Costs and rates**

- a) Only "A" or "B" category vehicles may be rented, unless it is more cost-effective to hire any other category (for example, when the number of representatives involved could justify the hire of a micro-bus).
- b) Car rental must be approved as part of the travel package before the trip is embarked on. A representative who rents a vehicle whilst traveling on the business of the municipality without having received prior authorization will only be reimbursed for the cost of the vehicle rental if proof of expenditure can be produced and the representative can demonstrate that vehicle rental was reasonably but unexpectedly necessitated by the circumstances.
- c) All flights by representatives of the municipality shall be in economy class, unless another class of travel is specifically authorized by-

- (i) the executive committee, with regard to Holders of Public Office and the Municipal Manager, or
 - (ii) the Municipal Manager, with regard to officials and applicants for interviews.
- d) Parking and toll fee – actual cost will be reimbursed via Petty Cash after the submission of proof of expenditure.
- e) If a representative has to utilize his or her personal motor vehicle he or she will be reimbursed at:
- i) Councillors:
Will be reimbursed in terms of the Private Column of Department Transport monthly circulars pertaining to Tariffs for the Use of Motor Transport to a maximum of R4.50 per kilometer.
 - ii) Officials with vehicle/car allowance:
Will be reimbursed at a flat rate of R4.50 per kilometer where motor vehicles are used and R2.00 per kilometer where motor cycles are used.
 - iii) Officials who are in receipt of an Essential User Transportation Allowance:
will be reimbursed according to the official Cost Tables contained in the “Essential User Scheme: Transport Allowance” circulars of the South African Local Government Bargaining Council – Western Cape Division applicable.
 - iv) Officials without a car allowance and Members of a Committee: established in terms of applicable legislation, as per the Rate per kilometer fixed by the Minister of Finance under section 8(1)(b)(ii) and (iii) of the Income Tax Act, 1962. . The distance to which the reimbursement applies, must be the shortest distance between the municipality’s offices and the location where the official business is to be transacted. If the total number of kilometers for which such reimbursement is received exceeds 8 000 in any tax year, reimbursement for the excess kilometers over 8 000 must be taxed for PAYE purposes. If the cost of any one trip exceeds that of an air ticket, the lesser amount will be paid.

The number of employees travelling to conferences or meetings on official duty for the same matter is limited to three (3) employees, unless otherwise approved in advance by the relevant Director, or Accounting Officer in the case of Directors travelling.

- f) Similar to the above, the number of employees travelling by air to other centers to attend an official engagement on the same matter is also limited to three (3) employees, unless otherwise approved in advance by the relevant Director or Accounting Officer in the case of Directors travelling.
- g) For the purpose of this policy, domestic travel shall mean travel within South Africa, and international travel shall mean travel to any country other than South Africa.
- h) The Accounting Officer will when appropriate determine an hourly rate for the different committees serving Council.
- i) Notwithstanding the above provisions, all employees must make use of shuttle services if the cost of such services is below the cost of hiring a vehicle.

3. SUBSISTENCE

3.1 Subsistence Allowance

- a) A representative may claim a daily subsistence allowance as provided in this policy with the understanding that all authorized personal expenses are covered by the subsistence allowance. No further expenses, with the exception of certain business expenses (see below), may be claimed.
- b) In line with SARS guidelines on Subsistence Allowances and Advances, A daily subsistence allowance will only be applicable where-
 - (i) The representative is obliged to spend at least one night away from his or her usual place of residence on business; R416 per day, or
 - (ii) The representative will be on official business for a period exceeding 12 hours, without having to spend a night away from his or her usual place of residence; R128 per day.
- c) A representative of the municipality must claim his or her subsistence allowance, as provided in this policy before embarking on any official trip, with the exception where such claim reaches the creditors section at least three days before the trip; in which case such claim must be submitted after the event. Such a claim must be accompanied by details of the conference or workshop or emailed/faxed invitation.
- d) No subsistence allowance will be paid, and no representative will be entitled to a subsistence allowance, if the trip or travel is not related to the official business of the

municipality. All travel on business of the municipality must be approved as such before a representative is entitled to a subsistence allowance.

e) For the purpose of a subsistence allowance, a representative shall mean-

- (i) mayor or executive mayor, as the case may be
- (ii) deputy-mayor
- (iii) speaker
- (iv) members of the executive committee or mayoral committee, as the case may be
- (v) other councillors specifically authorized to represent the municipality on a particular occasion
- (vi) municipal manager
- (vii) directors
- (viii) any other official/representative specifically authorized to represent the municipality on a particular occasion
- (ix) any official or councilor who is a member of a recognized professional institution and is granted permission to attend meetings and conferences of such institution.

f) The subsistence allowance of international travel will be the lesser of:

- (i) an amount equivalent to the rates as determined by SARS , at the beginning of 1 July every year.

Or

- (ii) US\$190 per day where the exchange rate of ZAR is more than 5:1 in relation to the currency of the destination country; and
- (iii) US\$100 per day where the exchange rate of ZAR is less than, or equal to 5:1 in relation to the currency of the destination country;

4. ACCOMMODATION

4.1 Accommodation Costs

- a) Representatives who travel on the business of the municipality, where the business unavoidably entails one or more nights to be spent away from home, may stay in a hotel, motel, guesthouse or bed and breakfast establishment.

- b) The actual cost of accommodation will be borne by the municipality, subject to a maximum of 3- to 4 star rating for the accommodation itself in respect of domestic travel. Where such accommodation is available, the rate for a single room will be payable.
- c) If no such accommodation is available, higher rating accommodation can be used subject to the prior approval of the Municipal Manager.
- d) If a representative stays with a relative or friend, no accommodation allowance may be claimed, but the representative may claim a subsistence allowance of R353.00 per day.
- e) The recoverable cost of accommodation for international travel may not exceed US\$350 per day.
- f) The municipality will at all times firstly consider accommodation where the National Treasury has negotiated discounts for rates as per MFMA circular 82. In the absence of such accommodation or failure to secure space, only then will the municipality consider accommodation outside the "NT negotiated accommodation".
- g) Withstanding the provisions of 4 (1)(c), the procurement of all accommodation services will be subjected to the municipality's SCM policy and preferential procurement policy.

5. TRAVEL AND SUBSISTANCE ALLOWANCES FOR APPLICANTS INVITED FOR INTERVIEWS

- (a) If a representative has to utilize his or her personal motor vehicle he or she will be reimbursed at the same rates as stipulated in paragraph 2.2(e)(ii) of this policy.

6. AUTHORISATION

6.1 For purposes of implementing this policy

- a) Only the Municipal Manager may authorize any travel to be undertaken by Directors, but provided the expenses to be incurred are on the approved budget of the relevant department. Claims by other officials to be authorized by directors concerned.

- b) Only the Director Strategic and Corporate Services or the Municipal Manager may authorize payments to be made for persons invited for interviews, but provided that the expenses to be incurred are on the approved budget.
- c) Only the Executive Mayor together with the relevant director may authorize any travel to be undertaken by Holders of Public Office, or the municipal manager, but provided the expenses to be incurred are on the approved budget of the municipality.
- d) Only Directors may authorize any travel to be undertaken by employees in the respective Directorate, but provided the expenses to be incurred are on the approved budget of the municipality.
- e) As far as is practically possible, authorization for the above must be obtained prior to the occasion by any representative who travels on the business of the municipality.

An invitation to attend a workshop, meeting or related event is not an automatic authorization to attend such workshop or event. The required authorization must still be obtained from the municipal manager or executive mayor, executive committee or director as the case may be.

7. COUNCIL DELEGATES

Council delegates or representatives to any conference, workshop or meeting must ensure that they arrive on time and attend until the conclusion of such event. If any representative fails to do so, the executive mayor or executive committee, the municipal manager or director as the case may be, may recover all allowances and disbursements paid to enable such delegate or representative to attend such event, provided that such delegate or representative is afforded the opportunity to submit reasons for not being able to be present from the commencement to conclusion of such event.

8. COMMITTEES ESTABLISHED AS A RESULT OF PRESCRIBED LEGISLATION

Any committee established as a result of prescriptions in relevant legislation, will for the purposes of application of this policy, qualify for an allowance equal to that paid to Holders of Public Office.

9. AUTHORITY

Any deviation from this policy for whatsoever reason must be authorized by the Municipal Manager and in the case of the Municipal Manager, the Executive Mayor will authorize.

In any instance where a delegate did not attend business as approved in accordance with this policy, any expenditure incurred by the council should be refunded by the representative. All deviations in this regard must be approved by council.

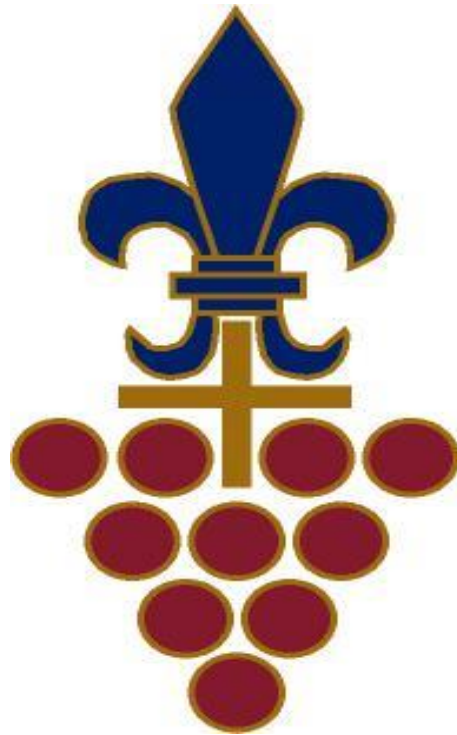
10. TRAVEL AND SUBSISTANCE ALLOWANCE CLAIM FORM

The official Travel and Subsistence Allowance claim form, as prescribed by Chief Financial Officer must be used with regard to Travel and Subsistence Allowance applications. The approved form should reach the creditors office 3 days before the intended day of departure in order for allowances to be paid to the representative timeously.

11. SHORT TITLE

This Policy will be known as the Travel and Subsistence Policy.

STELLENBOSCH MUNICIPALITY



VIREMENT POLICY

2019/2020



STELLENBOSCH MUNICIPALITY

VIREMENT POLICY

Table of Contents

	Page
1. Preamble	3
2. Definitions	3
3. Legislative Framework	5
4. Objective of Policy	5
5. Virement Clarification	5
6. Virement Procedure	5
7. Virement Restrictions	6
8. General Principle	7
9. Accountability	7
10. Annexures	7

1. Preamble

Cognisance taken of the need that may arise to transfer within approved votes due to the change in circumstances and priorities.

2. Definitions

"Approved budget," means an annual budget-

- a) approved by a municipal council, or
- b) includes such an annual budget as revised by an adjustments budget in terms of section 28 of the MFMA;

"Budget transfer" means transfer of funding within a vote subject to limitations.

"Capital budget" means a financial plan catering for large and long-term sums for investment in property, plant and machinery, over a period greater than the period considered under an operating budget.

"Chief Financial Officer" means a person designated in terms of section 80(2) (a) of the MFMA;

"Delegation", in relation to a duty, includes an instruction or request to perform or to assist in performing the duty;

"Financial year" means a twelve months period commencing on 1 July and ending on 30 June each year

"Municipal council" or "council" means the council of a municipality referred to in section 18 of the Municipal Structures Act;

"Municipality"-

- a) when referred to as a corporate body, means a municipality as described in section 2 of the Municipal Systems Act; or
- b) when referred to as a geographic area, means a municipal area determined in terms of the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998);

"Official", means-

- a) an employee of a municipality or municipal entity;

- b) a person seconded to a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity; or
- c) a person contracted by a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity otherwise than as an employee;

"Operating budget" An operating budget is the annual budget of an activity stated in terms of Budget Classification Code, functional/sub-functional categories and cost accounts. It contains estimates of the total value of resources required for the performance of the operations in terms of revenue and expenditure including reimbursable work or services for others;

"Overspending"-

- a) means causing the operational or capital expenditure incurred by the municipality during a financial year to exceed the total amount appropriated in that year's budget for its operational or capital expenditure, as the case may be;
- b) in relation to a vote, means causing expenditure under the vote to exceed the amount appropriated for that vote; or
- c) in relation to expenditure under section 26 of the MFMA, means causing expenditure under that section to exceed the limits allowed in subsection (5) of this section;

"Virement" refer to the definition of budget transfer

"Vote" means-

- a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the
- b) municipality; and
- c) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

3. Legislative Framework

Paragraph 4.6 of Circular 51 of the MFMA states that:

“The MFMA and the Municipal Budget and Reporting Regulations seek to move municipalities away from the traditional approach of appropriating/approving budgets by line item. The aim is to give the heads of municipal departments and programmes greater flexibility in managing their budgets. To further facilitate this, each municipality must put in place a council approved virements policy, which should provide clear guidance to managers of when they may shift funds between items, projects, programmes and votes.”

4. Objective of Policy

This policy shall give effect to the requirements and stipulations of the Municipal Finance Management Act and Municipal Budget and Reporting Framework in terms of the Approved budget.

The policy sets out the virement principles and processes which Stellenbosch Municipality will follow during a financial year.

These virements will represent a flexible mechanism to effect budgetary amendments within a municipal financial year.

The policy shall apply to all staff and councillors of the Stellenbosch Municipality that are involved in budget implementation.

5. Virement Clarification

Virement is the process of transferring budgeted funds from one line item number to another, with the recommendation of the relevant Director to the CFO or delegated finance official, to enable the Budget Office to effect the adjustments.

6. Virement Procedure

- a) All virement proposals must be completed on the appropriate documentation and forwarded to the relevant Finance Officer for checking and implementation. (See annexure 1 and 2)

- b) All virements must be signed and supported by the relevant Director of the directorate within which the vote is allocated. (Section 79 MFMA)
- c) Projected cash flows in the SDBIP should be attached to all virement request and be adjusted in line with the virement.
- d) Relevant corroborating documentation must be attached on the virement form to support the transfer.
- e) All documentation must be in order and approved before any expenditure can be committed and incurred.
- f) All virementations must be motivated and need to be approved by the CFO or a delegated official after the Director of the department has recommended said transfer. The latter requires that such application reaches the office of the CFO prior to incurring expenditure.
- g) The turnaround time for processing of virementations are 72 hours, only if the virement request meets all the necessary requirements.
- h) No virementations will be considered if it equates to facilitating fiscal dumping
- i) No virements after the closing of orders as stipulated in the financial protocol and/or formally communicated in line with the financial year-end preparation will be considered unless in an absolute emergency that could reasonably not have been foreseen.

7. Virement Restrictions

- a) Virements are not permitted in relation to the revenue side of the budget.
- b) No virements of funds across votes (directorates) will be accommodated during the year; unless within the adjustments budget.
- c) Virements from the capital budget to the operating budget are not permitted.
- d) Virements will not result in adding 'new' projects to the Capital Budget.

- e) Virements of conditional grant funds to purposes outside of that specified in the relevant conditional grant framework will not be permitted.
- f) The budget savings from the following line items (necessary adjustments) may only be considered and transferred by the CFO:
 - (i) Employee Related Cost
 - (ii) Remuneration of councillors
 - (iii) Depreciation and asset impairment
 - (iv) Finance Charges (Interest on Loan)
 - (v) Municipal Services Consumption (Water, Electricity, Refuse and Sewerage)
 - (vi) Bulk Purchases (Water and Electricity)
 - (vii) Transfers and subsidies paid
- g) An approved virement does not give expenditure authority outside of what is allowed by Council's Supply Chain Management Policy.

8. General Principle

Virements will only be approved if they facilitate and promote sound risk and financial management.

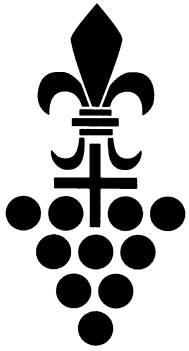
9. Accountability

Accountability to ensure that the virement application forms are completed in accordance with Council's virement policy and are not in conflict with the directorate's strategic objectives manifests with the head of the relevant directorate.

10. Annexures

Annexure 1: Virement Form (Capital and Operating)

Annexure 2: Supporting document to Ward Allocation virement request.



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CREATION OF UNIQUE KEY FORM

TO: MANAGER: BUDGET OFFICE

FROM:

DATE:

The following information is required:

Directorate :
Department/Section :
Cost Centre :
Type of Unique Key :
Description of Unique Key :
Project :

Detail and motivation for new line item:

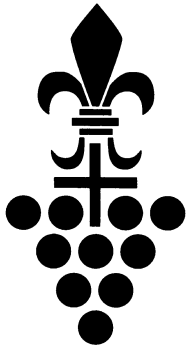
Requested by:

Name :

Designation :

Telephone Number :

Supported: Director



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TYPE	
CAPITAL	
OPERATING	

BUDGET VIREMENTATION FORM

TO: FINANCIAL SERVICES

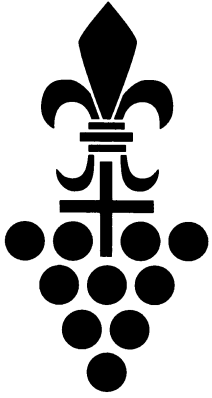
FROM:

DATE:

The following transfers are requested, as per motivation provided.

From Unique Key :	Amount
Unique Key Description:	
To Unique Key :	Amount
Unique Key Description:	

- 1. Why are additional funds requested ?**
- 2. Is it part of the legislative mandate of the municipality?**
Yes/ No
- 3. Which measures will be implemented to ensure expenditure are managed within the approved budget?**
- 4. Where funds would be transferred from?**
- 5. Reasons why funds are not needed from the transferring Unique Key?**



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Requested by

Name :

Designation :

Telephone Number :

Supported:



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FOR OFFICAL USE

BUDGET OFFICE

FUNDS AVAILABLE ON UNIQUE KEY : YES NO

CASHFLOW ATTACHED : YES NO

SUPPORTING DOCUMENTS : YES NO N/A

VERIFIED BY : NAME: _____

SIGNATURE: _____

DATE: _____

COMMENTS: _____

APPROVAL

APPROVED BY CHIEF FINANCIAL OFFICER/ : _____
DELEGATED OFFICIAL

DATE : _____

COMMENTS: _____

PROCESSED BY : NAME: _____

SIGNATURE: _____

DATE: _____



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WARD ALLOCATIONS

Supporting document to Virement Request

Ward: Amount: Fin Year:

Transferring Ukey:

Receiving Ukey:

Job number:

Job number:

Project Description:

Project Description:

Approved: Project Manager (Transferring)

Approved by the Ward Councillor:

Name:

Name:

Signature:

Signature:

Approved: Project Manager (Receiving)

Approval by the CFO/Manager: Budget Office

Name:

Name:

Signature:

Signature:

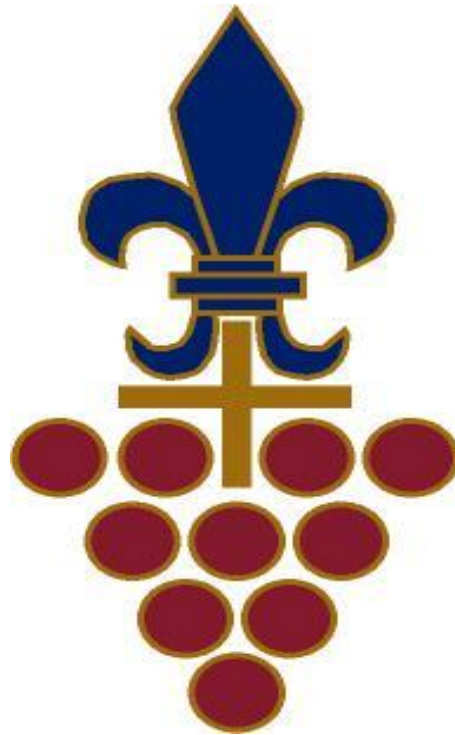
Budget Office Use only

Processed by:

Signature:

Date:

STELLENBOSCH MUNICIPALITY



**ACCOUNTING
POLICY**

2019/2020



STELLENBOSCH MUNICIPALITY

ACCOUNTING POLICY

Table of Contents

	Page
1. Basis of Preparation	3
1.1 Housing development fund	3
1.2 Internal reserves	3
1.3 Significant judgements and sources of estimation uncertainty	4
1.4 Biological assets that form part of an agricultural activity	7
1.5 Investment property	7
1.6 Property, plant and equipment	8
1.7 Intangible assets	12
1.8 Heritage assets	14
1.9 Financial instruments	15
1.10 Leases	19
1.11 Inventories	20
1.12 Landfill site	20
1.14 Employee benefits	24
1.15 Provisions and contingencies	31
1.16 Revenue from exchange transactions	33
1.17 Revenue from non-exchange transactions	35
1.18 Value Added Tax	39
1.19 Cash and cash equivalents	39
1.20 Borrowing costs	41
1.21 Comparative figures	42
1.22 Unauthorised expenditure	42
1.23 Fruitless and wasteful expenditure	42
1.24 Irregular expenditure	42
1.25 Impairment of non-cash-generating assets	42
1.27 Budget information	46
1.28 Events after reporting date	46
2.2 Standards and interpretations issued, but not yet effective	46

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 the 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.

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.

1.2 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:

Going concern

The annual financial statements have been prepared on the basis that the municipality is a going concern and will continue operation for the next 12 months.

Revenue recognition

Accounting Policy 1.16 on Revenue from Exchange Transactions and Accounting Policy 1.17 on Revenue from Non- exchange Transactions describes the conditions under which revenue will be recorded by the management of the municipality.

In concluding judgement, management considered the detailed criteria for recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and, in particular, whether the municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services are rendered, whether the service has been rendered. The management of the municipality is satisfied that recognition of the revenue in the current year is appropriate.

Sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Impairment of financial assets

Accounting Policy 1.9: Financial Instruments, referring to the paragraph on impairment of financial assets, describes the process followed to determine the value with which financial assets should be impaired. In making the estimation of the impairment, the management of the municipality considered the detailed criteria of impairment of financial assets as set out in GRAP 104: Financial Instruments - Recognition and Measurement. The management of the municipality is satisfied that impairment of financial assets recorded during the year is appropriate. Details of the impairment loss calculation are provided in the applicable notes to the annual financial statements.

Useful lives of property, plant and equipment and intangible assets

As described in Accounting Policy 1.6 and 1.7 the municipality depreciates its property, plant and equipment and intangible assets over the estimated useful lives of the assets, taking into account the residual values of the assets at the end of their useful life, which is determined when the assets are brought into use. The useful life and residual values of the assets are based on industry knowledge and are reassessed annually.

Employee benefit obligations

The municipality obtains actuarial valuations of its employee benefit obligations. The employee benefit obligations of the municipality that were identified are post-retirement health benefit obligations and long-service awards. The estimated liabilities are recorded in accordance with the requirements of GRAP 25. Details of the liabilities and the key assumptions made by the actuaries in estimating the liabilities are provided in the applicable notes to the annual Financial Statements.

Impairment of non-financial assets

The recoverable (service) amounts of cash-generating units and individual assets have been determined based in the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.

It is reasonably possible that the assumptions may change which may then impact our estimations and may then require a material adjustment to the carrying value of tangible assets.

Value in use of cash generating assets

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including economic factors such as inflation and interest.

Value in use of non-cash generating assets.

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that the impairment may have occurred, the remaining service potential of the asset is determined. The most appropriate approach selected to determine the remaining service potential is dependent on the availability of data and the nature of the impairment.

Provisions

Provisions are raised and management determines an estimate based on the information available. Additional disclosures of these estimates of provisions are included in note 20 - Provisions.

Allowance for slow moving, damaged and obsolete stock

An allowance for inventory to write inventory down to the lower of cost or net realisable value. Management has made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the surplus/deficit.

Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the municipality is the current bid price. The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. The municipality uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.

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.

1.3 Biological assets that form part of an agricultural activity

The municipality recognises biological assets that form part of an agricultural activity or agricultural produce when and only when:

- the municipality controls the asset as a result of past events;
- it is probable that future economic benefits or service potential associated with the asset will flow to the municipality; and
- the fair value or cost of the asset can be measured reliably.

Biological assets that form part of an agricultural activity are measured at their fair value less costs to sell.

A gain or loss arising on initial recognition of biological assets that form part of an agricultural activity or agricultural produce at fair value less costs to sell and from a change in fair value less costs to sell of a biological assets that form part of an agricultural activity, is included in surplus or deficit for the period in which it arises.

Where market determined prices or values are not available, the present value of the expected net cash inflows from the asset, discounted at a current market-determined pre-tax rate where applicable, is used to determine fair value.

Where fair value cannot be measured reliably, biological assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Item	Useful life
Trees in a plantation forest	indefinite

1.4 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.

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

1.5 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

Property, plant and equipment is recognised as an asset when:

- it is probable that the future economic benefits or service potential that are

- associated with the property, plant and equipment will flow to the municipality; and the cost or fair value of the item can be determined reliably.

Measurement

Property, plant and equipment are initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary cost of dismantling and removing the asset and restoring the site on which it is located.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the municipality is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major 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:

Item	Average useful life
Land	
Land	indefinite
Buildings	
Buildings	30-99
Infrastructure assets	
Roads and paving	10-100
Electricity	10-50
Water	10-100
Sewerage	10-100
Solid Waste	10-100
Community assets	
Improvements	30
Recreational facilities	20-30
Security	5
Capital restoration asset	
Landfill site	5-30
Machinery and equipment	
Emergency equipment	5-15
Office equipment	3-5
Plant and equipment	3-25
Furniture and office equipment	
Office equipment	5-25
Furniture and fittings	3-30
Transport assets	
Motor Vehicles	5-20
Plant and equipment	5-15
Watercraft	15
Computer equipment	
Computer hardware	5-15
Libraries	
Library buildings	30

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an annual basis does not require the municipality to amend the previous estimate unless expectations differ from the previous estimate.

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 charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of municipality 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.

Compensation from third parties for an item of property, plant and equipment that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

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. These assets are not accounted for as non-current assets held 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 municipality.

1.6 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from the municipality and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations. A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale;
- there is an intention to complete and use or sell it;
- there is an ability to use or sell it;
- it will generate probable future economic benefits or service potential;
- there are available technical, financial and other resources to complete the development and to use or sell the asset; and
- the expenditure attributable to the asset during its development can be measured reliably. Intangible assets are initially measured at cost.

Subsequent to initial measurement intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

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

Internally generated goodwill is not recognised as an intangible asset.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software	3 years
Databases	30 years

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of an intangible asset is the difference between the net disposal proceeds and the carrying amount and is included in surplus or deficit when the asset is derecognised.

1.7 Heritage assets

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

Recognition

The municipality recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably.

Where the municipality holds a heritage asset, but on initial recognition it does not meet the recognition criteria because it cannot be reliably measured, information on such a heritage asset is disclosed in note 14 Heritage assets.

Initial measurement

Heritage assets are measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Subsequent measurement

Subsequent to initial measurement classes of heritage assets are carried at cost less any accumulated impairment losses.

Impairment

The municipality assesses at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the municipality estimates the recoverable amount

or the recoverable service amount of the heritage asset.

Transfers

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset.

Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

Derecognition

The municipality derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is included in surplus or deficit when the item is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

1.8 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The municipality has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Receivables from exchange transactions	Financial asset measured at amortised cost
Receivables from non-exchange transactions	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost
Other receivables from exchange transactions	Financial asset measured at amortised cost

The municipality has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Payables from exchange transactions	Financial liability measured at amortised cost
Consumer deposits	Financial liability measured at amortised cost
Other financial liabilities	Financial liability measured at amortised cost

Initial recognition

The municipality recognises a financial asset or a financial liability in its statement of financial position when the municipality becomes a party to the contractual provisions of the instrument.

The municipality recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The municipality measures a financial asset and financial liability initially at its fair value plus, in the case of a financial asset or a liability not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The municipality first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the municipality analyses a concessionary loan into its component parts and accounts for each component separately. The municipality accounts for that part of a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

Subsequent measurement of financial assets and financial liabilities

The municipality measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the municipality establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated

to provide reliable estimates of prices obtained in actual market transactions, the municipality uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on municipality-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, the municipality calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data..

Short-term receivables and payables are not discounted where the initial credit period granted or received is consistent with terms used in the public sector, either through established practices or legislation.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectibility of financial assets

The municipality assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

For amounts due to the municipality, significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy and default of payments are all considered indicators of impairment.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in surplus or deficit. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

The calculation in respect of the impairment of fines receivable (receivables from non-exchange transactions) is based on an assessment of the past history of fines per category.

Derecognition Financial assets

The municipality derecognises financial assets using trade date accounting. The municipality derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the municipality, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the municipality:
 - derecognise the asset; and
 - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

Financial liabilities

The municipality removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including

any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by a n o t h e r 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).

1.9 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the municipality assesses the classification of each element separately.

Housing rental and instalments

Finance income from the sale of housing by way of instalment sales agreements or finance leases is recognised on a time proportion basis.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in statement of financial performance.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight- line basis.

Any contingent rent is expensed in the period in which they are incurred.

1.10 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, and then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for:

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs. The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.11 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.

1.12 Impairment of cash-generating assets

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity.

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also test a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

Reversal of impairment loss

The municipality assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating

asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

1.13 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 recognises the expected cost of bonus, incentive and performance related payments when the municipality has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Accrued leave pay

Liabilities for annual leave are recognised as they accrue to employees. Liability is based on the total accrued leave days owing to employees and is reviewed annually.

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which a municipality provides post-employment benefits for one or more employees.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

Multi-employer plans

The municipality classifies a multi-employer plan as a defined contribution plan or a defined benefit plan under the terms of the plan (including any constructive obligation that goes beyond the formal terms).

Where a plan is a defined contribution plan, the municipality accounts for it the same way as for any other defined contribution plan.

Where a plan is a defined benefit plan, the municipality accounts for its proportionate share of the defined benefit obligation, plan assets and cost associated with the plan in the same

way as for any other defined benefit plan.

When sufficient information is not available to use defined benefit accounting for a plan, that is a defined benefit plan, the municipality accounts for the plan as if it was a defined contribution plan.

Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the municipality pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the municipality during a reporting period, the municipality recognizes the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, the municipality recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the municipality recognises actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for

employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the municipality recognise past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement.

The amount determined as a defined benefit liability may be negative (an asset). The municipality measure the resulting asset at the lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

The municipality determine the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

The municipality recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;

- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

The municipality uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, the municipality shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, the municipality attributes benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The municipality recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the municipality re-measures the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The municipality offsets an asset relating to one plan against a liability relating to another plan when the municipality has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
 - those changes were enacted before the reporting date; or
 - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

Other long term employee benefits

The municipality provides post-retirement health care benefits, housing subsidies and gratuities upon retirement to some retirees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations. The municipality also provides a gratuity and housing subsidy on retirement to certain employees. An annual charge to income is made to cover both these liabilities.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;

- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The municipality shall recognise the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses, which shall all be recognised immediately;
- past service cost; and
- the effect of any curtailments or settlements.

Termination benefits

The municipality recognises termination benefits as a liability and an expense when the entity is demonstrably committed to either:

- terminate the employment of an employee or group of employees before the normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The municipality is demonstrably committed to a termination when the entity has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes [as a minimum]:

- the location, function, and approximate number of employees whose services are to be terminated;
- the termination benefits for each job classification or function; and
- the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

Where termination benefits fall due more than twelve months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the benefit.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits shall be based on the number of employees expected to accept the offer.

1.14 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 results in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may be fully recoverable. If there is such an indication, the municipality tests the asset for the impairment by estimating its recoverable amount or recoverable service amount, and accounts for any impairment loss, in accordance with the accounting policy on impairment of assets as described in the accounting policy on impairment of cash-generating assets and/ or impairment of non-cash generating assets.

The adjusted depreciable amount of the asset is depreciated over its useful life. Therefore, once the related asset has reached the end of its useful life, all subsequent changes in the liability is recognised in surplus or deficit as they occur.

Provision for constructive obligations

A constructive obligation to restructure arises only when the municipality:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of a activity/operating unit concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality.

No obligation arises as a consequence of the sale or transfer of an operation until the municipality is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingencies

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality.

A contingent liability is a:

- possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality;
- present obligation that arises from past events but is not recognised because: it is not probable 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 51.

Grant-in-aid contributions

Provision is made for any constructive obligations of the municipality. A constructive obligation arises through an established pattern of past practice, published policies or a sufficiently specific current standard, whereby the municipality has indicated to other parties that it will accept certain responsibilities and as a result, the municipality has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

The municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the municipality does not:

- receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
- expect to be repaid in future; or
- expect a financial return, as would be expected from an investment.
-

1.15 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.

Service charges

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption, based on the consumption history, are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These

adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the billings done during July and August. The billing and invoiced amounts done in July are recognized in total as an accrual as all billing in July pertains to services rendered prior 30 June. An estimate is then made based on August billing pertaining to services rendered up until 30 June. .

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

Service charges from sewerage and sanitation are based on the number of sewerage connections on each developed property using the tariffs approved from Council and are levied monthly.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by surveys of work performed.

Pre-paid electricity

Revenue from the sale of electricity prepaid units is recognised when all the following conditions have been satisfied:

- The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality.
- The costs incurred or to be incurred in respect of the transaction can be 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.

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.

1.16 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and

receivable by the municipality, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, the municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting municipality.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving

immediate financial support to the municipality with no future related costs are recognised in the statement of financial performance in the period in which they become receivable.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Property rates

The municipality recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are met.

Resources arising from taxes satisfy the definition of an asset when the municipality controls the resources as a result of a past event (the taxable event) and expects to receive future economic benefits or service potential from those resources.

Resources arising from taxes satisfy the criteria for recognition as an asset when it is probable that the inflow of resources will occur and their fair value can be reliably measured.

The municipality analyses the taxation laws to determine what the taxable events are for the various taxes levied.

The taxable event for property tax is the passing of the date on which the tax is levied, or the period for which the tax is levied, if the tax is levied on a periodic basis.

Taxation revenue is determined at a gross amount. It is not reduced for expenses paid through the tax system.

Transfers

The municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

Debt forgiveness and assumption of liabilities

The municipality recognises revenue in respect of debt forgiveness when the former debt no longer meets the definition of a liability or satisfies the criteria for recognition as a liability, provided that the debt forgiveness does not satisfy the definition of a contribution from owners.

Revenue arising from debt forgiveness is measured at the carrying amount of debt forgiven.

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

The municipality makes use of estimates to determine the amount of revenue that it is entitled to collect. Where settlement discounts or reductions in the amount payable are offered, the municipality considers past history in assessing the likelihood of these discounts or reductions being taken up by receivables. Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting municipality.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Services in-kind

Services in-kind that are significant to the municipality's operations and/or service delivery objectives are recognised as assets and the related revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Where services in-kind are not significant to the municipality's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the municipality discloses the nature and type of services in-kind received during the reporting period.

Collection charges and penalties

Collection charges and penalty interest is recognised when:

- it is probable that the economic benefits or service potential associated with the transactions will flow to the municipality; and
- the amount of revenue can be measured reliably; and

to the extent that there has been compliance with the relevant legal requirements (if applicable).

1.17 Value Added Tax

The municipality accounts for Value Added Tax on the cash (receipt) basis.

1.18 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.

1.19 Statutory receivables Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount (for purposes of the Standard of GRAP on Statutory Receivables) means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition

The municipality recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the accounting policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the accounting policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the accounting policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the municipality and the transaction amount can be measured reliably.

Initial measurement

The municipality initially measures statutory receivables at their transaction amount. Subsequent measurement

The municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised. Accrued interest

Where the municipality levies interest on the outstanding balance of statutory receivables, it adjusts the transaction amount after initial recognition to reflect any accrued interest. Accrued interest is calculated using the nominal interest rate.

Interest on statutory receivables is recognised as revenue in accordance with the accounting policy on Revenue from exchange transactions or the accounting policy on Revenue from non-exchange transactions (Taxes and transfers), whichever is applicable.

Other charges

Where the municipality is required or entitled to levy additional charges in terms of legislation, supporting regulations, by-laws or similar means on overdue or unpaid amounts, these charges are accounted for in terms of the municipality's accounting policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (taxes and transfers).

Impairment losses

The municipality assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the municipality considers, as a minimum, the following indicators:

- significant financial difficulty of the receivable, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- it is probable that the receivable will enter sequestration, liquidation or other financial re-organisation.
- a breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced through the use of an allowance account. The amount of the losses is recognised in surplus or deficit.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable, or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

Derecognition

The municipality derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- the municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the municipality:
 - derecognises the receivable; and
 - recognises separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The municipality considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.20 Borrowing costs

Borrowing costs are interest and other expenses incurred by the municipality in connection with the borrowing of funds. Borrowing costs are recognised as an expense in the period in which they are incurred.

1.21 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year. Refer to note 59 and 60 for detail.

1.22 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.23 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.24 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure.

All expenditure relating to irregular expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.25 Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of non-cash-generating assets is determined using the following approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the municipality would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

The municipality assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

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.

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 Manger 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.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

Changes in accounting policies, estimates and errors

Changes in accounting policies that are affected by management have been applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements. Details of changes in estimates are disclosed in the notes to the annual financial statements where applicable.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Commitments

Items are classified as commitments where the municipality commits itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments are not recognised in the statement of financial position as a liability, but are included in the disclosure notes in the following cases:

- approved and contracted commitments;
- where the expenditure has been approved and the contract has been awarded at the reporting date; and

- where disclosure is required by a specific standard of GRAP.

1.26 Budget information

The approved budget is prepared on the accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2019/07/01 to 2020/06/30.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the statement of comparison of budget and actual amounts.

1.27 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the municipality has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

No accounting standards has been identified.

2.2 Standards and interpretations not yet effective or relevant

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2019 or later periods but no effective date has been determined by the Minister:

GRAP 34: Separate Financial Statements

The objective of this Standard is to prescribe the accounting and disclosure requirements for investments in controlled entities, joint ventures and associates when an entity prepares separate financial statements.

It furthermore covers Definitions, Preparation of separate financial statements, Disclosure, Transitional provisions and Effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality does not envisage the adoption of the standard until such time as it becomes applicable to the municipality's operations.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 35: Consolidated Financial Statements

The objective of this Standard is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.

To meet this objective, the Standard:

- requires an entity (the controlling entity) that controls one or more other entities (controlled entities) to present consolidated financial statements;
- defines the principle of control, and establishes control as the basis for consolidation;
- sets out how to apply the principle of control to identify whether an entity controls another entity and therefore must consolidate that entity;
- sets out the accounting requirements for the preparation of consolidated financial statements; and
- defines an investment entity and sets out an exception to consolidating particular controlled entities of an investment entity.

It furthermore covers Definitions, Control, Accounting requirements, Investment entities: Fair value requirement, Transitional provisions and Effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality does not envisage the adoption of the standard until such time as it becomes applicable to the municipality's operations.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 36: Investments in Associates and Joint Ventures

The objective of this Standard is to prescribe the accounting for investments in associates and joint ventures and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

It furthermore covers Definitions, Significant influence, Equity method, Application of the equity method, Separate financial statements, Transitional provisions and Effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality does not envisage the adoption of the standard until such time as it becomes applicable to the municipality's operations.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 37: Joint Arrangements

The objective of this Standard is to establish principles for financial reporting by entities that have an interest in arrangements that are controlled jointly (i.e. joint arrangements).

To meet this objective, the Standard defines joint control and requires an entity that is a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations and to account for those rights and obligations in accordance with that type of joint arrangement.

It furthermore covers Definitions, Joint arrangements, Financial statements and parties to a joint arrangement, Separate financial statements, Transitional provisions and Effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality does not envisage the adoption of the standard until such time as it becomes applicable to the municipality's operations.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 38: Disclosure of Interests in Other Entities

The objective of this Standard is to require an entity to disclose information that enables users of its financial statements to evaluate:

- the nature of, and risks associated with, its interests in controlled entities, unconsolidated controlled entities, joint arrangements and associates, and structured entities that are not consolidated; and
- the effects of those interests on its financial position, financial performance and cash flows.

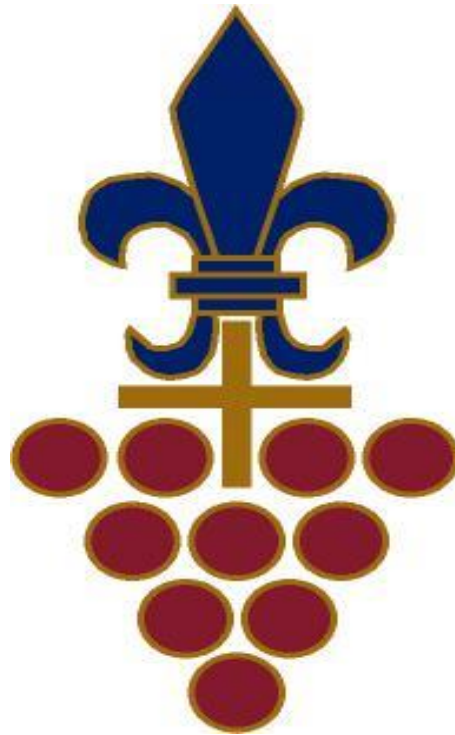
It furthermore covers Definitions, Disclosing information about interests in other entities, Significant judgements and assumptions, Investment entity status, Interests in controlled entities, Interests in joint arrangements and associates, Interests in structured entities that are not consolidated, Non-qualitative ownership interests, Controlling interests acquired with the intention of disposal, Transitional provisions and Effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality does not envisage the adoption of the standard until such time as it becomes applicable to the municipality's operations.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

STELLENBOSCH MUNICIPALITY



**CASH MANAGEMENT AND
INVESTMENT POLICY**

2019/2020



STELLENBOSCH MUNICIPALITY

CASH MANAGEMENT AND INVESTMENTS POLICY

TABLE OF CONTENTS

	PAGE
PREAMBLE	1
1. LEGAL FRAMEWORK	2
2. OBJECTIVES	2
3. CASH MANAGEMENT	2
3.1 Guiding Principles	2
3.2 Bank Accounts	2
3.2.1 Revenue Management	3
3.2.2 Cheque Management	3
3.2.3 Delegation/Rights	3
3.2.3.1 Cheques	3
3.2.3.2 Electronic Funds Transfer (EFT)	4
3.3 Bank Overdraft	4
4. CASH MANAGEMENT PROCEDURES	4
5. INVESTMENTS	7
5.1 Guiding Principles	7
5.2 Permitted Investments	7
5.3 Diversification	8
5.4 Investment Managers	8
5.4.1 External Investment Managers	8
5.4.2 Internal Investment Manager.	8
5.5 Internal Controls Over Investments	8
5.5.1 Delegations	8
5.5.2 Obtaining quotations and concluding deals	9
6. OWNERSHIP	10
7. DUE CARE	10
8. PERFORMANCE MEASUREMENT	10
9. REPORTING	10
9.1 Reports	10
10. ANNUAL REVIEW OF POLICY	11
11. EFFECTIVE DATE	12
12. SHORT TITLE	12
APPENDIX A	13

PREAMBLE

Whereas Section 13 of the Local Government: Municipal Finance Management Act, 2003 (No. 56 of 2003) (the Act) determines that a municipality must introduce an appropriate and effective cash management and investment arrangement;

and whereas a bank, in accordance with the provisions of Section 13 of the Act, has to disclose details regarding a municipalities' investments;

and whereas councillors and officials, as trustees of public funds have an obligation to ensure that cash resources are managed as effectively, efficiently, and economically as possible;

now therefore the Stellenbosch Municipality adopted the Cash and Investment Management Policy set out in this document.

1. LEGAL FRAMEWORK

- a) Legislation – Local Government: Municipal Finance Management Act 56 of 2003 (As amended).
- b) Treasury regulations in terms of Section 13(1) of the Act (As amended).

In this Policy, the terms “*the Act*” or “*MFMA*” refers to the Local Government: Municipal Finance Management Act, 2003 (No. 56 of 2003).

2. OBJECTIVES

- a) To maximize returns from authorized investments, consistent with the secondary objective of minimizing risk.
- b) To ensure compliance with all legislation governing the investment of funds.
- c) To maintain adequate liquidity to meet cash flow needs.
- d) To undertake the investment of funds not immediately required for operational purposes in a prudent financial manner.
- e) To ensure diversification of permitted investment.

3. CASH MANAGEMENT

3.1 Guiding Principles

It is recognised that from time to time, Council has cash flow surpluses and borrowing requirements due to daily receipts and payments.

Council maintains a daily cash position summary and a yearly cash flow projection is prepared during the annual planning process and is updated monthly. This determines Council's borrowing requirements and surpluses for investment. Cash invested “outside” the bank account is covered by paragraph 5 of this Policy.

3.2 Bank Accounts

Council operates one primary bank account for its day to day operational activity requirements and two secondary accounts specifically for service charges and revenue derived from fines.

All monies due to Council and due by Council emanating from Council activities must pass through this primary account, therefore secondary accounts are swept daily, and all balances are transferred to the primary bank account.

3.2.1 Revenue Management

Revenue Management Section 64 of the Act clearly states that all moneys received must be promptly deposited in the Municipality's primary and other bank accounts, therefore:

- all revenue received by the Municipality, including revenue received by any collecting agent on its behalf, is recorded at least on a weekly basis.
- all monies collected by the Municipality on behalf of another organ of state must be transferred to that organ of state at least on a weekly basis.

3.2.2 Cheque Management

Cheques are printed in batch format. To prevent the removing of cheques, cheques are delivered in sealed boxes where strict control is exercised over the numerical sequence of cheques on the expenditure system by means of a cheque register.

3.2.3 Delegation/Rights

The incumbents of the following posts are authorized to sign cheques on behalf of Council:

3.2.3.1 Cheques

- A-Signatories:
- Chief Financial Officer
 - SNR Manager: Financial Management Services
 - SNR Manager: Revenue and Expenditure
 - Manager: Expenditure Management
 - Manager: Revenue
 - SNR Manager: Supply Chain Management
 - Manager: Budget and Costing
 - Manager: Financial Statements, Compliance and Reporting
- B-Signatories:
- Chief Accountant: Consumer Accounts and Valuations
 - Senior Accountant: Cash Management and Credit Control
 - Chief Accountant: MFMA Reporting and Compliance
 - Chief Accountant: Financial Statements and Reconciliations
 - Chief Accountant: Asset Management
 - Senior Accountant: Creditors and Payroll

Each cheque needs to be signed by at least two A-Signatories, or one A-Signatory and one B-Signatory.

3.2.3.2 Electronic Funds Transfer (EFT)

- A-Signatories: Chief Financial Officer
SNR Manager: Financial Management Services
SNR Manager: Revenue and Expenditure
Manager: Expenditure
Manager: Revenue
SNR Manager: Supply Chain Management
Manager: Budget and Costing
Manager: Financial Statements, Compliance and Reporting
- B-Signatories: Chief Accountant: Consumer Accounts and Valuations
Senior Accountant: Cash Management and Credit Control
Chief Accountant: MFMA Reporting and Compliance
Chief Accountant: Financial Statements and Reconciliations
Chief Accountant: Asset Management
Senior Accountant: Creditors and Payroll

Each electronic payment needs to be authorized by at least two A-Signatories, or one A-Signatory and one B-Signatory.

3.3 Bank Overdraft

- 3.3.1 Council made the decision to not request an overdraft facility with its primary banker. as the general policy is to avoid going into overdraft.

In the instance that short-term debt is incurred based on expected income it must be repaid within the same financial year. (Section 45 of the MFMA)

- 3.3.2 Any overdrawn bank account at any date must be reported without avail to Council supported by reasons therefore.

- 3.3.3 Any short-term facility that requires review must first be approved by the Accounting Officer.

4. CASH MANAGEMENT PROCEDURES

4.1 Internal Controls

The supervisor and/or Accountant do a monthly audit on the cashier floats, manual receipt books and the compilation of daily cash-up and banking documents.

4.2 Issuing of Receipts

The cashier will only issue an official enumerated receipt when a client pays his/her municipal account in full or partially.

4.3 Cancellation of Receipts

An official enumerated receipt will only be cancelled whilst the client is still at the cash office and only for the following reasons;

- a) cashier made an error.
- b) client made an error.

The cashier will re-issue a correct receipt and the cancelled receipt will be signed by the incumbent and the supervisor. In cases where the client wants his money back a prescribed official document must be completed and signed by the Client, Cashier and the Supervisor stating the reason(s) for cancellation.

4.4 Cash Balancing

After the end of each shift, the cashier will count the monies received, and do a daily end of day cashier procedure. The supervisor will then re-count the money to ensure that the cashier's daily takings balances with the supervisor's end-of-day totals. The cashier will do a final end-of-day procedure when he/she balances, and the supervisor will do a receipting end of day shut-down procedure.

4.4.1 Cashier surplus and shortage

If the cashier is short, he/she will then pay the monies in immediately. If there is a surplus the cashier will receipt the surplus on the same day. Management discretion can be used should there be substantial evidence and motivation that it was out of the control of a cashier to avoid a shortage the Manager can exonerate the cashier from paying the shortfall and in such an instance the shortage should be allocated to an expense line item.

4.4.2 Cashier resources

The Cashier will be supplied with the necessary tools and equipment to perform a proper cashier function. (E.g. Ultra violet lights, etc.)

4.5 Deposit Books

Each cashier has an enumerated deposit book, as each pay point has a number. The Senior Clerk: Cashier orders books from the bank when needed.

4.6 Other payment methods

4.6.1 Direct Deposits and ACB

Direct deposits can be made into Municipal bank account via the Internet or by deposit slip via their bank, using the applicable Municipal account number as reference. This information is

extracted and uploaded on a daily basis from the bank and is then credited against the client's accounts. Accounts are also paid by means of a debit order (ACB) payment.

4.6.2 3rd Party

Payments can be made at any EasyPay and Pay@ pay points. This information is extracted and uploaded on a daily basis from EasyPay and Pay@ and credited against the client's accounts.

4.6.3 Cheque Deposit (Only bank guaranteed cheques will be accepted)

The cashier will issue an official enumerated receipt when a client pays his/her Municipal account with a bank guaranteed cheque. Bank guaranteed cheques that are dropped into the cheque deposit box at the Municipal office are taken out of the box on a daily basis, receipted by the cashier and the receipt is posted to client on request.

4.6.4 Mailed Bank Guaranteed Cheques

Bank guaranteed cheques attached to the Municipal account are collected from the post office on a daily basis and is recorded in a register at the Records department. It is then collected by the Supervisor: Cashiers who will write all the bank guaranteed cheques up in a register. The supervisor will hand it to the cashier to be receipted and the receipt details will be entered in the register.

4.6.5 Returned Cheques and Debit Orders

If cheques and debit orders are returned and marked as "Refer to Drawer", the full balance will immediately become payable.

4.6.5.1 The cost that is payable by the consumer must be equal to the prescribed fee that has been approved by Council in all cases where a cheque bears the status of "Refer to Drawer".

4.6.5.2 Bank charges in this regard will be payable by the consumer. In the event of a customer having tendered a "refer to drawer cheque" for the second time, no further cheques will be accepted from him/her, excluding bank guarantee cheques.

4.6.5.3 A cashier must not accept a cheque that was issued by a Consumer in the event the cheque bears the status as a post-dated cheque, altered and/or an unsigned cheque. In the event this occurs and notwithstanding the aforementioned provisions, all bank charges that would arise and be incurred by Stellenbosch Municipality will then be recovered from the said cashier. The cashier will be required to pay back the bank costs as approved by Council within 24 hours for recovery of the said amount.

4.6.6 Private Money

No Municipal employee is allowed to:

- Use Council's cash funds at any stage to be replaced at a later stage.
- Use his/her own money as cashier float.
- Change a Municipal official's cheque for cash.
- Safeguard private money amongst Council's cash (e.g. Cashier drawers, petty cash boxes, safes etc.)

4.7 Unclaimed deposit/ credit

4.7.1 All unclaimed credits in excess of three years shall be deemed prescribed and may be recognised as revenue and transferred to accumulated surplus of the municipality.

4.7.2 Only credits claimed prior to prescription as per clause 4.7.1 by customers will be refunded provided that proof of payment is submitted.

5. INVESTMENTS

5.1 Guiding Principles

Generally, Council will invest surplus funds with deposit taking institutions registered in terms of the Bank's Act, 1990 (Act 94 of 1990) for terms not exceeding one year in anticipation of cash flow expectations. From time to time, with prior Executive Mayoral Committee approval, investments can exceed 1 [one] year and be made at other institutions/instruments as approved in the National Treasury regulations from time to time.

5.2 Permitted Investments

The Account Officer must ensure that only the following investment types are utilized in terms of Section 6 of the Municipal Investment Regulations (No. R. 308) dated 1 April 2005:

- a) Securities issued by national government.
- b) Listed corporate bonds with an investment grade rating from a recognized credit rating agency.
- c) Deposits with banks registered in terms of the Banks Act (Act 45 of 1984).
- d) Deposits with the Public Investment Commissioners.
- e) Deposits with the Corporation for Public Deposits.
- f) Banker's acceptance certificate or negotiable certificates of deposits of registered banks.
- g) Guaranteed endowment policies with the intention of establishing a sinking fund.

- h) Repurchase agreements with registered banks.
- i) Municipal bonds issued by a municipality.
- j) Any other investment type as identified by the Minister of Finance in consultation with the Financial Services Board.

5.3 Diversification

Council will only make investments, as prescribed by Section 6 of the Municipal Investment Regulations, with approved institutions which have a rating as defined per Appendix A. Excluding investments made per Executive Mayoral Committee resolution not more than 50% of available funds will be placed with a single institution. . The discretion of management should be used when investing funds into the institution quoting the highest rate versus diversification of investment portfolio. Should the difference between the investment quotes be minimal, a decision can be made to invest in the lower quote for the diversification of investment portfolios.

5.4 Investment Managers

5.4.1 In the event of the appointment of an external Investment Managers

Where the above means a natural person or legal entity that is a portfolio manager registered in terms of the Financial Markets Control Act, 1989 (Act 55 of 1989), and Stock Exchanges Control Act, 1985 (Act 1 of 1985), contracted by a municipality or municipal entity to-

- a) advise it on investments;
- b) manage investments on its behalf; or
- c) advise it on investments and manage investments on its behalf.

The External Investment Manager will be appointed in terms of Supply Chain Management Policy and a service level agreement will govern the functions and responsibility of the service provider. All investments made by the External Investment Manager on behalf of the Council of Stellenbosch Municipality must be made within the ambit of this Policy and with National Treasury's investment regulations.

5.5 Internal Controls Over Investments

5.5.1 Delegations

5.5.1.1 In terms of Section 60(2) of the Local Government: Municipal Systems Act, (Act 32 of 2000) (the MSA), the Council may only delegate to the Municipal Manager (MM) the power to make decisions on investments on behalf of the Municipality.

5.5.1.2 In terms of section 79 of the Act, the Accounting Officer has delegated to the Chief Financial Officer (CFO), in writing, his duty under section 65(2)(h) to manage the Council's available working capital effectively and economically in terms of the prescribed cash management and investment framework.

5.5.2 Obtaining quotations and concluding deals

Writing mandates, signed by the CFO and MM, shall be issued to all investees with whom the Council of Stellenbosch Municipality invests funds setting out the following:

5.5.2.1 Authorised dealers: name and particulars of the Council's officials who are authorised to transact investments deals with the investees;

5.5.2.2 Authorised signatories: name and particulars of the Council's officials who are authorised to sign written confirmations or any other correspondence in respect of investments transactions.

5.5.2.3 A dealing sheet, signed by an authorised dealer, shall be prepared in all instances for each individual investment, detailing the quotations received and the recommended investee. The CFO shall advise the MM to approve the transaction.

A written confirmation of the terms of each investment transaction shall be prepared, and signed off by the CFO and MM.

5.5.3 A monthly investment register should be kept of all investments made. The following information must be recorded:-

- name of institution;
- capital invested;
- date invested;
- interest rate;
- maturation date;
- interest received;
- Investment balance;
- total withdrawal amount;

- total interest earned.

5.5.3.1 The investment register and accounting records must be reconciled on a monthly basis.

6. OWNERSHIP

All investments must be made in the name of the Council of Stellenbosch Municipality.

Written proof of investments made must be obtained from the institution where the investment is made and must be kept on file.

7. DUE CARE

In dealing with financial institutions, the following ethical principles must be observed:

- 7.1 The Chief Financial Officer and all staff in his/her directorate shall not accede to any influence by or interference from Councillors, investment agents, institutions, or any other outsiders;
- 7.2 Under no circumstances may inducements to invest be accepted;
- 7.3 Interest rates quoted by one institution must not be disclosed to another institution; and
- 7.4 The business ethics of any controlling body of which the relevant financial institution is a member must be observed by such institution or body at all times.

8. PERFORMANCE MEASUREMENT

Measuring the effectiveness of Council's treasury activities is achieved through a mixture of subjective measures. The predominant subjective measure is the overall quality of treasury management information. The Chief Financial Officer has primary responsibility for determining this overall quality.

Objective measures include: -

- (a) Adherence to policy.
- (b) Timely receipt of interest income.

9. REPORTING

9.1 Reports

The following reports are produced:

REPORT NAME	FREQUENCY	PREPARED BY	RECIPIENT
Bank Balance report	Daily	Senior Clerk: Electronic Payments	Chief Finance Officer
Investments	Monthly	Head: Financial Statements, Compliance and Reporting	Manager: Budget Office Chief Finance Officer Council

10. ANNUAL REVIEW OF POLICY

This Policy will be reviewed annually or earlier if so required by legislation.

Any changes to this Policy must be adopted by Council and be consistent with the applicable Acts and any National Treasury Regulations.

11. EFFECTIVE DATE

The effective date of this Policy is 1 July 2019 and will be reviewed on an annual basis to ensure that it is in line with the Municipality's strategic objectives and with legislation.

12. SHORT TITLE

This Policy is the Cash Management and Investments Policy of the Stellenbosch Municipality.

LONG-TERM RATINGS - FITCH

AAA - Obligations which have the highest rating assigned by Fitch IBCA on its national rating scale for that country. This rating is automatically assigned to all obligations issued or guaranteed by the sovereign state. Capacity for timely repayment of principal and interest is extremely strong, relative to other obligors in the same country.

AA - Obligations for which capacity for timely repayment of principal and interest is very strong relative to other obligors in the same country. The risk attached to these obligations differs only slightly from the country's highest rated debt.

A - Obligations for which capacity for timely repayment of principal and interest is strong relative to other obligors in the same country. However, adverse changes in business economic or financial conditions are more likely to affect the capacity for timely repayment than for obligations in higher rated categories.

SHORT-TERM RATINGS - FITCH

F1 – Obligations assigned this rating have the highest capacity for timely repayment under Fitch Ratings Ltd national rating scale for that country, relative to other obligations in the same country. This rating is automatically assigned to all obligations issued or guaranteed by the sovereign state. Where issues possess a particularly strong credit feature, a “+” is added to the assigned rating.

F2 – Obligations supported by a strong capacity for timely repayment relative to other obligors in the same country. However, the relative degree of risk is slightly higher than for issues classified as ‘A1’ and capacity for timely repayment may be susceptible to adverse changes in business, economic or financial conditions.

F3 – Obligations supported by an adequate capacity for timely repayment relative to other obligors in the same country. Such capacity is more susceptible to adverse changes in business, economic, or financial conditions than for obligations in higher categories.

LONG-TERM RATINGS – MOODY’S

AAA – Obligations rated “AAA” have the highest rating assigned by Moody’s -Ratings. The capacity of the issuer to pay interest and repay capital is extremely strong, relative to other South African obligors.

AA – Indicates very strong capacity of the issuer to pay interest and repay capital relative to other South African obligors.

A – Indicates strong capacity of the issuer to pay interest and repay capital, relative to other South African obligors, although it is slightly more susceptible to adverse changes in economic conditions and circumstances than debt in categories rated higher.

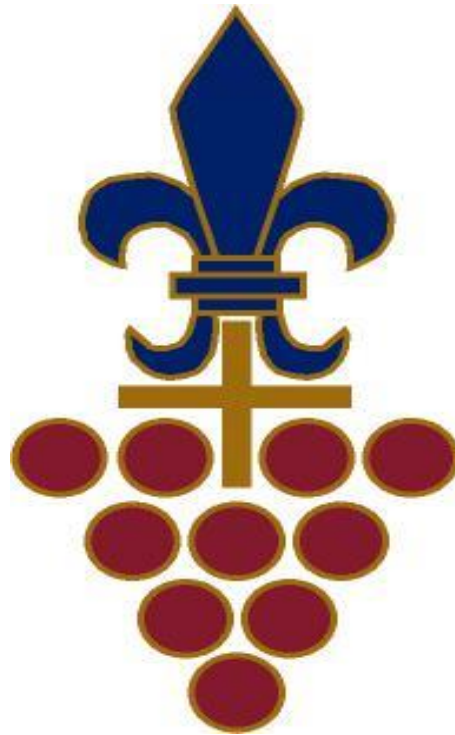
SHORT-TERM RATINGS – MOODY’S

A-1 – Indicates that the degree of safety regarding timely payment is either overwhelming or very strong, relative to other South African obligors. Issues determined to possess overwhelming safety characteristics are denoted with a plus (+) sign designation.

A-2 – Indicates that capacity for timely payment on issues with this designation is strong, relative to other South African obligors.

A-3 – Indicates satisfactory capacity for timely payment, relative to other South African obligors. They are, however, somewhat more vulnerable to the adverse effects of changes in circumstances than obligations carrying the higher designations.

STELLENBOSCH MUNICIPALITY



**SUPPLY CHAIN MANAGEMENT
POLICY**

2019/2020



STELLENBOSCH MUNICIPALITY

SUPPLY CHAIN MANAGEMENT POLICY

TABLE OF CONTENTS

1. Definitions

CHAPTER 1

IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY

2. Supply chain management policy
3. Amendment of supply chain management policy
4. Delegation of supply chain management powers and duties
5. Sub-delegations
6. Oversight role of council
7. Supply chain management units
8. Training of supply chain management officials

CHAPTER 2

SUPPLY CHAIN MANAGEMENT SYSTEM

9. Format of supply chain management system

Part 1: Demand management

10. System of demand management

Part 2: Acquisition management

11. System of acquisition management
12. Range of procurement processes
13. General preconditions for consideration of written quotations or bids
14. Lists of accredited prospective providers
15. Petty cash purchases
16. Written or verbal quotations
17. Formal written price quotations
18. Procedures for procuring goods or services through written or verbal quotations and formal written price quotations
19. Competitive bidding process
20. Process for competitive bidding
21. Bid documentation for competitive bids
22. Public invitation for competitive bids
23. Procedure for handling, opening and recording of bids
24. Negotiations with preferred bidders
25. Two-stage bidding process
26. Committee system for competitive bids
27. Bid Specifications Committees
28. Bid Evaluation Committees
29. Bid Adjudication Committees
30. Procurement of banking services
31. Procurement of IT related goods or services
32. Procurement of goods and services under contracts secured by other organs of state

33. Procurement of goods necessitating special safety arrangements
34. Proudly SA Campaign
35. Appointment of consultants
36. Deviation from and ratification of minor breaches of procurement processes
37. Unsolicited bids
38. Combating of abuse of supply chain management system

Part 3: Logistics, Disposal, Risk and Performance Management

39. Logistics management
40. Disposal management
41. Risk management
42. Performance management

Part 4: Other matters

43. Prohibition on awards to persons whose tax matters are not in order
44. Prohibition on awards to persons in the service of the state
45. Awards to close family members of persons in the service of the state
46. Ethical standards
47. Inducements, rewards, gifts and favours
48. Sponsorships
49. Objections and complaints
50. Resolution of disputes, objections, complaints and queries
51. Contracts providing for compensation based on turnover
52. Contract management
53. Contract having budgetary implications beyond three years
54. Increase/Extension in approved contract sum/period
55. Right of appeal
56. Notification of bid decisions
57. Unsuccessful bidder debriefing
58. Condonation of Policy contraventions
59. Short title

Definitions

- 1.1. In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Act has the same meaning as in the Act, and
- 1.1.1. **“Act”** means the Municipal Finance Management Act, No. 56 of 2003;
- 1.1.2. **“Bid”** means a written offer in a prescribed or stipulated form in response to an invitation by the municipality for the provision of goods, services or construction works through price quotations, advertised competitive bidding process or proposals;
- 1.1.3. **“Bidder”** means any person submitting a competitive bid or a quotation;
- 1.1.4. **“Closing time”** means the time and day specified in the bid documents for the receipt of bids;
- 1.1.5. **“Competitive bidding process”** means a competitive bidding process referred to in paragraph 12(2)(b)(iii) of this Policy;
- 1.1.6. **“Competitive bid”** means a bid in terms of a competitive bidding process;
- 1.1.7. **“Contract”** means the agreement which is concluded when the municipality accepts, in writing, a competitive bid or quotation submitted by a supplier;
- 1.1.8. **“Contract manager”** means an official of the Municipality who is responsible for the planning for the planning and execution of a transaction involving the procurement of goods, services or works;
- 1.1.9. **“Contractor”** means any person or entity whose competitive bid or quotation has been accepted by the municipality;
- 1.1.10. **“Delegated authority”** means any person or committee delegated with authority by the municipality in terms of the provisions of the Municipal Finance Management Act;
- 1.1.11. **“Department”** means a section within a specific directorate in terms of the municipal organigram;
- 1.1.12. **“Electronic format”** means a bid submitted by a bidder via email or made available through a cloud storage services;
- 1.1.13. **“Emergency dispensation”** means emergency as referred to in paragraph 36(1)(a)(i) of this policy under which one or more of the following is in existence that warrants an emergency dispensation;
- (a) The possibility of human injury or death;
 - (b) The prevalence of human suffering or deprivation of rights;
 - (c) The possibility of damage to property, or suffering and death of livestock and animals;
 - (d) The interruption of essential services, including transportation and communication facilities or support services critical to the effective functioning of the municipality as a whole;
 - (e) The possibility of serious damage occurring to the natural environment;

- (f) The possibility that failure to take necessary action may result in the municipality not being able to render an essential community service;
 - (g) The possibility that the security of the state could be compromised; or
 - (h) The prevailing situation, or imminent danger, should be of such a scale and nature that it could not readily be alleviated by interim measures, in order to allow time for the formal procurement process. Emergency dispensation shall not be granted in respect of circumstances other than those contemplated above.
- 1.1.14. **“Final award”**, in relation to bids or quotations submitted for a contract, means the final decision on which a bid or quote is accepted;
- 1.1.15. **“Formal written price quotation”** means quotations referred to in paragraph 12 (1) (d) of this Policy;
- 1.1.16. **“Green procurement”** means the procurement of environmentally friendly products and services;
- 1.1.17. **“in the service of the state”** means to be –
- (a) A member of –
 - (i) Any municipal council;
 - (ii) Any provincial legislature; or
 - (iii) The National Assembly or the National Council of Provinces;
 - (b) A member of the board of directors of any municipal entity;
 - (c) An official of any municipality or municipal entity;
 - (d) An employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the public Finance Management Act, 1999 (Act No.1 of 1999);
 - (e) A member of the accounting authority of any national or provincial public entity; or
 - (f) An employee of Parliament or a provincial legislature;
- 1.1.18. **“Long term contract”** means a contract with a duration period exceeding one year and does not have the same meaning as contracts of a long term nature referred to in paragraph 22(1)(b)(vi) of this policy;
- 1.1.19. **“Long term nature contract”** means a contract as defined by section 33(1) of the Municipal Finance Management Act imposing financial obligations on the Municipality beyond the first three years covered in the approved annual budget;
- 1.1.20. **“List of accredited prospective providers”** means the list of accredited prospective providers in terms of Central Supplier Database (CSD) of National Treasury;
- 1.1.21. **“Other applicable legislation”** means any other legislation applicable to municipal supply chain management, including but not limited to the following –

- (a) The Preferential Procurement Policy Framework Act;
 - (b) The Broad-Based Black Economic Empowerment Act; ~~and~~
 - (c) The Construction Industry Development Board Act;
 - (d) The Local Government: Municipal Systems Act;
 - (e) The Competition Act; and
 - (f) The Promotion of Administrative Justice Act.
- 1.1.22. **“Policy”** means the Supply Chain Management Policy of Stellenbosch municipality as amended from time to time;
- 1.1.23. **“Parent municipality”** has the meaning assigned to it in section 1 of the Municipal Systems Act;
- 1.1.24. **“Petty Cash”**, means the procurement of goods and services through the supply chain management requisition and order system by means of one verbal and written quotation below a determined amount in relation with the Petty Cash Policy;
- 1.1.25. **“Single source”**: refers to when the competition exist in the market, but from a selected few suppliers due to technical capabilities and abilities comply with the requirements of the municipality;
- 1.1.26. **“Sole Supplier:”** It refers in instances where there is no competition and only one service provider exist in the market, with sole distribution rights and/or patent rights or manufacturer;
- 1.1.27. **“Strip and quote:”** When the repairs and maintenance on our machines, vehicles are done by one supplier and/or strip-and-quote, for example a municipal vehicle that needs repairs enters the workshop, however to do the repairs, the vehicle has to be send to a supplier that determines what repairs should be done;
- 1.1.28. **“Supplier database”** means the list of accredited prospective providers which the municipality or municipal entity must keep in terms of the Regulation 14 of the Supply Chain Management Regulations;
- 1.1.29. **“Treasury guidelines”** means any guidelines on supply chain management issued by the Minister in terms of section 168 of the Act;
- 1.1.30. **“Trust”** means the agreement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person;
- 1.1.31. **“Trustee”** means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person;
- 1.1.32. **“The Act”** means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);
- 1.1.33. **“The Regulations”** means the Local Government: Municipal Finance Management Act, 2003, Municipal Supply Chain Management Regulations published by Government Notice 868 of 2005;

- 1.1.34. **“The PPPF Regulations”** means Preferential Procurement Policy Regulations, 2017 Published under Government Notice R32 in Government Gazette 40553 of 20 January 2017; and
- 1.1.35. **“Written or verbal quotations”** means quotations referred to in paragraph 12(1)(b) & (c) of this Policy.

CHAPTER 1

IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY

2. SUPPLY CHAIN MANAGEMENT POLICY

- (1) All officials and other role players in the supply chain management system of the Stellenbosch Municipality must implement this Policy in a way that –
 - (a) Gives effect to –
 - (i) Section 217 of the Constitution; and
 - (ii) Part 1 of Chapter 11 and other applicable provisions of the Act;
 - (b) Is fair, equitable, transparent, competitive and cost effective;
 - (c) Complies with –
 - (i) The Regulations; and
 - (ii) Any minimum norms and standards that may be prescribed in terms of section 168 of the Act;
 - (d) Is consistent with other applicable legislation;
 - (e) Does not undermine the objective for uniformity in supply chain management systems between organs of state in all spheres; and
 - (f) Is consistent with national economic policy concerning the promotion of investments and doing business with the public sector.
- (2) The municipal entity must, in addition to complying with subparagraph (1), apply this Policy, to the extent determined by the parent municipality, in a way that is consistent with the supply chain management policy of the parent municipality.
- (3) This Policy applies when the Stellenbosch Municipality –
 - (a) Procures goods or services;
 - (b) Disposes goods no longer needed;
 - (c) Selects contractors to provide assistance in the provision of municipal services otherwise than in circumstances where Chapter 8 of the Municipal Systems Act applies; or
 - (d) Selects external mechanisms referred to in section 80(1)(b) of the Municipal Systems Act for the provision of municipal services in circumstances contemplated in section 83 of that Act.

- (4) This Policy, except where provided otherwise, does not apply in respect of the procurement of goods and services contemplated in section 110(2) of the Act, including –
- (a) Water from the Department of Water Affairs or a public entity, another municipality or a municipal entity; and
 - (b) Electricity from Eskom or another public entity, another municipality or a municipal entity.

3. AMENDMENT OF THE SUPPLY CHAIN MANAGEMENT POLICY

- (1) The Accounting Officer must –
- (a) At least annually review the implementation of this Policy; and
 - (b) When the Accounting Officer considers it necessary, submit proposals for the amendment of this Policy to the Stellenbosch Council.
- (2) If the Accounting Officer submits proposed amendments to the Stellenbosch Council that differs from the model policy issued by the National Treasury, the Accounting Officer must -
- (a) Ensure that such proposed amendments comply with the Regulations; and
 - (b) Report any deviation from the model policy to the National Treasury and the relevant provincial treasury.
- (3) When amending this supply chain management policy the need for uniformity in supply chain practices, procedures and forms between organs of state in all spheres, particularly to promote accessibility of supply chain management systems for small businesses must be taken into account.

4. DELEGATION OF SUPPLY CHAIN MANAGEMENT POWERS AND DUTIES

- (1) The Stellenbosch Council hereby delegates all powers and duties to the Accounting Officer, which are necessary to enable the Accounting Officer –
- (a) To discharge the supply chain management responsibilities conferred on Accounting Officers in terms of –
 - (i) Chapter 8 or 10 of the Act; and
 - (ii) This Policy;
 - (b) To maximize administrative and operational efficiency in the implementation of this Policy;
 - (c) To enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of this Policy; and
 - (d) To comply with his or her responsibilities in terms of section 115 and other applicable provisions of the Act.

- (2) Sections 79 and 106 of the Act apply to the sub-delegation of powers and duties delegated to an Accounting Officer in terms of subparagraph (1).
- (3) The Accounting Officer may not sub-delegate any supply chain management powers or duties to a person who is not an official of Stellenbosch Municipality or to a committee, which is not exclusively composed of officials of the Stellenbosch Municipality.
- (4) This paragraph may not be read as permitting an official, to whom the power to make final awards has been delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this Policy.

5. SUB-DELEGATIONS

- (1) The Accounting Officer may in terms of section 79 or 106 of the Act sub-delegate any supply chain management powers and duties, including those delegated to the Accounting Officer in terms of this Policy, but any such sub-delegation must be consistent with subparagraph (2) of this paragraph and paragraph 4 of this Policy.
- (2) The power to make a final award –
 - (a) Above R 10 million (VAT included) may not be sub-delegated by the Accounting Officer;
 - (b) Above R 200,000 (VAT included), but not exceeding R 10 million (VAT included), may be sub-delegated but only to –
 - (i) The Bid Adjudication Committee of which the Chief Financial Officer or a senior manager is a member; or
 - (ii) Accounting Officer of the municipality, after due consideration of all facts was done; and
 - (c) Below R 200,000 (VAT included) to be disposed by delegated official according approved delegatory power and functions issued by Accounting Officer.
- (3) The Bid Adjudication Committee to which the power to make final awards has been sub-delegated in accordance with subparagraph (2) must within five days of the end of each month submit to the official referred to in subparagraph (4) a written report containing particulars of each final award made by such official or committee during that month, including –
 - (a) The amount of the award;
 - (b) The name of the person to whom the award was made; and
 - (c) The reason why the award was made to that person.

- (4) A written report referred to in subparagraph (3) must be submitted –
 - (a) To the Accounting Officer, in the case of an award by –
 - (i) The Bid Adjudication Committee of which the Chief Financial Officer or a senior manager is a member; or
 - (b) To the Chief Financial Officer or the senior manager responsible for the relevant bid, in the case of an award by –
 - (i) The Bid Adjudication Committee of which the Chief Financial Officer or a senior manager is not a member.
- (5) Subparagraphs (3) and (4) of this policy do not apply to procurements out of petty cash.
- (6) This paragraph may not be interpreted as permitting an official to whom the power to make final awards has been sub-delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this Policy.
- (7) No supply chain management decision-making powers may be delegated to an advisor or consultant.

6. OVERSIGHT ROLE OF COUNCIL

- (1) The Stellenbosch Council reserves its right to maintain oversight over the implementation of this Policy.
- (2) For the purposes of such oversight the Accounting Officer must –
 - (i) Within 30 days of the end of each financial year, submit a report on the implementation of this Policy and the supply chain management policy of any municipal entity under the sole or shared control of the municipality, to the council of the municipality; and
 - (ii) Whenever there are serious and material problems in the implementation of this Policy, immediately submit a report to Council.
- (3) The Accounting Officer must, within 10 days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the Executive Mayor.
- (4) The reports must be made public in accordance with section 21A of the Municipal Systems Act.

7. SUPPLY CHAIN MANAGEMENT UNIT

- (1) A supply chain management unit is hereby established to implement this Policy.
- (2) The supply chain management unit operates under the direct supervision of the Chief

Financial Officer or an official to whom this duty has been delegated in terms of section 82 of the Act.

8. TRAINING OF SUPPLY CHAIN MANAGEMENT OFFICIALS

- (1) The training of officials involved in implementing this Policy should be in accordance with any Treasury guidelines on supply chain management training.

CHAPTER 2

SUPPLY CHAIN MANAGEMENT SYSTEM

9. FORMAT OF SUPPLY CHAIN MANAGEMENT SYSTEM

- (1) This Policy provides systems for –
- (i) Demand management;
 - (ii) Acquisition management;
 - (iii) Logistics management;
 - (iv) Disposal management;
 - (v) Risk management; and
 - (vi) Performance management.
 - (vii) Contract management

PART 1: DEMAND MANAGEMENT

10. SYSTEM OF DEMAND MANAGEMENT

- (1) The Accounting Officer must establish and implement an appropriate demand management system in order to ensure that the resources required by Stellenbosch Municipality support its operational commitments and its strategic goals outlined in the Integrated Development Plan.
- (2) The demand management system must –
 - (a) Include timely planning and management processes to ensure that all goods and services required by Stellenbosch Municipality are quantified, budgeted for and timely and effectively delivered at the right locations and at the critical delivery dates, and are of the appropriate quality and quantity at a fair cost;
 - (b) Take into account any benefits of economies of scale that may be derived in the case of acquisitions of a repetitive nature;
 - (c) Provide for the compilation of the required specifications to ensure that its needs are met; and
 - (d) To undertake appropriate industry analysis and research to ensure that innovations and technological benefits are maximized.
- (3) Green procurement must be incorporated as far as reasonably possible for all specifications of goods, services and construction works.
- (4) In the development of bid specifications, innovative mechanisms should be explored to render the service or product more resource and energy efficient.

PART 2: ACQUISITION MANAGEMENT

11. SYSTEM OF ACQUISITION MANAGEMENT

- (1) The Accounting Officer must implement the system of acquisition management set out in this Part in order to ensure –
 - (a) That goods and services are procured by Stellenbosch Municipality in accordance with authorised processes only;
 - (b) That expenditure on goods and services is incurred in terms of an approved budget in terms of section 15 of the Act;
 - (c) That the threshold values for the different procurement processes are complied with;
 - (d) That bid documentation, evaluation and adjudication criteria, and general conditions of a contract, are in accordance with any applicable legislation; and
 - (e) That any Treasury guidelines on acquisition management are properly taken into account.
- (2) When procuring goods or services contemplated in section 110(2) of the Act, the Accounting Officer must make public the fact that such goods or services are procured otherwise than through the Stellenbosch Municipality supply chain management system, including –
 - (a) The kind of goods or services; and
 - (b) The name of the supplier.

The Accounting Officer may on motivation of a Director extend the bid closing date, if circumstances justify the action, provided that the closing date may not be extended unless a notice is published by the Manager: Supply Chain Management in the same newspapers as the original advertisement as well as the website, prior to the original bid closing date. All prospective bidders must also be informed in writing by the relevant Director of the extension of the bid closing date.

- (4) Unless otherwise indicated in the bid documents, the Municipality shall not be liable for any expenses incurred by prospective bidders in the preparation and / or submission of a bid or quotation.

12. RANGE OF PROCUREMENT PROCESSES

- (1) Goods and / or services may only be procured by way of –
 - (a) Cash purchases administered by the Expenditure Division up to a transaction value as defined in Council's Petty Cash Policy;
 - (b) Petty cash purchases through one verbal request and or verbal /written quotation for the procurement of goods through the supply chain management requisition and order system of a transaction value between R 0 and R 2,000 (VAT included);
 - (c) Written or verbal quotations for procurement of goods and/or services of a transaction value between R 2,000 and R 10,000 (VAT included);
 - (d) Formal written quotations for procurement of goods and/or services of a transaction value between R 10,000 and R 200,000;

- (e) Procurements above a transaction value of R 200,000 (VAT included); and
 - (f) The procurement of long-term contracts.
- (2) The Accounting Officer may, in writing-
- (a) Lower, but not increase, the different threshold values specified in subparagraph (1); or
 - (b) Direct that –
 - (i) Written quotations are obtained for any specific procurement of a transaction value lower than R 2,000;
 - (ii) Written price quotations be obtained for any specific procurement of a transaction value lower than R 10,000; or
 - (iii) A competitive bidding process be followed for any specific procurement of a transaction value higher than R 200,000.
- (3) Goods or services may not deliberately be split into parts or items of a lesser value merely to avoid complying with the requirements of the policy. When determining transaction values, a requirement for goods or services consisting of different parts or items must as far as possible be treated and dealt with as a single transaction.

13. GENERAL PRECONDITIONS FOR CONSIDERATION OF WRITTEN QUOTATIONS OR BIDS

- (1) A written quotation or bid may not be considered unless the provider who submitted the quotation or bid –
- (a) Has furnished that provider's –
 - (i) Full name;
 - (ii) Identification number or company or other registration number; and
 - (iii) Tax reference number and VAT registration number, if any;
 - (b) Has authorised the Stellenbosch Municipality to obtain a tax clearance, if applicable from the South African Revenue Services that the provider's tax matters are in order; and
 - (c) Has indicated –
 - (i) Whether he or she is in the service of the state, or has been in the service of the state in the previous twelve months;
 - (ii) If the provider is not a natural person, whether any of its directors, managers, principal shareholders or stakeholder is in the service of the state, or has been in the service of the state in the previous twelve months; or
 - (iii) Whether a spouse, child or parent of the provider or of a director, manager, shareholder or stakeholder referred to in sub-paragraph (ii) is in the service of the state, or has been in the service of the state in the previous twelve months.

14. LISTS OF ACCREDITED PROSPECTIVE PROVIDERS

- (1) The Accounting Officer must –
 - (a) Keep a list of accredited prospective providers of goods and services that must be used for the procurement requirements through written or verbal quotations and formal written price quotations;
 - (b) At least once a year through newspapers commonly circulating locally, the website and any other appropriate ways, invite prospective providers of goods or services to apply for evaluation and listing as accredited prospective providers;
 - (c) Specify the listing criteria for accredited prospective providers as stated within the database registration forms; and
 - (d) Disallow the listing of any prospective provider whose name appears on the National Treasury's database as a person prohibited from doing business with the public sector.
- (2) The list must be updated at least quarterly to include any additional prospective providers and any new commodities or types of services. Prospective providers must be allowed to submit applications for listing at any time.
- (3) The list must be compiled per commodity and per type of service.

15. PETTY CASH PURCHASES

- (1) The Accounting Officer must establish the conditions for the procurement of goods by means of cash purchases and petty cash purchases referred to in paragraph 12(1)(a) and (b) of this Policy, which must include conditions –
 - (a) determining the terms on which a manager may delegate responsibility for cash purchases and petty cash purchases to an official reporting to the manager;
 - (b) limiting the maximum number of cash purchases and petty cash purchases or the maximum amounts per month for each manager;
 - (c) excluding any types of expenditure from cash purchases and petty cash purchases, where this is considered necessary;
 - (d) requiring a monthly reconciliation report from each manager to the Chief Financial Officer, including –
 - (i) the total amount of cash purchases and petty cash purchases for that month; and
 - (ii) receipts and appropriate documents for each purchase; and
 - (e) any other conditions determined by the Chief Financial Officer.
- (2) Cash purchases will be dealt with in terms of the Petty Cash Policy of Council.
- (3) Petty cash purchases will be dealt with in terms of the Supply Chain Management Policy of Council.

16. WRITTEN QUOTATIONS

- (1) The conditions for the procurement of goods or services through written or verbal quotations are as follows –

Quotations must be obtained from at least three different providers preferably from, but not limited to, providers whose names appear on the list of accredited prospective providers of the Stellenbosch Municipality, provided that if quotations are obtained from providers who are not listed, such providers must meet the listing criteria set out in paragraph 13 of this Policy;

- (b) Where no suitable providers are available from the list of accredited prospective providers, quotations may be obtained from other possible providers;
- (c) To the extent feasible, providers must be requested to submit such quotations in writing;
- (d) If it is not possible to obtain at least three quotations, the reasons must be recorded and reported quarterly to the Accounting Officer or another official designated by the Accounting Officer;
- (e) The Accounting Officer must record the names of the potential providers requested to provide such quotations with their quoted prices; and
- (f) If a quotation was submitted verbally, the order may be placed only against written confirmation by the selected provider.

17. FORMAL WRITTEN PRICE QUOTATIONS

- (1) The conditions for the procurement of goods or services through formal written price quotations are as follows:-

- (a) Quotations must be obtained in writing from at least three different providers whose names appear on the list of accredited prospective providers of the Stellenbosch Municipality. Quotations may be obtained from providers who are not listed, provided that such providers meet the listing criteria set out in paragraph 13 of this Policy;
- (b) Where no suitable providers are available from the list of accredited prospective providers, quotations may be obtained from other possible providers not registered on the municipal supplier database;
- (c) If it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the Chief Financial Officer or an official designated by the Chief Financial Officer;
- (d) The Accounting Officer must record the names of the potential providers and their written quotations; and
- (e) For the obtaining of quotations for services, Stellenbosch Municipality will utilize their notice boards.

- (2) A designated official referred to in subparagraph (1)(c) must within three days of the end of each month report to the Chief Financial Officer on any approvals given during that month by that official in terms of that subparagraph.

18. PROCEDURES FOR PROCURING GOODS OR SERVICES THROUGH WRITTEN OR VERBAL QUOTATIONS AND FORMAL WRITTEN PRICE QUOTATIONS

- (1) The procedure for the procurement of goods or services through written or verbal quotations or formal written price quotations is as follows –
 - (a) When using the list of accredited prospective providers the Accounting Officer must promote on-going competition amongst providers by inviting providers to submit quotations on a rotation basis;
 - (b) Where no suitable providers are available from the list of accredited prospective providers, quotations may be obtained from other possible providers not registered on the municipal supplier database;
 - i. All requirements in excess of R 30,000 (VAT included) that are to be procured by means of formal written price quotations must, in addition to the requirements of paragraph 17, be advertised for at least seven days on the website and an official notice board of the Stellenbosch Municipality;
 - ii. The municipality will follow a preferred bidding process in the event that the market did not respond in terms of the sourcing of quotations on the website for seven (7) days and if no responsive bids was received.
 - (c) Offers received must be evaluated on a comparative basis taking into account unconditional discounts;
 - (d) The Accounting Officer or Chief Financial Officer must on a monthly basis be notified in writing of all written or verbal quotations and formal written price quotations accepted by an official acting in terms of a sub-delegation;
 - (e) Offers below R 30,000 (VAT included) must be awarded based on compliance to specification and conditions of contract, ability and capability to deliver the goods and services and lowest price;
 - (f) Acceptable offers, which are subject to the preference points system (PPPFA and associated regulations), must be awarded to the bidder who scored the highest points; and
 - (g) Stellenbosch Municipality will maintain a proper record keeping system.

19. COMPETITIVE BIDS

- (1) Goods or services above a transaction value of R 200,000 (VAT included) and long term contracts may only be procured through a competitive bidding process, subject to paragraph 11(2) of this Policy.
- (2) No requirement for goods or services above an estimated transaction value of R 200,000 (VAT included), may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process.

20. PROCESS FOR COMPETITIVE BIDDING

- (1) The procedures for the following stages of a competitive bidding process are as follows:-
 - (a) Compilation of bidding documentation as detailed in paragraph 21;
 - (b) Public invitation of bids as detailed in paragraph 22;
 - (c) Site meetings or briefing sessions as detailed in paragraph 22;
 - (d) Handling of bids submitted in response to public invitation as detailed in paragraph 23;
 - (e) Evaluation of bids as detailed in paragraph 28;
 - (f) Award of contracts as detailed in paragraph 29;
 - (g) Administration of contracts;
 - (h) After approval of a bid, the Accounting Officer and the bidder must enter into a written agreement;
 - (i) Proper record keeping; and
 - (j) Original / legal copies of written contracts agreements must be kept in a secure place for reference purposes.

21. BID DOCUMENTATION FOR COMPETITIVE BIDS

- (1) The criteria to which bid documentation for a competitive bidding process must comply, must –
 - (a) Take into account –
 - (i) The general conditions of contract and any special conditions of contract, if specified;
 - (ii) Any Treasury guidelines on bid documentation; and
 - (iii) The requirements of the Construction Industry Development Board, in the case of a bid relating to construction, upgrading or refurbishment of buildings or infrastructure;
 - (b) Include the preference points system to be used, goals as contemplated in the Preferential Procurement Regulations and evaluation and adjudication criteria, including any criteria required by other applicable legislation;
 - (c) Compel bidders to declare any conflict of interest they may have in the transaction for which the bid is submitted;
 - (d) If the value of the transaction is expected to exceed R 10 million (VAT included), require bidders to furnish –
 - (i) If the bidder is required by law to prepare annual financial statements (AFS) for auditing, their audited AFS –

- (aa) For the past three years; or
- (bb) Since their establishment if established during the past three years;
- (ii) A certificate signed by the bidder certifying that the bidder has no undisputed commitments for municipal services towards a municipality or other service provider in respect of which payment is overdue for more than 30 days;
- (iii) Particulars of any contracts awarded to the bidder by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract;
- (iv) A statement indicating whether any portion of the goods or services are expected to be sourced from outside the Republic, and if so, what portion and whether any portion of payment from the municipality or municipal entity is expected to be transferred out of the Republic; and
- (e) Stipulate that disputes must be settled by means of mutual consultation, mediation, adjudication (with or without legal representation), or, when unsuccessful, in a South African court of law;
- (f) The period for which bids are to remain valid and binding must be indicated in the bid documents; and
- (g) A provision for the termination of the contract in the case of non- or under-performance and objections and complaints must be included in the bid documentation.

22. PUBLIC INVITATION FOR COMPETITIVE BIDS

- (1) The procedure for the invitation of competitive bids is as follows –
 - (a) Any invitation to prospective providers to submit bids must be by means of a public advertisement in newspapers commonly circulating locally, the website of the Stellenbosch Municipality or any other appropriate ways (which may include an advertisement in the Government Tender Bulletin); and
 - (b) The information contained in a public advertisement, must at least include the following –
 - (i) The title of the bid;
 - (ii) The bid number;
 - (iii) Whether functionality is applicable;
 - (iv) Whether local content is applicable;
 - (v) The place where the bid documentation is available for collection and the times between which bid documents may be collected;
 - (vi) The closure date for the submission of bids, which may not be less than 30 days in the case of transactions over R 10 million (VAT included), or which are of a long term nature, or 14 days in any

other case, from the date on which the advertisement is placed in a newspaper, subject to subparagraph (2) of this policy;

- (vii) A statement that bids may only be submitted on the bid documentation provided by the Stellenbosch Municipality;
 - (viii) Date, time and venue of any proposed site meetings or briefing sessions and whether such meetings are compulsory;
 - (ix) Whether a payment of a non-refundable deposit is required by bidders wanting to collect bid documents which deposit amount shall be determined by the Municipal Council from time to time;
 - (x) The bid validity period; and
 - (xi) Contact details for further enquiries.
- (2) The Accounting Officer may determine a closure date for the submission of bids which is less than the 30 or 14 days requirement, but only if such shorter period can be justified on the grounds of urgency or emergency or any exceptional case where it is impractical or impossible to follow the official procurement process.
- (3) Bids submitted must be sealed and must clearly indicate the bid number on the outside of the envelope for which the bid is being submitted.
- (4) Where bids are requested by the Municipality in electronic format, such bids must be supplemented by sealed hard copies.
- (5) Details of all prospective bidders who have been issued with bid documents must be recorded by the Municipality and shall remain confidential for the duration of the bid period. Details of prospective bidders must, wherever possible, include the full name of the person drawing the bid documents, the name of the company for whom the bid documents are, a contact person, a contact telephone number, a fax number and a postal and email address.
- (6) The municipality may require bidders to submit section(s) of their bid in electronic format, but only after the bid closing date. If the electronic copy differs from the original hard copy, the original hard copy will be binding.

23. PROCEDURE FOR HANDLING, OPENING AND RECORDING OF COMPETITIVE BIDS AND FORMAL WRITTEN PRICE QUOTATIONS IN EXCESS OF R 30,000

- (1) The procedures for the handling, opening and recording of bids are as follows
- (a) Bids –
 - (i) Must be opened only in public;
 - (ii) must be opened at the same time and as soon as possible after the period for the submission of bids has expired; and
 - (iii) Received after the closing time should not be considered and returned unopened immediately; and
 - (b) Any bidder or member of the public has the right to request that the names of the bidders who submitted bids in time must be read out and, if practical, also each bidder's total bidding price;

- (c) No information, except the provisions in subparagraph (b), relating to the bid should be disclosed to bidders or other persons until the successful bidder is notified of the award;
- (d) The Accounting Officer must –
 - (i) Record in a register all bids received in time;
 - (ii) Make the register available for public inspection; and
 - (iii) Publish the entries in the register and the bid results on the website.
- (e) The bidder shall choose a *domicilium citandi et executandi* in the Republic and unless notice of the change thereof has duly been given in writing, it shall be the address stated in the bid.
- (f) Opening of bid procedures –
 - (i) At the specified closing time on the closing date the applicable bid box shall be closed;
 - (ii) The bid box shall be opened in public as soon as practical after the closing time by at least two officials from the Supply Chain Management Unit and the Security Officer on duty;
 - (iii) It is the responsibility of the bidder to ensure that their bid is placed in the correct bid box. The municipality will not on its own initiative redirect any bid if it is placed in an incorrect bid box before the closing time of submissions.
 - (iv) Immediately after the opening of the bid box all bids shall be opened in public;
 - (v) At the official opening of the bids, the bids shall in all cases be read out in terms of the name of the bidder and, if practical, the amount of the bid;
 - (vi) As soon as a bid or technical proposal has been opened the bid / proposal shall be stamped with the official stamps, and endorsed with the opening officials' signatures;
 - (viii) The name of the bidder, and where possible, the bid sum shall be recorded in a bid opening record kept for that purpose; and The responsible officials who opened the bidding documentation received shall forthwith place their signatures on the bid opening record (register) and shall ensure that the bid opening record, indicating at least the bid price of each bidder, the BBBEE status level contribution of each bidder and where applicable the local content percentages of the goods offered are made available for public inspection and are published on the municipality's website.
- (g) Site Inspections / clarification meeting –
 - (i) Site inspections / clarifications meeting, where applicable, will be compulsory.
 - (ii) If site inspections / clarification meeting are to be held, full details must be included in the bid notice.

(h) Bid validity periods

- (i) The validity period is calculated from the bid closure date and bids shall remain in force and binding for a period as indicated in the invitation to bid and the bid documents, subject to any other applicable legislation and instructions from the National Treasury for specific types of procurement.
- (ii) The period of validity may be extended by the relevant Director, provided that the original bid validity period has not expired and that all bidders are given an opportunity to extend such period.
- (iii) Any such extension shall be agreed to by a bidder in writing.

Bidders who fail to respond to such a request before the validity of their bid expires, or who decline such a request shall not be considered further in the bid evaluation process.
- (iv) All bidders who indicated the acceptance of the extension of the bid validity period, bids will be considered for evaluation purposes.
- (v) To cater for a possible objection or complaint in terms of paragraph 49 of this policy or an appeal in terms of section 62 of the Municipal Systems Act, the official responsible for the bid must ensure that all bidders are requested to extend the validity of their bids where necessary in order to ensure that the bids are valid throughout the objection, complaint or appeal period.
- (vi) If the validity of all bids expired without it being awarded within the bid validity period, including any extensions thereof allowable in terms of applicable legislation, the bid must be cancelled and published in the same media in which the original bid invitation appeared.
- (vii) All bidders must be notified in writing of the cancellation of a bid in terms of subparagraph (vi) above.

(i) Samples

- (i) The call for samples should be limited to where samples are called for in the bid documents, samples (marked with the bid and item number as well as the bidder's name and address) shall be delivered separately (to the bid) to the addressee mentioned in the bid documents by no later than the closing time of the bid.
- (ii) Bids may not be included in parcels containing samples.
- (iii) If samples are not submitted as required in the bid documents, then the part of the bid for which no sample is provided shall be declared invalid.
- (iv) Samples shall be supplied by a bidder at his / her own expense and risk. Stellenbosch Municipality shall not be obliged to pay for such samples or compensate for the loss thereof, unless otherwise specified in the bid documents, and shall reserve the right to return such samples or to dispose of them at its own discretion.

- (v) If a bid is accepted for the supply of goods according to a sample submitted by the bidder, that sample will become the contract sample. All goods/materials supplied shall comply in all respects to that contract sample.

(j) Bid Sum

- (i) A bid will not necessarily be invalidated if the amount in words and the amount in figures do not correspond, in which case the amount in words shall be read out at the bid opening.

24. NEGOTIATIONS WITH PREFERRED BIDDERS

- (1) The Accounting Officer may negotiate the final terms of a contract with bidders identified through a competitive bidding process as preferred bidders, provided that such negotiation –
 - (a) Does not allow any preferred bidder a second or unfair opportunity;
 - (b) Is not to the detriment of any other bidder; and
 - (c) Does not lead to a higher price than the bid as submitted.
- (2) Minutes of such negotiations must be kept for record purposes.

25. TWO-STAGE BIDDING PROCESS

- (1) A two-stage bidding process is allowed for –
 - (a) Large complex projects;
 - (b) Projects where it may be undesirable to prepare complete detailed technical specifications; or
 - (c) Long term projects with a duration period exceeding three years.
- (2) In the first stage technical proposals on conceptual design or performance specifications should be invited, subject to technical as well as commercial clarifications and adjustments.
- (3) In the second stage final technical proposals and priced bids should be invited.

26. COMMITTEE SYSTEM FOR COMPETITIVE BIDS

- (1) A committee system for competitive bids is hereby established, consisting of the following committees for each procurement or cluster of procurements as the Accounting Officer may determine as issued within the directive and stating the terms of reference of each bid committee –
 - (a) A Bid Specifications Committee;
 - (b) A Bid Evaluation Committee; and
 - (c) A Bid Adjudication Committee.
- (2) The Accounting Officer appoints the members of each committee, taking into account section 117 of the Act; and

- (3) A neutral or independent observer, appointed by the Accounting Officer, must attend or oversee a committee when this is appropriate for ensuring fairness and promoting transparency.
- (4) The committee system must be consistent with –
 - (a) Paragraph 27, 28 and 29 of this Policy;
 - (b) Any other applicable legislation; and
 - (c) The Accounting Officer may apply the committee system to formal written price quotations.

27. BID SPECIFICATIONS COMMITTEES

- (1) A Bid Specifications Committee must compile the specifications for each procurement of goods or services by the Stellenbosch Municipality.
- (2) Specifications –
 - (a) Must be drafted in an unbiased manner to allow all potential suppliers to offer their goods or services;
 - (b) Must take account of any accepted standards such as those issued by Standards South Africa, the International Standards Organisation, or an authority accredited or recognised by the South African National Accreditation System with which the equipment or material or workmanship should comply;
 - (c) Must, where possible, be described in terms of performance required rather than in terms of descriptive characteristics for design;
 - (d) May not create trade barriers in contract requirements in the forms of specifications, plans, drawings, designs, testing and test methods, packaging, marking or labelling of conformity certification;
 - (e) May not make reference to any particular trade mark, name, patent, design, type, specific origin or producer unless there is no other sufficiently precise or intelligible way of describing the characteristics of the work, in which case such reference must be accompanied by the word “equivalent”;
 - (f) Must indicate the preference points system set out in the Preferential Procurement Regulations 2017;
 - (g) Must be approved by the Accounting Officer prior to publication of the invitation for bids in terms of paragraph 22 of this Policy; and
 - (h) The Accounting Officer may sub-delegate the requirements in sub-paragraph 2(g) above to the Chairperson of the Bid Specifications Committee.
- (3) A Bid Specifications Committee must be composed of one or more officials of the Stellenbosch Municipality preferably the manager responsible for the function involved, and may, when appropriate, include external and / or internal specialist advisors.
- (4) No person, advisor or corporate entity involved with the Bid Specifications Committee, or director of such a corporate entity, may bid for any resulting contracts.

28. BID EVALUATION COMMITTEES

- (1) A Bid Evaluation Committee must –
 - (a) Evaluate bids in accordance with –
 - (i) The specifications for a specific procurement; and
 - (ii) The points system set out in terms of paragraph 27(2)(f);
 - (b) Evaluate each bidder's ability to execute the contract;
 - (c) Check in respect of the recommended bidder whether municipal rates and taxes and municipal service charges are not in arrears; and
 - (d) Submit to the adjudication committee a report and recommendations regarding the award of the bid or any other related matter.
- (2) A Bid Evaluation Committee must as far as possible be composed of
 - (a) Officials from departments requiring the goods or services; and
 - (b) At least one supply chain management practitioner of the Stellenbosch Municipality.
- (3) The relevant user department's official shall carry out a preliminary evaluation of all valid bids received and shall submit a bid evaluation report to the Bid Evaluation Committee for consideration.
- (4) Any evaluation of a bid shall consider the bids received and shall note for inclusion in the evaluation report, a bidder –
 - (a) Whose bid does not comply with the provisions of paragraph 38 of this Policy;
 - (b) Whose bid does not comply with the provisions of paragraph 13 of this Policy;
 - (c) Whose bid is not in compliance with the specification;
 - (d) Whose bid is not in compliance with the terms and conditions of the bid documentation;
 - (e) Who is not registered and verified on the municipality's supplier database within seven days of the closing time for bids. In this regard bid documentation shall state that the responsibility for registration and verification rests solely with the bidder;
 - (f) Who, in the case of construction works acquisitions, does not comply with the requirements of the Construction Industry Development Board Act regarding registration of contractors. Verification of compliance with this requirement shall be by means of Stellenbosch Municipality's Supplier Database;
 - (g) Who has failed to submit a valid tax clearance certificate form from the South African Revenue Services (SARS) certifying that the taxes of the bidder are in order or that suitable arrangements have been made with SARS; and
 - (h) Who fails to comply with any applicable Bargaining Council agreement.

- (5) Bids shall be evaluated according to the following as applicable –
 - (i) Bid price (corrected if applicable and brought to a comparative level where necessary);
 - (ii) The unit rates and prices;
 - (iii) The bidder's ability to fulfil its obligations in terms of the bid documents;
 - (iv) Any qualifications to the bid;
 - (v) The bid ranking obtained in respect of Preferential Procurement as required by Stellenbosch Municipality's Preferential Procurement Policy;
 - (vi) The financial standing of the bidder, including its ability to furnish the required institutional guarantee, where applicable; and
 - (vii) Any other criteria specified in the bid documents.
- (6) The Bid Evaluation Committee shall check in respect of the recommended bidder whether municipal rates and taxes and municipal service charges are not in arrears.
- (7) The evaluation of bids on an equitable basis may be considered during the evaluation process.
- (8) Additional information or clarification of bids may be called for if required.
- (9) Alternative bids may be considered, provided that a bid free of qualifications and strictly in accordance with the bid documents is also submitted. Stellenbosch Municipality shall not be bound to consider alternative bids. The alternative offer is to be submitted with the main offer together with a schedule that compares the specifications of the bid documents with the alternative offer.
- (10) If a bidder requests in writing, after the closing of bids, that his/her bid be withdrawn, then such a request may be considered and reported in the bid evaluation report.
- (11) If, after bids have been brought to a comparative level, two or more scores equal total adjudication points, regulation 11(5) of the Preferential Procurement Regulations of 2011 will apply.
- (12) If two or more bids are equal in all respects after applying regulation 11(5), the Bid Evaluation Committee shall draw lots to decide on the recommendation for award.
- (13) All disclosures of conflict of interest shall be considered by the Bid Evaluation Committee and if the conflict of interest is of a material nature, this shall be reported to the Bid Adjudication Committee.
- (14) The relevant Director or the Manager: Supply Chain Management may, before the bid is considered by the Bid Evaluation Committee, provide a reasonable opportunity to a bidder who made an innocent error and / or omission in their bid document, to correct the innocent error and / or omission, provided that such opportunity will not unduly prejudice any of the other bidders.

- (15) In an event as described in sub-paragraph 14, bidders shall be afforded a minimum of two (2) working days up to a maximum of five (5) working days (on discretion of the relevant Director or the Manager: Supply Chain Management) from time of notification to correct such innocent errors and / or omissions. If no response is received from such bidders at the deadline the bid may be deemed to be non-responsive.

29. BID ADJUDICATION COMMITTEES

- (1) A Bid Adjudication Committee must –
- (a) Consider the report and recommendations of the Bid Evaluation Committee; and
 - (b) Either –
 - (i) Depending on its delegations, make a final award or a recommendation to the Accounting Officer to make the final award; or
 - (ii) Make another recommendation to the Accounting Officer how to proceed with the relevant procurement.
- (2) A Bid Adjudication Committee must consist of at least four senior managers of the Stellenbosch Municipality, which must include –
- (a) The Chief Financial Officer or, if the Chief Financial Officer is not available, another manager in the budget and treasury office reporting directly to the Chief Financial Officer and designated by the Chief Financial Officer;
 - (b) At least one senior supply chain management practitioner who is an official of the Stellenbosch Municipality; and
 - (c) A technical expert in the relevant field who is an official, if such an expert exists.
- (3) The Accounting Officer must appoint the chairperson of the committee. If the chairperson is absent from a meeting, the members of the committee who are present must elect one of them to preside at the meeting.
- (4) Neither a member of a Bid Evaluation Committee, nor an advisor or person assisting the evaluation committee, may be a member of a Bid Adjudication Committee.
- (a) If the Bid Adjudication Committee decides to award a bid other than the one recommended by the Bid Evaluation Committee, the Bid Adjudication Committee must prior to awarding the bid–
 - (i) Check in respect of the preferred bidder whether that bidder's municipal rates and taxes and municipal service charges are not in arrears; and
 - (ii) Notify the Accounting Officer.
 - (b) The Accounting Officer may –
 - (i) After due consideration of the reasons for the deviation, ratify or

reject the decision of the Bid Adjudication Committee referred to in paragraph (a); and

- (ii) If the decision of the Bid Adjudication Committee is rejected, refer the decision of the adjudication committee back to that committee for reconsideration.

- (6) The Accounting Officer may at any stage of a bidding process, refer any recommendation made by the evaluation committee or the adjudication committee back to that committee for reconsideration of the recommendation.
- (7) The Accounting Officer must comply with section 114 of the Act within 10 working days

30. PROCUREMENT OF BANKING SERVICES

- (1) A contract for banking services –
 - (a) Must be procured through competitive bids;
 - (b) Must be consistent with section 7 or 85 of the Act; and
 - (c) May not be for a period of more than five years at a time.
- (2) The process for procuring a contract for banking services must commence at least nine months before the end of an existing contract.
- (3) The closure date for the submission of bids may not be less than 60 days from the date on which the advertisement is placed in a newspaper in terms of paragraph 22(1). Bids must be restricted to banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990).

31. PROCUREMENT OF IT RELATED GOODS OR SERVICES

- (1) The Accounting Officer may request the State Information Technology Agency (SITA) to assist with the acquisition of IT related goods or services through a competitive bidding process.
- (2) Both parties must enter into a written agreement to regulate the services rendered by and the payments to be made to SITA.
- (3) The Accounting Officer must notify SITA together with a motivation of the IT needs if –
 - (a) The transaction value of IT related goods or services required in any financial year will exceed R 50 million (VAT included); or
 - (b) The transaction value of a contract to be procured whether for one or more years exceeds R 50 million (VAT included).
- (4) If SITA's comments on the submission and the Stellenbosch Municipality disagree with such comments, the comments and the reasons for rejecting or not following such comments must be submitted to the council, the National Treasury, the relevant provincial treasury and the Auditor General.

32. PROCUREMENT OF GOODS AND SERVICES UNDER CONTRACTS SECURED BY OTHER ORGANS OF STATE

- (1) The Accounting Officer may procure goods or services under a contract secured by another organ of state, but only if –
 - (a) The contract has been secured by that other organ of state by means of a competitive bidding process applicable to that organ of state;
 - (b) There is no reason to believe that such contract was not validly procured;
 - (c) There are demonstrable discounts or benefits to do so; and
 - (d) That other organ of state and the provider has consented to such procurement in writing.
- (2) Subparagraphs (1)(c) and (d) do not apply if –
 - (a) A municipal entity procures goods or services through a contract secured by its parent municipality; or
 - (b) A municipality procures goods or services through a contract secured by a municipal entity of which it is the parent municipality.
- (3) If paragraph (1) is complied with, Stellenbosch Municipality must request at least the following documents from the relevant organ of state and service provider as referred to under subparagraph (1)(d) –
 - (a) A written declaration confirming –
 - (i) That the organ of state followed a competitive bidding process applicable to it;
 - (ii) That the organ of state has no reason to believe that the contract was not validly procured by itself;
 - (iii) That the organ of state evaluated the bid in terms of price and
BBBEE and if applicable, in terms of functionality or quality, and concluded that the bid(s) that were accepted were in all aspects the best compliant and respective bid(s); and
 - (iv) That the organ of state gives formal written permission to
Stellenbosch Municipality to procure goods and / or services from the approved bid(s) as accepted by the organ of state;
 - (b) Agenda and minutes of the organ of state's Bid Evaluation Committee at which the specific bid was evaluated;
 - (c) Agenda and minutes of the organ of state's Bid Adjudication Committee at which the bid was awarded or the approval of the Accounting Officer of that organ of state who approved the bid;
 - (d) A copy of the successful bidder(s) bid submissions; and
 - (e) Written consent from the service provider.
- (4) If Stellenbosch Municipality should enter into a contract secured by other organs of state, it shall enter into a contract with the successful bidder(s) on the same terms and conditions as accepted by the relevant organ of state.
- (5) Contracts entered into by Stellenbosch Municipality under paragraph (4) shall not be deemed to be a deviation from the official procurement processes.

- (6) The Accounting Officer shall report to Council on a monthly basis all contracts entered into in terms of paragraph (4) above.

33. PROCUREMENT OF GOODS NECESSITATING SPECIAL SAFETY ARRANGEMENTS

- (1) The acquisition and storage of goods in bulk (other than water), which necessitate special safety arrangements, including gasses and fuel, should be avoided wherever possible.
- (2) Where the storage of goods in bulk is justified, such justification must be based on sound reasons, including the total cost of ownership, cost advantages and environmental impact and must be approved by the Accounting Officer.

34. PROUDLY SA CAMPAIGN

- (1) Stellenbosch Municipality supports the Proudly SA Campaign to the extent that, all things being equal, preference is given to procuring local goods and services from –
- (a) Firstly: Suppliers and businesses within the municipality or district;
 - (b) Secondly: Suppliers and businesses within the relevant province; and
 - (c) Thirdly: Suppliers and businesses within the Republic.

35. APPOINTMENT OF CONSULTANTS

- (1) The Accounting Officer may procure consulting services provided that any Treasury guidelines in respect of consulting services or Construction Industry Development Board guidelines in respect of services related to the built environment and construction works are taken into account when such procurements are made.
- (2) Consultancy services must be procured through competitive bids if –
- (a) The value of the contract exceeds R 200,000 (VAT included); or
 - (b) The duration period of the contract exceeds one year.
- (3) In addition to any requirements prescribed by this policy for competitive bids, bidders must furnish particulars of –
- (a) All consultancy services provided to an organ of state in the last five years; and
 - (b) Any similar consultancy services provided to an organ of state in the last five years.
- (4) The Accounting Officer must ensure that copyright in any document produced, and the patent rights or ownership in any plant, machinery, thing, system or process designed or devised, by a consultant in the course of the consultancy service is vested in the Stellenbosch Municipality .
- (5) Where the estimated value of fees is less than R 200,000 and the duration of the appointment is less than one year, any National Treasury and, where applicable, Construction Industry Development Board guidelines in respect of consulting services are taken into account.

36. DEVIATION FROM AND RATIFICATION OF MINOR BREACHES OF PROCUREMENT PROCESSES

- (1) The Accounting Officer may –
 - (a) Dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –
 - (i) In an emergency (as per definition);
 - (ii) If such goods or services are produced or available from a single source or sole provider only (as per definition);
 - (iii) For the acquisition of special works of art or historical objects where specifications are difficult to compile;
 - (iv) Acquisition of animals for zoos and/or nature and game reserves; or
 - (v) In any other exceptional case where it is impractical or impossible to follow the official procurement processes; and
 - (b) Ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties, which are purely of a technical nature.
- (2) The Accounting Officer must record the reasons for any deviations in terms of subparagraphs (1)(a) and (b) of this policy and report them to the next meeting of the council and include as a note to the annual financial statements.
- (3) Subparagraph (2) does not apply to the procurement of goods and services contemplated in paragraph 11(2) of this policy.

37. UNSOLICITED BIDS

- (1) In accordance with section 113 of the Act there is no obligation to consider unsolicited bids received outside a normal bidding process.
- (2) The Accounting Officer may decide in terms of section 113(2) of the Act to consider an unsolicited bid, only if –
 - (a) The product or service offered in terms of the bid is a demonstrably or proven unique innovative concept;
 - (b) The product or service will be exceptionally beneficial to, or have exceptional cost advantages;
 - (c) The person who made the bid is the sole provider of the product or service; and
 - (d) The reasons for not going through the normal bidding processes are found to be sound by the Accounting Officer.
- (3) If the Accounting Officer decides to consider an unsolicited bid that complies with subparagraph (2) of this policy, the decision must be made public in accordance with section 21A of the Municipal Systems Act, together with –

- (a) Reasons as to why the bid should not be open to other competitors;
 - (b) An explanation of the potential benefits if the unsolicited bid were accepted; and
 - (c) An invitation to the public or other potential suppliers to submit their comments within 30 days of the notice.
- (4) The Accounting Officer must submit all written comments received pursuant to subparagraph (3), including any responses from the unsolicited bidder, to the National Treasury and the relevant provincial treasury for comment.
 - (5) The adjudication committee must consider the unsolicited bid and may award the bid or make a recommendation to the Accounting Officer, depending on its delegations.
 - (6) A meeting of the adjudication committee to consider an unsolicited bid must be open to the public.
 - (7) When considering the matter, the adjudication committee must take into account –
 - (a) Any comments submitted by the public; and
 - (b) Any written comments and recommendations of the National Treasury or the relevant provincial treasury.
 - (8) If any recommendations of the National Treasury or provincial treasury are rejected or not followed, the Accounting Officer must submit to the Auditor General, the relevant provincial treasury and the National Treasury the reasons for rejecting or not following those recommendations.
 - (9) Such submission must be made within seven days after the decision on the award of the unsolicited bid is taken, but no contract committing the

Stellenbosch Municipality to the bid may be entered into or signed within 30 days of the submission.

38. COMBATING OF ABUSE OF SUPPLY CHAIN MANAGEMENT SYSTEM

- (1) The Accounting Officer must –
 - (a) Take all reasonable steps to prevent abuse of the supply chain management system;
 - (b) Investigate any allegations against an official or other role player of fraud, corruption, favouritism, unfair or irregular practices or failure to comply with this Policy, and when justified –
 - (i) Take appropriate steps against such official or other role player; or
 - (ii) Report any alleged criminal conduct to the South African Police Service;
 - (c) Check the National Treasury's database prior to awarding any contract to ensure that no recommended bidder, or any of its directors, is listed as a person prohibited from doing business with the public sector;
 - (d) Reject any bid from a bidder –

- (i) If any municipal rates and taxes or municipal service charges owed by that bidder or any of its directors to the Stellenbosch Municipality or to any other municipality or municipal entity, are in arrears for more than three months; or
 - (ii) Who during the last five years has failed to perform satisfactorily on a previous contract with the Stellenbosch Municipality or any other organ of state after written notice was given to that bidder that performance was unsatisfactory;
- (e) Reject a recommendation for the award of a contract if the recommended bidder or any of its directors, or trust or its trustees has committed a corrupt or fraudulent act in competing for the particular contract;
- (f) Cancel a contract awarded to a person if –
 - (i) The person committed any corrupt or fraudulent act during the bidding process or the execution of the contract; or
 - (ii) An official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of the contract that benefited that person; and
- (g) Reject the bid of any bidder if that bidder or any of its directors –
 - (i) Has abused the supply chain management system of the Stellenbosch Municipality or has committed any improper conduct in relation to such system;
 - (ii) Has been convicted for fraud or corruption during the past five years;
 - (iii) Has wilfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
 - (iv) Has been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).
- (2) The Accounting Officer must inform the National Treasury and relevant provincial treasury in writing of any actions taken in terms of subparagraphs (1)(b)(ii), (e) or (f) of this Policy.

PART 3: LOGISTICS, DISPOSAL, RISK AND PERFORMANCE MANAGEMENT

39. LOGISTICS MANAGEMENT

- (1) The Accounting Officer must establish and implement an effective system of logistics management, which must include –
 - (a) The monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;
 - (b) The setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;
 - (c) The placing of manual or electronic orders for all acquisitions other than those from petty cash;
 - (d) Before payment is approved, certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;
 - (e) Appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;
 - (f) Regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes; and
 - (g) Monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.

40. DISPOSAL MANAGEMENT

- (1) A supply chain management policy must provide for an effective system of disposal management for the disposal or letting of assets, including unserviceable, redundant or obsolete assets, subject to sections 14 and 90 of the Act
- (2) A supply chain management policy must specify the ways in which assets may be disposed of, including –
 - (a) Transferring the asset to another organ of state in terms of a provision of the Act enabling the transfer of assets;
 - (b) Transferring the asset to another organ of state at market related value or, when appropriate, free of charge;
 - (c) Selling the asset; and
 - (d) Destroying the asset.
- (3) The Accounting Officer must ensure that –
 - (a) Immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise;

- (b) Movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous, except when the public interest or the plight of the poor demands otherwise;
 - (c) Firearms are not sold or donated to any person or institution within or outside the Republic unless approved by the National Conventional Arms Control Committee;
 - (d) Immovable property is let at market related rates except when the public interest or the plight of the poor demands otherwise;
 - (e) All fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed;
 - (f) Where assets are traded in for other assets, the highest possible trade-in price is negotiated; and
 - (g) In the case of the free disposal of computer equipment, the provincial department of education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment.
- (4) All matters relating to the alienation of movable and immovable assets shall be dealt with in terms of Council's Asset Transfer Policy and the Asset Transfer Regulations, 2008.
- (5) Notwithstanding the provisions of paragraph 3 hereof, the following statutory powers of Stellenbosch Council in respect of the alienation of immovable property, are reserved to be exercised by Council –
- (a) To decide on reasonable grounds that an asset is not needed to provide the minimum level of basic municipal services; and
 - (b) To considered the fair market value of the asset and the economic and community value to be received in exchange for the asset, and
- (6) Notwithstanding sub-paragraph (3)(b) & (g) above, the Accounting Officer must determine the most advantageous way for the disposal or letting of movable capital assets, i.e. written price quotations, competitive bidding, or auction, except when public interest or the plight of the poor demands otherwise.
- (7) The Accounting Officer is hereby authorized to dispose of movable capital assets below a value of R 500,000 (excluding the approval for selling of assets via public auction process) and to make the determinations in terms of Section 14(2)(a) and (b) of the MFMA, provided that, in respect of capital assets above a value of R 200,000 not being auctioned, the Accounting

Officer shall first consider a recommendation from the Supply Chain Management Bid Adjudication Committee.

41. RISK MANAGEMENT

- (1) The criteria for an effective risk management strategy within supply chain management system, should include the identification, consideration and avoidance of potential risks.
- (2) Risk management should include –

- (a) The identification of risks on a case-by-case basis;
- (b) The allocation of risks to the party best suited to manage such risks;
- (c) Acceptance of the cost of the risk where the cost of transferring the risk is greater than that of retaining it;
- (d) The management of risks in a pro-active manner and the provision of adequate cover for residual risks; and
- (e) The assignment of relative risks to the contracting parties through clear and unambiguous contract documentation.

42. PERFORMANCE MANAGEMENT

- (1) The Accounting Officer must establish and implement an internal monitoring system in order to determine, on the basis of a retrospective analysis, whether the authorised supply chain management processes were followed and whether the objectives of this Policy were achieved. The retrospective analysis will link to the regulatory reports and submissions on the implementation of the supply chain management policy to the delegated authorities as prescribed in terms of supply chain management regulations and the delegation system of council, as amended from time to time.

PART 4: OTHER MATTERS

43. PROHIBITION ON AWARDS TO PERSONS WHOSE TAX MATTERS ARE NOT IN ORDER

- (1) No award above R 30,000 (including VAT) may be made in terms of this Policy to a person whose tax matters have not been declared by the South African Revenue Service to be in order.
- (2) Before making an award to a person the Accounting Officer must first check with SARS whether that person's tax matters are in order.
- (3) If SARS does not respond within 7 days such person's tax matters may for purposes of subparagraph (1) be presumed to be in order.

44. PROHIBITION ON AWARDS TO PERSONS IN THE SERVICE OF THE STATE

- (1) Irrespective of the procurement process followed, no award may be made to a person in terms of this Policy –
 - (a) Who is in the service of the state;
 - (b) If that person is not a natural person, of which any director, manager, principal shareholder or stakeholder is a person in the service of the state; or
 - (c) A person who is an advisor or consultant contracted with the Stellenbosch Municipality.

45. AWARDS TO CLOSE FAMILY MEMBERS OF PERSONS IN THE SERVICE OF THE STATE

- (1) The Accounting Officer must ensure that the notes to the annual financial statements disclose particulars of any award of more than R 2,000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months, including –
 - (a) The name of that person;
 - (b) The capacity in which that person is in the service of the state; and
 - (c) The amount of the award.

46. ETHICAL STANDARDS

- (1) A code of ethical standards as set out in [subparagraph (2) / the "National Treasury's code of conduct for supply chain management practitioners and other role players involved in supply chain management, which also include all other municipal officials not involved in supply chain management system"] is hereby established for municipal officials and other role players in the supply chain management system of the Stellenbosch Municipality in order to promote-
 - (a) Mutual trust and respect; and
 - (b) An environment where business can be conducted with integrity and in a fair and reasonable manner.

- (2) A municipal official or other role player involved in the implementation of this Policy–
 - (a) Must treat all providers and potential providers equitably;
 - (b) May not use his or her position for private gain or to improperly benefit another person;
 - (c) May not accept any reward, gift, favour, hospitality or other benefit directly or indirectly, including to any close family member, partner or associate of that person, of a value more than R 350;
 - (d) Notwithstanding subparagraph (2)(c), must declare to the Accounting Officer details of any reward, gift, favour, hospitality or other benefit promised, offered or granted to that person or to any close family member, partner or associate of that person;
 - (e) Must declare to the Accounting Officer details of any private or business interest which that person, or any close family member, partner or associate, may have in any proposed procurement or disposal process of, or in any award of a contract by, the Stellenbosch Municipality;
 - (f) Must immediately withdraw from participating in any manner whatsoever in a procurement or disposal process or in the award of a contract in which that person, or any close family member, partner or associate, has any private or business interest;
 - (g) Must be scrupulous in his or her use of property belonging to Stellenbosch Municipality;
 - (h) Must assist the Accounting Officer in combating fraud, corruption, favouritism and unfair and irregular practices in the supply chain management system; and
 - (i) Must report to the Accounting Officer any alleged irregular conduct in the supply chain management system which that person may become aware of, including –
 - (i) Any alleged fraud, corruption, favouritism or unfair conduct;
 - (ii) Any alleged contravention of paragraph 47(1) of this Policy; or
 - (iii) Any alleged breach of this code of ethical standards.
- (3) Declarations in terms of subparagraphs (2)(d) and (e) –
 - (a) Must be recorded in a register, which the Accounting Officer must keep for this purpose; and
 - (b) By the Accounting Officer must be made to the Executive Mayor of the municipality who must ensure that such declarations are recorded in the register.
- (4) The National Treasury's code of conduct and Schedule 2 of the Systems Act must be adhered to by supply chain management practitioners and other role players involved in supply chain management.

- (5) A breach of the code of ethics must be dealt with as follows –
- (a) In the case of an employee, in terms of the disciplinary procedures of the Stellenbosch Municipality envisaged in section 67(1)(h) of the Municipal Systems Act;
 - (b) In the case a role player who is not an employee, through other appropriate means in recognition of the severity of the breach;
 - (c) In all cases, financial misconduct must be dealt with in terms of chapter 15 of the Act; and
 - (d) All cases of non-compliance to this Policy should be reported to the Accounting Officer.

47. INDUCEMENTS, REWARDS, GIFTS AND FAVOURS TO MUNICIPALITIES, OFFICIALS AND OTHER ROLE PLAYERS

- (1) No person who is a provider or prospective provider of goods or services, or a recipient or prospective recipient of goods disposed or to be disposed of may either directly or through a representative or intermediary promise, offer or grant –
- (a) Any inducement or reward to the Stellenbosch Municipality for or in connection with the award of a contract; or
 - (b) Any reward, gift, favour or hospitality to –
 - (i) Any official; or
 - (ii) Any other role player involved in the implementation of this Policy.
- (2) The Accounting Officer must promptly report any alleged contravention of subparagraph (1) to the National Treasury for considering whether the offending person, and any representative or intermediary through which such person is alleged to have acted, should be listed in the National Treasury's database of persons prohibited from doing business with the public sector.
- (3) Subparagraph (1) does not apply to gifts less than R 350 in value.

48. SPONSORSHIPS

- (1) The Accounting Officer must promptly disclose to the National Treasury and the relevant provincial treasury any sponsorship promised, offered or granted, whether directly or through a representative or intermediary, by any person who is –
- (a) A provider or prospective provider of goods or services; or
 - (b) A recipient or prospective recipient of goods disposed or to be disposed.

49. OBJECTIONS AND COMPLAINTS

- (1) Persons aggrieved by decisions or actions taken in the implementation of this supply chain management system, may lodge within 14 days of the decision or action, a written objection or complaint against the decision or action.

50. RESOLUTION OF DISPUTES, OBJECTIONS, COMPLAINTS AND QUERIES

- (1) The Accounting Officer may, if deem so, appoint an independent and impartial person, not directly involved in the supply chain management processes –
 - (a) To assist in the resolution of disputes between the Stellenbosch Municipality and other persons regarding –
 - (i) Any decisions or actions taken in the implementation of the supply chain management system; or
 - (ii) Any matter arising from a contract awarded in the course of the supply chain management system; or
 - (b) To deal with objections, complaints or queries regarding any such decisions or actions or any matters arising from such contract.
- (2) The Accounting Officer, or another official designated by the Accounting Officer, is responsible for assisting the appointed person to perform his or her functions effectively.
- (3) The person appointed should, if appointed –
 - (a) Strive to resolve promptly all disputes, objections, complaints or queries received; and
 - (b) Submit monthly reports to the Accounting Officer on all disputes, objections, complaints or queries received, attended to or resolved.
- (4) A dispute, objection, complaint or query may be referred to the relevant provincial treasury if –
 - (a) The dispute, objection, complaint or query is not resolved within 60 days; or
 - (b) No response is forthcoming within 60 days.
- (5) If the provincial treasury does not or cannot resolve the matter, the dispute, objection, complaint or query may be referred to the National Treasury for resolution.
- (6) This paragraph must not be read as affecting a person's rights to approach a court at any time.

51. CONTRACTS PROVIDING FOR COMPENSATION BASED ON TURNOVER

- (1) If a service provider acts on behalf of a Stellenbosch Municipality to provide any service or act as a collector of fees, service charges or taxes and the compensation payable to the service provider is fixed as an agreed percentage of turnover for the service or the amount collected, the contract between the service provider and the Stellenbosch Municipality must stipulate
 - (a) A cap on the compensation payable to the service provider; and
 - (b) That such compensation must be performance based.

52. CONTRACT MANAGEMENT

(1) Application

The contract management provisions below are applicable only to contracts for the provision of goods or services

Competency

All contracts must be administered by an official(s) having the necessary competencies to ensure effective management of the contract.

(2) Maintenance and Contract Administration

- (a) Contracts related to the procurement of goods and services will be captured on the financial system.
- (b) Value (where the maximum value of the contract is restricted) and volume (where the maximum units procured are restricted) based contracts will be used.
- (c) The use of fixed price, fixed term contracts will be promoted and expenditure will be driven towards contracts versus once-off purchases.
- (d) Consolidated (municipality wide) procurement volumes have to drive down the negotiated contract prices.
- (e) Contract price adjustments shall be processed only in accordance with contract terms and conditions. Price adjustments shall be made on the procurement contract and any current purchase orders shall be changed to reflect the new price.

(4) Contract Administration

- (a) Contract administration is the last stage of the tendering and contract cycle, and includes all administrative duties associated with a contract after it is executed, including contract review.
- (b) The effectiveness of contract administration will depend on how thoroughly the earlier steps were completed. Changes can be made far more readily early in the tendering cycle than after contract management has commenced.
- (c) Some of the key early stages, which influence the effectiveness of contract administration, include –
 - (i) Defining the output, that is, writing specifications which identify what the aims are; and
 - (ii) Outputs of a contract will be assessed as follows –
 - (aa) Assessing risk;
 - (bb) Researching the market place (including conducting pre-tender briefings);
 - (cc) Formulating appropriate terms and conditions of contract;
 - (dd) Identifying appropriate performance measures and benchmarks so that all parties know in advance what is

expected, and how it will be tested;

- (ee) Actively creating competition, so the best possible suppliers bid for contracts; and
- (ff) Evaluating bids competently, to select the best contractor, with a strong customer focus and good prospects of building a sound relationship.

(5) Levels of Contract Administration

- (a) There are three levels of contract administration:
 - (i) The first operational level is for standard contracts for goods and services. Day to day contract administration should become no more than a monitoring, record keeping and payment authorization role. A standard contract, which requires excessive administration, is almost certainly the product of a failure in contract preparation stages. An example of an operational contract would be a stationery contract.
 - (ii) The second or intermediate level is for more complex contracts for services. An example would be a contract to outsource cleaning services. This type of contract will require a more active role for the contract manager in developing the relationship between the Municipality and the contractor.
 - (iii) The third level is for strategic contracts involving complex partnerships and outsourcing arrangements. These contracts need more active management of the business relationships between the supplier and the users, for example to manage outputs and not the process. Sufficient resources need to be dedicated by all parties to successfully manage these contractor relationships and, where feasible, to achieve partnership. A partnership is the result of mutual commitment to a continuing co-operative relationship, rather than parties working on a competitive and adversarial basis.

(6) Appointing a Contract Manager

- (a) A contract manager should be appointed by the senior official in charge of the project prior to the execution of the contract.
- (b) Where it is practical to do so, the contract manager should be involved at the earliest stage of the acquisition, which is the time of writing the specification. Contract administration arrangements should be identified and planned including who, how, delegations, reporting requirements and relationships and specific task responsibilities.
- (c) Departments shall be responsible for ensuring that contract managers
 - (i) Prepare the contract administration plan;
 - (ii) Monitor the performance of the contractor;
 - (iii) Are appointed with appropriate responsibility and accountability;
 - (iv) Are adequately trained so that they can perform and exercise the responsibility; and

- (v) Act with due care and diligence and observe all accounting and legal requirements.

(7) Duties and Powers of Contract Managers

- (a) The contract manager's duties and powers shall be governed by the conditions of contract and the general law.
- (b) The contract manager shall also be required to form opinions and make decisions, and in doing so is expected to be even-handed and prudent.

(8) Contract Guidelines

- (a) A guideline, which provides a description of the roles and responsibilities of a contract manager during the contract administration stage, shall be documented.
- (b) This following is not an exhaustive description of contract administrative activities, and some tasks may not be carried out in the sequence presented, may be done concurrently with other tasks, or may not be necessary in some circumstances.

(9) Delegating to Contract Administrator

- (a) Where appropriate, a contract manager may delegate some contract administration duties to a contract administrator.
- (b) The contract administrator would usually be required to perform duties related to processes for record keeping and authorizing payment and collecting data on the contractor performance.
- (c) The contract manager will however remain ultimately responsible for the performance of the contract.

(10) Contract Management Process

- (a) The contract manager shall ensure the contractor fulfils its obligations and accepts its liabilities under the contract and must also ensure the contractors are treated fairly and honestly.
- (b) Both parties adhering to the agreed terms will result in –
 - (i) Value for money;
 - (ii) Timeliness;
 - (iii) Cost effectiveness; and
 - (iv) Contract performance.

(11) Document Retention

- (a) The need exists to retain documents on a contract file for information and audit purposes, and in order to comply with the requirements of the records office.

(12) Records Office

- (a) Proper records regarding all aspects of the contract must accordingly be maintained.

(13) Guidelines on Contract Administration

- (a) The responsibilities of a contract manager may include the following –
- (i) Establishing a contract management plan for the project;
 - (ii) Reviewing the contract management process (including the plan) on a regular basis;
 - (iii) Providing liaison between internal managers and users, and suppliers to identify and resolve issues as they arise;
 - (iv) Monitoring the contractor's continuing performance against contract obligations;
 - (v) Providing the contractor with advice and information regarding developments within the department, where such developments are likely to affect the products provided;
 - (vi) Determining if staged products should continue, and providing a procurement process for additional stages which meet the principle of obtaining value for money;
 - (vii) Providing accurate and timely reporting to the senior management in charge of the project, highlighting significant performance issues or problems;
 - (viii) Ensuring insurance policy(s) terms and conditions provide adequate protection for Stellenbosch Municipality and are maintained throughout the contract period;
 - (ix) Ensuring all products provided are certified as meeting the specifications before the supplier is paid;
 - (x) Maintaining adequate records (paper and/or electronic) in sufficient detail on an appropriate contract file to provide an audit trail;
 - (xi) Managing contract change procedures;
 - (xii) Resolving disputes as they arise;
 - (xiii) Conducting post contract reviews; and
 - (xiv) Pursuing remedies in the event of contract breach.

53. CONTRACTS HAVING BUDGETARY IMPLICATIONS BEYOND THREE FINANCIAL YEARS

- (1) Stellenbosch Municipality may not enter into any contract that will impose financial obligations beyond the three years covered in the annual budget for that financial year, unless the requirements of Section 33 of the Municipal Finance Management Act have been fully complied with.

54. INCREASE / EXTENSION IN APPROVED CONTRACT SUM / PERIOD

- (1) Any increase and / or extension in the approved contract sum that may become necessary as a result of exceptional circumstances during the contract period must

be approved by the appropriate bid committees prior to implementation.

- (2) Contracts may be expanded or varied by not more than 20% of the original contract value for construction related goods, services and/or infrastructure projects and 15% for all other goods and/or services.
- (3) Any expansion or variation in excess of these thresholds as stated under subparagraph (2) must be dealt with in terms of the provisions of section 116(3) of the Act which will be regarded as an amendment of a contract.
- (4) Where community participation has been a part of the project, the community must be advised of the proposed increase and be invited to provide written comment within a minimum period of seven (7) days.
- (5) Any unapproved increase in the contract sum must be explained in a report to the Accounting Officer, requesting condonation for of such unapproved increase.

55. RIGHT OF APPEAL

- (1) In terms of Section 62 of the Municipal Systems Act (Act 32 of 2000 as amended), a person whose rights are affected by a decision taken by the Municipality, in terms of a delegated authority, in the implementation of its supply chain management system, may appeal against that decision by giving written notice of the appeal and reasons to the Municipal Manager within 21 days of the date of receipt of the notification of the decision.
- (2) The Supply Chain Management Unit will provide the service provider with copies of the Bid Committee minutes applicable to the specific tender on request within the 21 days period, of the service provider to enable him/her to motivate his/her appeal. Should the service provider request other documentation a PAIA application should be submitted.
- (3) Notification of the decision in terms of sub-paragraph 55(1) of this policy must state that any appeal must be submitted in writing to the Municipal Manager and must at least contain the following information:
 - (a) The reasons and / or grounds for the appeal;
 - (b) The way in which the appellants rights have been affected; and
 - (c) The remedy sought by the appellant.
- (4) No bid, where a competitive bidding process was followed, shall be formally accepted until a ruling has been made on any appeal/s received.
- (5) The appeal authority must consider the appeal and confirm, vary or revoke the decision, but no such variation or revocation of a decision may detract from any rights that may have accrued as a result of the decision.

56. NOTIFICATION OF BID DECISIONS

- (1) The successful and unsuccessful bidders shall be notified in writing by the Supply Chain Management once a bid has been accepted.
- (2) The bidders shall, in addition, be advised of the 21 day appeal period in terms of section 62 of the Municipal Systems Act and be notified that no rights will accrue to him / her until the bid is formally accepted in writing.

- (3) Once the 21 day appeal period has lapsed and a decision has been made by the appeal authority, the appellant and the service provider who the tender was initially awarded will be notified in writing of the outcome thereof by the Supply Chain Management.
- (4) Every notification of decision shall be faxed or sent via electronic mail and ordinary mail to the address chosen by the bidder, with a copy of proof of transmission kept for record purposes, or shall be delivered by hand, in which case acknowledgement of receipt must be signed and dated on a copy of such notification to be kept for record purposes.

57. UNSUCCESSFUL BIDDER DEBRIEFING

- (1) The Municipality will offer an unsuccessful bidder debriefing service to unsuccessful bidders upon request.
- (2) During the debriefing unsuccessful bidders will be informed of how their proposal scored against required criteria and obtain comments from the evaluation team on their bid.
- (3) The debriefing should be a positive and constructive experience that explains how bidders can improve future submissions.
- (4) The debriefing is an opportunity for unsuccessful bidders to –
 - (a) Learn more about the procurement and evaluation process in an informal setting;
 - (b) Find out how their proposal scored against the required criteria;
 - (c) Hear the overall comments from the evaluation team on their bid; and
 - (d) Gather information on how future submissions may be improved.
- (5) The debriefing is not part of the Supply Chain complaint or appeal process in terms of paragraph 49 or 55 of this Policy.
- (6) The debriefing is not a legal proceeding and no legal representation is permitted at the debriefing session.
- (7) At the debriefing session the unsuccessful bid is not compared to other bids, nor will information be provided to the unsuccessful bidder about other bids.
- (8) In scheduling a bidder's debriefings session upon the request of the unsuccessful bidder, the municipality must –
 - (a) Confirm the date and time of the debriefing session in writing;
 - (b) Conduct separate debriefings with each unsuccessful bidder;
 - (c) Ensure that proper minutes are kept of each debriefing session; and
 - (d) Retain all correspondence and documentation relevant to the debriefing session as part of the procurement documentation.
- (9) In conducting bidders' debriefings, the municipality may –
 - (a) Provide a general overview of the evaluation process set out in the bid

documents;

- (b) Discuss the strengths and weaknesses of the bidder's submission in relation to the specific evaluation criteria and the bidders evaluated score;
- (c) Provide suggestions on how the supplier may improve future submissions; and
- (d) Address specific questions and issues raised by the supplier in relation to their submission.

58. THE SUSPENSION OF SERVICE PROVIDERS FOR POOR PERFORMANCE AND OTHER BREACHES

- (1) Any failure to fulfil the deliverables in line with the contract or service levels constitutes a material breach or poor performance which will result in the termination of the contract and/or sanctions will be imposed in the form of suspension from the database.
- (2) Such sanctions will have variation in the periods of suspension based on the gravity of the breach.
- (3) The municipality must consider imposing following sanctions, subject to sub-clause (2) above:
 - a) 6 months for non-declarations of relative/spouse within the municipality;
 - b) 12 months for misleading information provided to the municipality; and
 - c) 24 months for certain or above a certain threshold value based.
 - d) All the above will be applicable based on the gravity of the poor performance

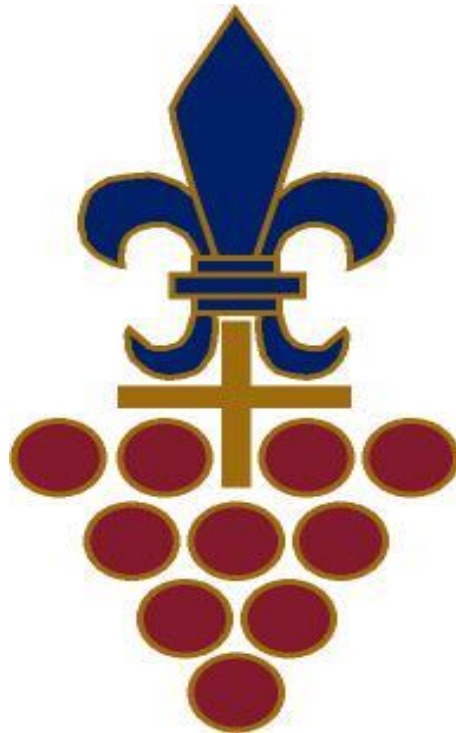
59. CONDONATION OF POLICY CONTRAVENTIONS

- (1) Council may condone a contravention in terms of this Policy, provided that such contravention is also not a contravention of the MFMA or the Municipal Supply Chain Management Regulations, 2005
- (2) Any expenditure relating to such condonation by Council in terms of this Policy, will not constitute irregular expenditure as contemplated under section 1 of the MFMA.
- (3) Contraventions of the MFMA relating to supply chain management or the Municipal Supply Chain Management Regulations, 2005 must be dealt with in terms of section 32 and section 170 of the MFMA.

60. SHORT TITLE

- (1) This policy is called the Stellenbosch Municipality Supply Chain Management Policy.

STELLENBOSCH MUNICIPALITY



**SCM Policy for Infrastructure
Procurement and Delivery
Management (SIPDM)**

2019/2020



STELLENBOSCH MUNICIPALITY

SCM POLICY FOR INFRASTRUCTURE PROCUREMENT AND DELIVERY MANAGEMENT

TABLE OF CONTENTS

	PAGE
1. SCOPE.....	3
2. TERMS, DEFINITIONS AND ABBREVIATIONS.....	3
2.1 Terms and definitions	3
2.2 Abbreviations	4
3. GENERAL REQUIREMENTS	5
4. CONTROL FRAMEWORK FOR INFRASTRUCTURE DELIVERY MANAGEMENT	5
5. CONTROL FRAMEWORK FOR INFRASTRUCTURE PROCUREMENT	7
6. INFRASTRUCTURE DELIVERY MANAGEMENT REQUIREMENTS.....	8
6.1 Institutional arrangements	8
6.1.1 Committee system for procurement.....	8
6.1.2 Actions of an authorized person relating to the award of a contract or an order	15
6.1.3 Conduct of those engaged in infrastructure delivery	15
6.1.4 Measures to prevent abuse of the infrastructure delivery system	19
6.1.5 Involvement of employees of departments in tenders	19
6.1.6 Collusive tendering	19
6.1.7 Placing of contractors under restrictions.....	20
6.1.8 Complaints.....	21
6.2 Acquisition management.....	21
6.2.1 Unsolicited proposal	21
6.2.2 Tax compliance.....	22
6.2.3 Declarations of interest.....	22
6.2.4 Invitations to submit expressions of interest or tender offers.....	23
6.2.5 Publication of submissions received and the award of contracts	23
6.2.6 Disposal committee	24
6.3 Reporting of infrastructure delivery management information	24
7. INFRASTRUCTURE PROCUREMENT	25
7.1 Procurement documents	25
7.2 Payment of contractors.....	25
7.3 Approval to utilize specific procurement procedures.....	25
7.4 Receipt and safeguarding of submissions.....	25
7.5 Opening of submissions	25
7.4 Use of another organ of state's framework agreement	26
7.5 Use of a framework agreement by another organ of state.....	27
7.6 Insurances	27
7.7 Written reasons for actions taken.....	29

1. SCOPE

This policy establishes the Stellenbosch Municipality's policy for infrastructure delivery management in accordance with the provisions of the regulatory frameworks for procurement and supply chain management. It includes the procurement for a new facility to be occupied and used as a functional entity but excludes:

- a) the storage of goods and equipment following their delivery to Stellenbosch Municipality' which are stored and issued to contractors or to employees;
- b) the disposal or letting of land;
- c) the conclusion of any form of land availability agreement;
- d) the leasing or rental of moveable assets; and
- e) public private partnerships.

2. TERMS, DEFINITIONS AND ABBREVIATIONS

2.1 Terms and definitions

For the purposes of this document, the definitions and terms given in the standard and the following apply:

agent: person or organization that is not an employee of Stellenbosch Municipality that acts on the Stellenbosch Municipality's behalf in the application of this document

authorized person: the accounting officer, the accounting authority or the appropriately delegated authority to award, cancel, amend, extend or transfer a contract or order

conflict of interest: any situation in which:

- a) someone in a position of trust has competing professional or personal interests which make it difficult for him to fulfil his duties impartially,
- b) an individual or organization is in a position to exploit a professional or official capacity in some way for his personal or for corporate benefit, or
- c) incompatibility or contradictory interests exist between an employee and the organization which employs that employee

contract manager: person responsible for administering a package on behalf of the employer and performing duties relating to the overall management of such contract from the implementer's point of view

family member: a person's spouse, whether in a marriage or in a customary union according to indigenous law, domestic partner in a civil union, or child, parent, brother, sister, whether such a relationship results from birth, marriage or adoption

framework agreement: an agreement between an organ of state and one or more contractors, the purpose of which is to establish the terms governing orders to be awarded during a given period, in particular with regard to price and, where appropriate, the quantity envisaged

gate: a control point at the end of a process where a decision is required before proceeding to the next process or activity

gateway review: an independent review of the available information at a gate upon which a decision to proceed or not to the next process is based

gratification: an inducement to perform an improper act

infrastructure delivery: the combination of all planning, technical, administrative and managerial actions associated with the construction, supply, renovation, rehabilitation, alteration, maintenance, operation or disposal of infrastructure

infrastructure procurement: the procurement of goods or services including any combination thereof associated with the acquisition, renovation, rehabilitation, alteration, maintenance, operation or disposal of infrastructure

maintenance: the combination of all technical and associated administrative actions during an item's service life to retain it in a state in which it can satisfactorily perform its required function

operation: combination of all technical, administrative and managerial actions, other than maintenance actions, that results in the item being in use

order: an instruction to provide goods, services or any combination thereof under a framework agreement

organ of state: an organ of state as defined in section 239 of the Constitution of the Republic of South Africa

procurement document: documentation used to initiate or conclude (or both) a contract or the issuing of an order

principal: a natural person who is a partner in a partnership, a sole proprietor, a director a company established in terms of the Companies Act of 2008 (Act No. 71 of 2008) or a member of a close corporation registered in terms of the Close Corporation Act, 1984, (Act No. 69 of 1984)

standard: the latest edition of the Standard for Infrastructure Procurement and Delivery Management as published by National Treasury

working day: any day of a week on which is not a Sunday, Saturday or public holiday

2.2 Abbreviations

For the purposes of this document, the following abbreviations apply

CIDB: Construction Industry Development Board

SARS: South African Revenue Services

3. GENERAL REQUIREMENTS

- 3.1** Infrastructure procurement and delivery management shall be undertaken in accordance with the all applicable legislation and the relevant requirements of the latest edition if the National Treasury Standard for Infrastructure Procurement and Delivery Management.
- 3.2** No departures shall be made from the provisions of the National Treasury Standard for Infrastructure Procurement and Delivery Management without the approval of the National Treasury.

No departure shall be made from the provisions of this policy without the approval of the Accounting Officer.

4. CONTROL FRAMEWORK FOR INFRASTRUCTURE DELIVERY MANAGEMENT

4.1 Assignment of responsibilities for approving or accepting end of stage deliverables

The responsibilities for approving or accepting end of stage deliverables shall be as stated in Table 1.

4.2 Gateway reviews

4.2.1 Gateway reviews for major capital projects above a threshold

- 4.2.1.1** Head: SCM shall appoint a gateway review team in accordance with the provisions of clause 4.1.13.1.2 of the standard to undertake gateway reviews for major capital projects.

Table 1: Responsibilities for approving or accepting end of stage deliverables in the control framework for the management of infrastructure delivery

Stage		Person assigned the responsibility for approving or accepting end of stage deliverables
No	Name	
0	Project initiation	Directors who uses Council Approved Budget (initiation report).
1	Infrastructure planning	<i>Council</i> approves the infrastructure plan
2	Strategic resourcing	<i>Accounting Officer</i> approves the delivery and / or procurement strategy via the Demand Management Plan
3	Pre-feasibility	<i>Relevant Director</i> accepts the pre-feasibility report
	Preparation and briefing	<i>Relevant Director</i> accepts the strategic brief
4	Feasibility	<i>Relevant Director. Review team >R50 million</i> accepts the feasibility report
	Concept and viability	<i>Relevant Director. Review team >R50 million</i> accepts the concept report
5	Design development	<i>Relevant Manager. Review team > R50 million</i> accepts the design development report
6	Design documentation	6A Production information <i>Relevant Manager</i> accepts the parts of the production information which are identified when the design development report is accepted as requiring acceptance
		6B Manufacture, fabrication and construction information The consultant accepts the manufacture, fabrication and construction information
7	Works	The contract manager certifies completion of the works or the delivery of goods and associated services
8	Handover	The owner or end user accepts liability for the works. Review team > R50 million
9	Package completion	The contract manager or supervising agent certifies the defects certificate in accordance with the provisions of the contract The contract manager certifies final completion in accordance with the provisions of the contract <i>Accounting Officer</i> accepts the close out report

End-of-stage deliverables are:

Stage		End-of-stage deliverable	
No	Name		
0	Project initiation	An initiation report which outlines the high-level business case together with the estimated project cost and proposed schedule for a single project or a group of projects having a similar high-level scope	
1	Infrastructure planning	An infrastructure plan which identifies and prioritizes projects and packages against a forecasted budget over a period of at least five years	
2	Strategic resourcing	A delivery and/or procurement strategy which, for a portfolio of projects, identifies the delivery strategy in respect of each project or package and, where needs are met through own procurement system, a procurement strategy	
3	Prefeasibility	A prefeasibility report which determines whether or not it is worthwhile to proceed to the feasibility stage	
	Preparation and briefing	A strategic brief which defines project objectives, needs, acceptance criteria and client priorities and aspirations, and which sets out the basis for the development of the concept report for one or more packages	
4	Feasibility	A feasibility report which presents sufficient information to determine whether or not the project should be implemented	
	Concept and viability	A concept report which establishes the detailed brief, scope, scale, form and control budget, and sets out the integrated concept for one or more packages	
5	Design development	A design development report which develops in detail the approved concept to finalize the design and definition criteria, sets out the integrated developed design, and contains the cost plan and schedule for one or more packages	
6	Design documentation	6A Production information	Production information which provides the detailing, performance definition, specification, sizing and positioning of all systems and components enabling either construction (where the constructor is able to build directly from the information prepared) or the production of manufacturing and installation information for construction
		6B Manufacture, fabrication and construction information	Manufacture, fabrication and construction information produced by or on behalf of the constructor, based on the production information provided for a package which enables manufacture, fabrication or construction to take place
7	Works	Completed works which are capable of being occupied or used	
8	Handover	Works which have been taken over by the user or owner complete with record information	
9	Package completion	Works with notified defects corrected, final account settled and the close out report issued	

5. CONTROL FRAMEWORK FOR INFRASTRUCTURE PROCUREMENT

- 5.1** The responsibilities for taking the key actions associated with the formation and conclusion of contracts including framework agreements above the quotation threshold shall be as stated in Table 2.
- 5.2** The responsibilities for taking the key actions associated with the quotation procedure and the negotiation procedure where the value of the contract is less than the threshold set for the quotation procedure shall be as follows:

- a) BSC shall grant approval for the issuing of the procurement documents, based on the contents of a documentation review report developed in accordance with the provisions of the standard;
 - b) the authorized person may award the contract if satisfied with the recommendations contained in the evaluation report prepared in accordance with the provisions of the standard.
- 5.3** The responsibilities for taking the key actions associated with the issuing of an order in terms of a framework agreement shall be as stated in Table 3.

6. INFRASTRUCTURE DELIVERY MANAGEMENT REQUIREMENTS

6.1 Institutional arrangements

6.1.1 Committee system for procurement

6.1.1.1 General

- 6.1.1.1.1** A committee system comprising the documentation committee, evaluation committee and tender committee shall be applied to all procurement procedures where the estimated value of the procurement exceeds the financial threshold for quotations and to the putting in place of framework agreements.
- 6.1.1.1.2** The evaluation committee shall, where competition for the issuing of an order amongst framework contractors takes place and the value of the order exceeds the financial threshold for quotations, evaluate the quotations received.
- 6.1.1.1.3** The persons appoint in writing as technical advisors and subject matter experts may attend any committee meeting. Such advisers and experts shall not participate in the decisions making proceedings of such meetings.
- 6.1.1.1.4** No person who is a political officer bearer, a public office bearer, a political advisor or a person appointed in terms of section 12A of the Public Service Act of 1994 or who has a conflict of interest shall be appointed to a procurement documentation, evaluation or tender committee.
- 6.1.1.1.5** Committee decisions shall as far as possible be based on the consensus principle i.e. the general agreement characterized by the lack of sustained opposition to substantial issues. Committees shall record their decisions in writing. Such decisions shall be kept in a secured environment for a period of not less than five years after the completion or cancellation of the contract unless otherwise determined in terms of the National Archives and Record Services Act of 1996.
- 6.1.1.1.6** Committees may make decisions at meetings or, subject to the committee chairperson's approval, on the basis of responses to documents circulated to committee members provided that not less than sixty percent of the members are present or respond to the request for responses. Where the committee chairperson is absent from the meeting, the members of the committee who are present shall elect a chairperson from one of them to preside at the meeting.

Table 2: Procurement activities and gates associated with the formation and conclusion of contracts above the quotation threshold

Activity		Sub-Activity (see Table 3 of the standard)		Key action	Person assigned responsibility to perform key action
1*	Establish what is to be procured	1.3 PG1	Obtain permission to start with the procurement process	Make a decision to proceed / not to proceed with the procurement based on the broad scope of work and the financial estimates.	Relevant Director
2*	Decide on procurement strategy	2.5 PG2	Obtain approval for procurement strategies that are to be adopted including specific approvals to approach a confined market or the use of the negotiation procedure	Confirm selection of strategies so that tender offers can be solicited	Relevant Director
3	Solicit tender offers	3.2 PG3	Obtain approval for procurement documents	Grant approval for the issuing of the procurement documents	BSC
		3.3 PG4	Confirm that budgets are in place	Confirm that finance is available for the procurement to take place	CFO
4	Evaluate tender offers	4.2 PG5	Obtain authorization to proceed with next phase of tender process in the qualified, proposal or competitive negotiations procedure	Review evaluation report, ratify recommendations and authorize progression to the next stage of the tender process	BEC
		4.7 PG6	Confirm recommendations contained in the tender evaluation report	Review recommendations of the evaluation committee and refer back to evaluation committee for reconsideration or make recommendation for award	BAC / Accounting Officer >R10 million
5	Award contract	5.3 PG7	Award contract	Formally accept the tender offer in writing and issue the contractor with a signed copy of the contract	Delegated Authority via delegation 5 (Relevant Director, Contract and Compliance Manager and SCM Manager)
		5.5 GF1	Upload data in financial management and payment system	Verify data and upload contractor's particulars and data associated with the contract or order	Database Administrator

* Applies only to goods and services not addressed in a procurement strategy developed during stage 2 (strategic resourcing) of the control framework for infrastructure delivery management

Table 2 (concluded)

Activity		Sub-Activity		Key action	Person assigned responsibility to perform key action
6	Administer contracts and confirm compliance with requirements	6.4 PG8A	Obtain approval to waive penalties or low performance damages.	Approve waiver of penalties or low performance damages	<i>Relevant Director</i>
		6.5 PG8B	Obtain approval to notify and refer a dispute to an adjudicator	Grant permission for the referral of a dispute to an adjudicator or for final settlement to an arbitrator or court of law	<i>Relevant Director</i>
		6.6 PG8C	Obtain approval to increase the total of prices, excluding contingencies and price adjustment for inflation, or the time for completion at the award of a contract or the issuing of an order up to a specified percentage	Approve amount of time and cost overruns up to the threshold	0-5%: <i>Relevant Director</i> 5-20%: <i>BAC</i> >20%: <i>Accounting Officer</i>
		6.7 PG8D	Obtain approval to exceed the total of prices, excluding contingencies and price adjustment for inflation, or the time for completion at award of a contract or the issuing of an order by more than 20% and 30%, respectively	Approve amount of time and cost overruns above a the threshold	<i>Accounting Officer</i>
		6.8 PG8E	Obtain approval to cancel or terminate a contract	Approve amount	<i>Relevant Director</i>
		6.9 PG8F	Obtain approval to amend a contract	Approve proposed amendment to contract	<i>Accounting Officer</i>

Table 3: Procurement activities and gates associated with the issuing of an order above the quotation threshold in terms of a framework agreement

Activity		Key action	Person assigned responsibility to perform key action
1 FG1	Confirm justifiable reasons for selecting a framework contractor where there is more than one framework agreement covering the same scope of work	Confirm reasons submitted for not requiring competition amongst framework contractors or instruct that quotations be invited	<i>Relevant Director</i>
3 FG2	Obtain approval for procurement documents	Grant approval for the issuing of the procurement documents	<i>BSC</i>
4 FG3	Confirm that budgets are in place	Confirm that finance is available so that the order may be issued	<i>CFO</i>
6 FG4	Authorize the issuing of the order	If applicable, review evaluation report and confirm or reject recommendations. Formally accept the offer in writing and issue the contractor with a signed copy of the order	<i>Head: SCM</i>

6.1.1.2 Procurement documentation committee

6.1.1.2.1 The relevant Director shall appoint in writing on a procurement by procurement basis:

- a) the persons to review the procurement documents and to develop a procurement documentation review report in accordance with clause 4.2.2.1 of the standard; and

Clause 4.2.2.1: The approval of procurement documents at Procurement Gate 3 or Framework Agreement Gate 2 shall be based on the contents of a procurement documentation review report. Where the procurement relates to the provision of new infrastructure or the rehabilitation, refurbishment or alteration of existing infrastructure, such a report shall be prepared by one or more persons who participated in the review and who are registered as:

- a professional architect or professional senior architectural technologist in terms of the Architectural Profession Act or a professional landscape architect or a professional landscape technologist in terms of the Landscape Architectural Profession;
- a professional engineer or professional engineering technologist in terms of the Engineering Profession Act; or
- a professional quantity surveyor in terms of the Quantity Surveying Professions Act.

- b) the members of the procurement documentation committee.

6.1.1.2.2 The procurement documentation committee shall comprise one or more persons. The chairperson shall be an employee of Stellenbosch Municipality with requisite skills. Other members shall, where relevant, include a representative of the end user or the institution requiring infrastructure delivery.

6.1.1.2.3 No member of, or technical adviser or subject matter expert who participates in the work of the any of the procurement committees or a family member or associate of such a member, may tender for any work associated with the tender which is considered by these committees.

6.1.1.3 Evaluation committee

6.1.1.3.1 The Accounting Officer shall appoint on a procurement by procurement basis in writing:

- a) the persons to prepare the evaluation and, where applicable, the quality evaluations, in accordance with clauses 4.2.3.2 and 4.2.3.4 of the standard, respectively; and

Clauses 4.2.3.2: The evaluation report shall be prepared by one or more persons who are conversant with the nature and subject matter of the procurement documents or the framework contract, and who are registered as:

- a professional architect or professional senior architectural technologist in terms of the Architectural Profession Act;

- a professional engineer or professional engineering technologist in terms of the Engineering Profession Act;
- a professional landscape architect or a professional landscape technologist in terms of the Landscape Architectural Profession;
- a professional project manager or a professional construction manager in terms of the Project and Construction Management Professions Act; or
- a professional quantity surveyor in terms of the Quantity Surveying Profession Act.

Clause: 4.2.3.4 Submissions shall be evaluated strictly in accordance with the provisions of the procurement documents (see Annex C of SANS 10845-3 and Annex C of SANS 10845-4, as relevant). Where quality is evaluated, at least three persons who satisfy the requirements of 4.2.3.2 shall undertake such evaluation. Quality shall be scored in terms of the prompts for judgement, with fixed scores assigned to each prompt, either individually and averaged or collectively, as appropriate.

- b) the members of the evaluation committee.

6.1.1.3.2 The evaluation committee shall comprise not less than three people. The chairperson shall be an employee of Stellenbosch Municipality with requisite skills. Other members shall, where relevant, include a representative of the end user or the institution requiring infrastructure delivery.

6.1.1.3.3 The evaluation committee shall review the evaluation reports prepared in accordance with sub clause 4.2.3 of the standard and as a minimum verify the following in respect of the recommended tenderer:

- a) the capability and capacity of a tenderer to perform the contract;
- b) the tenderer's tax compliance status;
- c) the Compulsory Declaration has been completed; and
- d) the tenderer is not listed in the National Treasury's Register for Tender Defaulters or the List of Restricted Suppliers.

6.1.1.3.4 No tender submitted by a member of, or technical adviser or subject matter expert who participates in the work of the procurement documentation committee or a family member or associate of such a member, may be considered by the evaluation committee.

6.1.1.3.5 The chairperson of the evaluation committee shall promptly notify the of any respondent or tenderer who is disqualified for having engaged in fraudulent or corrupt practices during the tender process.

6.1.1.4 Tender committee

6.1.1.4.1 The tender committee shall comprise the same persons as the BAC.

6.1.1.4.2 No member of the evaluation committee may serve on the tender committee. A member of an evaluation committee may, however, participate in the deliberations of a tender committee as a technical advisor or a subject matter expert.

6.1.1.4.3 The tender committee shall:

- a) consider the report and recommendations of the evaluation committee and:
 - verify that the procurement process which was followed complies with the provisions of this document;
 - confirm that the report is complete and addresses all considerations necessary to make a recommendation;
 - confirm the validity and reasonableness of reasons provided for the elimination of tenderers; and
 - consider commercial risks and identify any risks that have been overlooked or fall outside of the scope of the report which warrant investigation prior to taking a final decision; and
- b) refer the report back to the evaluation committee for their reconsideration or make a recommendation to the authorized person on the award of a tender, with or without conditions, together with reasons for such recommendation.

6.1.1.4.4 The tender committee shall consider proposals regarding the cancellation, amendment, extension or transfer of contracts that have been awarded and make a recommendation to the accounting officer on the course of action which should be taken.

6.1.1.4.5 The tender committee shall consider the merits of an unsolicited offer and make a recommendation to the accounting officer.

6.1.1.4.6 The tender committee shall report to the accounting officer any recommendation made to award a contract to a tenderer other than the tenderer recommended by the evaluation committee, giving reasons for making such a recommendation.

6.1.1.4.7 The tender committee shall not make a recommendation for an award of a contract or order if the recommended tenderer or framework contractor has:

- a) made a misrepresentation or submitted false documents in competing for the contract or order; or
- b) been convicted of a corrupt or fraudulent act in competing for any contract during the past five years.

6.1.1.4.8 The tender committee may on justifiable grounds and after following due process, disregard the submission of any tenderer if that tenderer or any of its directors, members or trustees or partners has abused the delivery management system or has committed fraud, corruption or any other improper

conduct in relation to such system. The [National Treasury or the name of provincial treasury, as applicable] shall be informed where such tenderers are disregarded.

6.1.2 Actions of an authorized person relating to the award of a contract or an order

6.1.2.1 Award of a contract

The authorized person shall, if the value of the contract inclusive of VAT, is within his or her delegation, consider the report(s) and recommendations of the tender committee, or in the case of the awards for contracts below the quotation threshold, the recommendation of the BAC , and either:

- a) award the contract after confirming that the report is complete and addresses all considerations necessary to make a recommendation and budgetary provisions are in place; or
- b) decide not to proceed or to start afresh with the process.

6.1.2.2 Issuing of an order

The authorized person shall, if the value of an order issued in terms of a framework contract, is within his or her delegation, consider the recommendation of the evaluation committee or the Head:SCM, as relevant, and authorize the issuing of an order in accordance with the provisions of clause 4.25 of the standard.

6.1.3 Conduct of those engaged in infrastructure delivery

6.1.3.1 General requirements

6.1.3.1.1 All personnel and agents of Stellenbosch Municipality shall comply with the requirements of the CIDB Code of Conduct for all Parties engaged in Construction Procurement. They shall:

- a) behave equitably, honestly and transparently;
- b) discharge duties and obligations timeously and with integrity;
- c) comply with all applicable legislation and associated regulations;
- d) satisfy all relevant requirements established in procurement documents;
- e) avoid conflicts of interest; and
- f) not maliciously or recklessly injure or attempt to injure the reputation of another party.

6.1.3.1.2 All personnel and agents engaged in Stellenbosch Municipality's infrastructure delivery management system shall:

- a) not perform any duties to unlawfully gain any form of compensation, payment or gratification from any person for themselves or a family member or an associate;
- b) perform their duties efficiently, effectively and with integrity and may not use their position for private gain or to improperly benefit another person;
- c) strive to be familiar with and abide by all statutory and other instructions applicable to their duties;
- d) furnish information in the course of their duties that is complete, true and fair and not intended to mislead;
- e) ensure that resources are administered responsibly;
- f) be fair and impartial in the performance of their functions;
- g) at no time afford any undue preferential treatment to any group or individual or unfairly discriminate against any group or individual;
- h) not abuse the power vested in them;
- i) not place themselves under any financial or other obligation to external individuals or firms that might seek to influence them in the performance of their duties;
- j) assist Stellenbosch Municipality in combating corruption and fraud within the infrastructure procurement and delivery management system;
- k) not disclose information obtained in connection with a project except when necessary to carry out assigned duties;
- l) not make false or misleading entries in reports or accounting systems; and
- m) keep matters of a confidential nature in their possession confidential unless legislation, the performance of duty or the provision of the law require otherwise.

6.1.3.1.3 An employee or agent may not amend or tamper with any submission, tender or contract in any manner whatsoever.

6.1.3.2 Conflicts of interest

6.1.3.2.1 The employees and agents of Stellenbosch Municipality who are connected in any way to procurement and delivery management activities which are subject to this policy, shall:

- a) disclose in writing to the employee of the Stellenbosch Municipality to whom they report, or to the person responsible for managing their contract, if they have, or a family member or associate has, any conflicts of interest; and

- b) not participate in any activities that might lead to the disclosure of Stellenbosch Municipality proprietary information.

6.1.3.2.2 The employees and agents of Stellenbosch Municipality shall declare and address any perceived or known conflict of interest, indicating the nature of such conflict to whoever is responsible for overseeing the procurement process at the start of any deliberations relating to a procurement process or as soon as they become aware of such conflict, and abstain from any decisions where such conflict exists or recuse themselves from the procurement process, as appropriate.

6.1.3.2.3 Agents who prepare a part of a procurement document may in exceptional circumstances, where it is in Stellenbosch Municipality's interest to do so, submit a tender for work associated with such documents provided that:

- a) Stellenbosch Municipality states in the tender data that such an agent is a potential tenderer;
- b) all the information which was made available to, and the advice provided by that agent which is relevant to the tender, is equally made available to all potential tenderers upon request, if not already included in the scope of work; and
- c) the procurement documentation committee is satisfied that the procurement document is objective and unbiased having regard to the role and recommendations of that agent.

6.1.3.3 Evaluation of submissions received from respondents and tenderers

6.1.3.3.1 The confidentiality of the outcome of the processes associated with the calling for expressions of interest, quotations or tenders shall be preserved. Those engaged in the evaluation process shall:

- a) not have any conflict between their duties as an employee or an agent and their private interest;
- b) may not be influenced by a gift or consideration (including acceptance of hospitality) to show favour or disfavour to any person;
- c) deal with respondents and tenderers in an equitable and even-handed manner at all times; and
- d) not use any confidential information obtained for personal gain and may not discuss with, or disclose to outsiders, prices which have been quoted or charged to Stellenbosch Municipality.

6.1.3.3.2 The evaluation process shall be free of conflicts of interest and any perception of bias. Any connections between the employees and agents of Stellenbosch Municipality and a tenderer or respondent shall be disclosed and recorded in the tender evaluation report.

6.1.3.3.3 Stellenbosch Municipality personnel and their agents shall immediately withdraw from participating in any manner whatsoever in a procurement process in which they, or any close family member, partner or associate, has any private or business interest.

6.1.3.4 Non-disclosure agreements

Confidentiality agreements in the form of non-disclosure agreements shall, where appropriate, be entered into with agents and potential contractors to protect Stellenbosch Municipality's confidential information and interests.

6.1.3.5 Gratifications, hospitality and gifts

6.1.3.5.1 The employees and agents of Stellenbosch Municipality shall not, directly or indirectly, accept or agree or offer to accept any gratification from any other person including a commission, whether for the benefit of themselves or for the benefit of another person, as an inducement to improperly influence in any way a procurement process, procedure or decision.

6.1.3.5.2 The employees and agents of Stellenbosch Municipality as well as their family members of associates shall not receive any of the following from any tenderer, respondent or contractor or any potential contractor:

- a) money, loans, equity, personal favours, benefits or services;
- b) overseas trips; or
- c) any gifts or hospitality irrespective of value from tenderers or respondents prior to the conclusion of the processes associated with a call for an expression of interest or a tender.

6.1.3.5.3 The employees and agents of Stellenbosch Municipality shall not purchase any items at artificially low prices from any tenderer, respondent or contractor or any potential contractor at artificially low prices which are not available to the public.

6.1.3.5.4 All employees and agents of Stellenbosch Municipality may for the purpose of fostering inter-personal business relations accept the following:

- a) meals and entertainment, but excluding the cost of transport and accommodation;
- b) promotional material of small intrinsic value such as pens, paper-knives, diaries, calendars, etc;
- c) incidental business hospitality such as business lunches or dinners, which the employee is prepared to reciprocate;
- d) complimentary tickets to sports meetings and other public events, but excluding the cost of transport and accommodation, provided that such tickets are not of a recurrent nature; and
- e) gifts in kind other than those listed in a) to d) which have an intrinsic value not more than R350 unless they have declared them to the [designated person].

6.1.3.5.5 Under no circumstances shall gifts be accepted from prospective contractors during the evaluation of calls for expressions of interest, quotations or tenders that could be perceived as undue and improper influence of such processes.

6.1.3.5.6 Employees and agents of Stellenbosch Municipality shall without delay report to the accounting officer any incidences of a respondent, tenderer or contractor who directly or indirectly offers a gratification to them or any other person to improperly influence in any way a procurement process, procedure or decision.

6.1.3.6 Reporting of breaches

Employees and agents of Stellenbosch Municipality shall promptly report to the [accounting officer / accounting authority or chief financial officer or appropriately delegated authority] any alleged improper conduct which they may become aware of, including any alleged fraud or corruption.

6.1.4 Measures to prevent abuse of the infrastructure delivery system

The accounting officer shall investigate all allegations of corruption, improper conduct or failure to comply with the requirements of this policy against an employee or an agent, a contractor or other role player and, where justified:

- a) take steps against an employee or role player and inform the relevant treasury of those steps;
- b) report to the South African Police Service any conduct that may constitute a criminal offence;
- c) lodge complaints with the Construction Industry Development Board or any other relevant statutory council where a breach of such council's code of conduct or rules of conduct are considered to have been breached;
- d) cancel a contract if:
 - it comes to light that the contractor has made a misrepresentation, submitted falsified documents or has been convicted of a corrupt or fraudulent act in competing for a particular contract or during the execution of that contract; or
 - an employee or other role player committed any corrupt or fraudulent act during the tender process or during the execution of that contract.

6.1.5 Involvement of employees of departments in tenders

Any submissions made by a respondent or tenderer who declares in the Compulsory Declaration that a principal is an employee of a national or provincial department and does not have the written permission of the executive of that department as required in terms of Section 30(1) of the Public Service Act of 1994 shall be rejected.

6.1.6 Collusive tendering

Any submissions made by a respondent or tenderer who fails to declare in the Compulsory Declaration that the tendering entity:

- a) is not associated, linked or involved with any other tendering entity submitting tender offers; or

- b) has not engaged in any prohibited restrictive horizontal practices including consultation, communication, agreement, or arrangement with any competing or potential tendering entity regarding prices, geographical areas in which goods and services will be rendered, approaches to determining prices or pricing parameters, intentions to submit a tender or not, the content of the submission (specification, timing, conditions of contract etc.) or intention to not win a tender shall be rejected.

6.1.7 Placing of contractors under restrictions

6.1.7.1 If any tenderer which has submitted a tender offer or a contractor which has concluded a contract has, as relevant:

- a) withdrawn such tender or quotation after the advertised closing date and time for the receipt of submissions;
- b) after having been notified of the acceptance of his tender, failed or refused to commence the contract;
- c) had their contract terminated for reasons within their control without reasonable cause;
- d) offered, promised or given a bribe in relation to the obtaining or the execution of such contract;
- e) acted in a fraudulent, collusive or anti-competitive or improper manner or in bad faith towards
- f) Stellenbosch Municipality; or
- g) made any incorrect statement in any affidavit or declaration with regard to a preference claimed and is unable to prove to the satisfaction of Stellenbosch Municipality that the statement was made in good faith or reasonable steps were taken to confirm the correctness of the statements,

a [designated person] shall prepare a report on the matter and make a recommendation to the [accounting officer or accounting authority] for placing the contractor or any of its principals under restrictions from doing business with the Stellenbosch Municipality.

6.1.7.2 The Accounting Officer may, as appropriate, upon the receipt of a recommendation made in terms of 6.1.7.1 and after notifying the contractor of such intention in writing and giving written reasons for such action, suspend a contractor or any principal of that contractor from submitting a tender offer to Stellenbosch Municipality for a period of time.

6.1.7.3 The Head: SCM shall:

- a) record the names of those placed under restrictions in an internal register which shall be accessible to employees and agents of Stellenbosch Municipality who are engaged in procurement processes; and
- b) notify the relevant treasury and , if relevant, the Construction Industry Development Board, of such decision and provide them with the details associated therewith.

6.1.8 Complaints

- 6.1.8.1** All complaints regarding the Stellenbosch Municipality's infrastructure delivery management system shall be addressed to the Accounting Officer. Such complaints shall be in writing.
- 6.1.8.2** The Head: SCM shall investigate all complaints regarding the infrastructure procurement and delivery management system and report on actions taken to the Accounting Officer who will decide on what action to take.

6.2 Acquisition management

6.2.1 Unsolicited proposal

- 6.2.1.1** The Stellenbosch Municipality is not obliged to consider unsolicited offers received outside a normal procurement process but may consider such an offer only if:
- a) the goods, services or any combination thereof that is offered is a demonstrably or proven unique innovative concept;
 - b) proof of ownership of design, manufacturing, intellectual property, copyright or any other proprietary right of ownership or entitlement is vested in the person who made the offer;
 - c) the offer presents a value proposition which demonstrates a clear, measurable and foreseeable benefit for Stellenbosch Municipality;
 - d) the offer is in writing and clearly sets out the proposed cost;
 - e) the person who made the offer is the sole provider of the goods or service; and
 - f) the Accounting Officer finds the reasons for not going through a normal tender processes to be sound.
- 6.2.1.2** The Accounting Officer may only accept an unsolicited offer and enter into a contract after considering the recommendations of the tender committee if:
- a) the offer relates to known institutional requirements that cannot, within reasonable and practical limits, be acquired through a competitive or competitive negotiation procedure as provided for in SANS 10845-1;
 - b) the goods, service or any combination thereof is used for or relates to a matter that falls within the Stellenbosch Municipality's mandate or functions; and
 - c) the person who made the offer satisfies all other requirements which are conditional upon the award of a contract.

6.2.2 Tax compliance

- 6.2.2.1** No contract may be awarded or order issued unless a tenderer or contractor is in possession of an original valid Tax Clearance Certificate issued by SARS provided that the tenderer is not domiciled in the Republic of South Africa and the SARS has confirmed that such a tenderer is not required to prove their tax compliance status.
- 6.2.2.2** In the case of a partnership, each partner shall comply with the requirements of 6.2.2.1.
- 6.2.2.3** No payment shall be made to a contractor who does not satisfy the requirements of 6.2.2.2. An employee of Stellenbosch Municipality shall upon detecting that a tenderer or contractor is not tax compliant, immediately notify such person of such status.
- 6.2.2.4** Notwithstanding the requirements of 6.2.2.1 and 6.2.2.3 the following shall apply, unless a person who is not tax compliant indicates to [designated person] that it intends challenging its tax compliance status with SARS,
- a) a contract may be awarded to a non-compliant tenderer if such a tenderer is able to remedy its tax compliance status within a period not exceeding 10 working days after being duly notified of its non-compliant status;
 - b) an order may be awarded to a non-compliant contractor if such a contractor is able to remedy its tax compliance status within a period not exceeding 10 working days after being duly notified of its non-compliant status;
 - c) a non-compliant contractor shall be issued with a first warning that payments in future amounts due in terms of the contract may be withheld, before the authorizing of any payment due to such contractor;
 - d) before authorizing a further payment due to a non-compliant contractor who has failed to remedy its tax compliance status after receiving a first warning, a second and final warning shall be issued to such contractor;
 - e) no payments may be released for any amounts due in terms of the contract due to a non-compliant contractor if, after a period of 30 calendar days have lapsed since the second warning was issued, the non-compliant contractor has failed to remedy its tax compliance status.
- 6.2.2.5** The Stellenbosch Municipality may cancel a contract with a non-compliant contractor if such a contractor fails to remedy its tax compliance status after a period of 30 calendar days have lapsed since the second warning was issued in terms of 6.2.2.4e).

6.2.3 Declarations of interest

Tenders and respondents making submissions in response to an invitation to submit a tender or a call for an expression of interest, respectively shall declare in the Compulsory Declaration whether or not any of the principals:

- a) are an employee of the Stellenbosch Municipality or in the employ of the state;
or

- b) have a family member or a business relation with a person who is in the employ of the state.

6.2.4 Invitations to submit expressions of interest or tender offers

6.2.4.1 All invitations to submit tenders where the estimated value of the contract exceeds R500 000 including VAT, except where a confined tender process is followed, and expressions of interest shall be advertised on the Stellenbosch Municipality's website and on the National Treasury eTender Publication Portal. Advertisements shall be placed by Head: SCM.

6.2.4.2 Advertisements relating to construction works which are subject to the Construction Industry Development Regulations issued in terms of the Construction Industry Development Act of 2000 shall in addition to the requirements of 6.2.4.1 be advertised on the CIDB website. Advertisements shall be placed by the Head: SCM.

6.2.4.3 Where deemed appropriate by Head: SCM an invitation to tender and a call for an expression of interest shall be advertised in suitable local and national newspapers as directed by such person. Advertisements shall be placed by Head: SCM.

6.2.4.4 Invitations to submit expressions of interest or tender offers shall be issued not less than 22 working days before the closing date for tenders and at least 10 working days before any compulsory clarification meeting. Procurement documents shall be made available not less than 28 days before the closing time for submissions.

6.2.5 Publication of submissions received and the award of contracts

6.2.5.1 The Head: SCM shall publish within 10 working days of the closure of any advertised call for an expression of interest or an invitation to tender where the estimated value of the contract exceeds R500 000 including VAT on the institution's website, the names of all tenderers that made submissions to that advertisement, and if practical or applicable, the total of the prices and the preferences claimed. Such information shall remain on the website for at least 30 days.

6.2.5.2 The Head: SCM shall publish within 7 working days of the next month after the award of a contract the following on the Stellenbosch Municipality's website

- a) the contract number;
- b) contract title;
- c) brief description of the goods, services or works;
- d) the total of the prices, if practical;
- e) the names of successful tenderers and their B-BBEE status level of contribution;
- f) duration of the contract; and
- g) brand names, if applicable.

6.2.5.3 The Head: SCM shall submit within 7 working days of the next month after the award of a contract the information required by National Treasury on the

National Treasury eTender Publication Portal regarding the successful and unsuccessful tenders. Submissions shall be made by Head: SCM.

6.2.5.4 The award of contracts relating to construction works which are subject to the Construction Industry Development Regulations issued in terms of the Construction Industry Development Act of 2000 shall in addition to the requirements of 6.2.5.3 be notified on the CIDB website. The notification shall be made by placed by Head: SCM.

6.2.5.5 The award of the contract shall in addition to the requirements of 6.2.4.1 to 6.2.4.3 also be published in the Government Tender Bulletin.

6.2.6 Disposal committee

6.2.6.1 The Accounting Officer shall appoint on a disposal by disposal basis in writing the members of the disposal committee to decide on how best to undertake disposals in accordance with the provisions of clause 10 of the standard.

6.2.6.2 The disposal panel shall comprise not less than three people. The chairperson shall be an employee of Stellenbosch Municipality.

6.2.6.3 The disposal committee shall make recommendations to Accounting Officer who shall approve the recommendations, refer the disposal strategy back to the disposal committee for their reconsideration, decide not to proceed or to start afresh with the process.

6.3 Reporting of infrastructure delivery management information

The Accounting Office shall submit any reports required in terms of the standard to the relevant treasury.

7. INFRASTRUCTURE PROCUREMENT

7.1 Procurement documents

The standard forms of contract that may be used are as per table 10 of the standard.

7.2 Payment of contractors

The Stellenbosch Municipality shall settle all accounts in accordance with the terms of the contract.

7.3 Approval to utilize specific procurement procedures

7.3.1 Prior approval shall be obtained for the following procurement procedures from the following persons, unless such a procedure is already provided for in the approved procurement strategy:

- a) The Accounting Officer shall authorize the use of the negotiated procedure above the thresholds provided in the standard.
- b) [designated person / committee] shall authorize the approaching of a confined market except where a rapid response is required in the presence of, or the imminent risk of, an extreme or emergency situation arising from the conditions set out in the standard and which can be dealt with or the risks relating thereto arrested within 48 hours; and
- c) the proposal procedure using the two-envelope system, the proposal procedure using the two- stage system or the competitive negotiations procedure³⁶

7.3.2 The person authorized to pursue a negotiated procedure in an emergency is the Accounting Officer.

7.4 Receipt and safeguarding of submissions

7.4.1 A dedicated and clearly marked tender box shall be made available to receive all submissions made.

7.4.2 The tender box shall be fitted with two locks and the keys kept separately by two senior SCM officials. Such personnel shall be present when the box is opened on the stipulated closing date for submissions.

7.5 Opening of submissions

7.5.1 Submissions shall be opened by an opening panel comprising two people nominated by [designated persons] who have declared their interest or confirmed that they have no interest in the submissions that are to be opened.

7.5.2 The opening panel shall open the tender box at the stipulated closing time and:

- a) sort through the submissions and return those submissions to the box that are not yet due to be opened including those whose closing date has been extended;
- b) return submissions unopened (opened by Head: SCM if no return data on the envelope) and suitably annotated where:
 - submissions are received late, unless otherwise permitted in terms of the submission data;
 - submissions were submitted by a method other than the stated method,
 - submissions were withdrawn in accordance with the procedures contained in SANS 10845-3
- c) record in the register submissions that were returned unopened;
- d) open submissions if received in sealed envelopes and annotated with the required particulars and read out the name of and record in the register the name of the tenderer or respondent and, if relevant, the total of prices including VAT where this is possible;
- e) record in the register the name of any submissions that is returned with the reasons for doing so;
- f) record the names of the tenderer's representatives that attend the public opening;
- g) sign the entries into the register; and
- h) stamp each returnable document in each tender submission.

7.5.3 Each member of the opening panel shall initial the front cover of the submission and all pages that are stamped in accordance with the requirements of 7.7.3h).

7.5.4 Respondents and tenderers whose submissions are to be returned shall be afforded the opportunity to collect their submissions.

7.5.5 Submissions shall be safeguarded from the time of receipt until the conclusion of the procurement process.

7.6 Use of another organ of state's framework agreement

The Stellenbosch Municipality may make use of another organ of state's framework contract which has been put in place by means of a competitive tender process and there are demonstrable benefits for doing so. The accounting officer shall make the necessary application to that organ of state to do so.

7.7 Use of a framework agreement by another organ of state

7.7.1 An organ of state may request in writing to make use of one or more of Stellenbosch Municipality's framework contracts. Such a request signed by the accounting officer or accounting authority of that organ of state, shall:

- a) outline the scope and anticipated quantum of work associated with the work that is required;
- b) provide a motivation for the use of the framework agreement; and
- c) detail the benefit for the state to be derived from making use of the framework agreement.

7.7.2 The Accounting Officer may approve a request made in terms of 7.9.1 to make use of the Stellenbosch Municipality's framework contract, conditionally or unconditionally, if:

- a) the framework agreement was put in place following a competitive tender process;
- b) confirmation is obtained that the framework contract is suitable for the intended use and the required goods, services and works fall within the scope of such contract;
- c) the framework contractor agrees in writing to accept an order from that organ of state; and
- d) the organ of state undertakes to pay the contractor in accordance with the terms and conditions of the agreement; and
- e) the term of the framework agreement does not expire before the issuing of the required orders.

7.8 Insurances

7.8.7 Contractors shall be required to take out all insurances required in terms of the contract.

7.8.8 The insurance cover in engineering and construction contracts for loss of or damage to property (except the works, Plant and Materials and Equipment) and liability for bodily injury to or death of a person (not an employee of the Contractor) caused by activity in connection with a contract shall in general not be less than the value stated in Table 4, unless otherwise directed by [designated person].

7.8.9 Lateral earth support insurance in addition to such insurance shall be take out on a case by case basis.

Table 4: Minimum insurance cover

Type of insurance	Value
Engineering and construction contracts - loss of or damage to property (except the works, Plant and Materials and Equipment) and liability for bodily injury to or death of a person (not an employee of the Contractor) caused by activity in connection with a contract	Not less than R20 million
Professional services and service contracts - death of or bodily injury to employees of the Contractor arising out of and in the course of their employment in connection with a contract or damage to property	Not less than R10 million
Professional indemnity insurance	geotechnical, civil and structural engineering: R5,0 million electrical, mechanical and engineering: R3,0 million architectural: R5,0 million other:R3,0 million

- 7.8.10 The insurance cover in professional services and service contracts for damage to property or death of or bodily injury to employees of the Contractor arising out of and in the course of their employment in connection with a contract shall not be less than the value stated in Table 4 for any one event unless otherwise directed by the Accounting Officer.
- 7.8.11 SASRIA Special Risk Insurance in respect of riot and associated risk of damage to the works, Plant and Materials shall be taken out on all engineering and construction works.
- 7.8.12 Professional service appointments shall as a general rule be subject to proof of current professional indemnity insurance being submitted by the contractor in an amount not less than the value stated in Table 4 in respect of each claim, without limit to the number of claims, unless otherwise directed by the Accounting Officer in relation to the nature of the service that they provide.
- 7.8.13 Stellenbosch Municipality shall take out professional indemnity insurance cover where it is deemed necessary to have such insurance at a level higher than the levels of insurance commonly carried by contractors.
- 7.8.14 Where payment is to be made in multiple currencies, either the contractor or Stellenbosch Municipality should be required to take out forward cover. Alternatively, the prices for the imported content should be fixed as soon as possible after the starting date for the contract

7.9 Written reasons for actions taken

7.9.7 Written reasons for actions taken shall be provided by the Accounting Officer.

7.9.8 The written reasons for actions taken shall be as brief as possible and shall as far as is possible, and where relevant, be framed around the clauses in the:

- a) ISO 10845-3, Construction procurement - Part 3: Standard conditions of tender, and, giving rise to the reason why a respondent was not short listed, prequalified or admitted to a data base; or
- b) ISO 10845-4, Construction procurement - Part 4: Standard conditions for the calling for expressions of interest; as to why a tenderer was not considered for the award of a contract or not awarded a contract.

7.9.9 Requests for written reasons for actions taken need to be brief and to the point and may not divulge information which is not in the public interest or any information which is considered to prejudice the legitimate commercial interests of others or might prejudice fair competition between tenderers.

7.10 Request for access to information

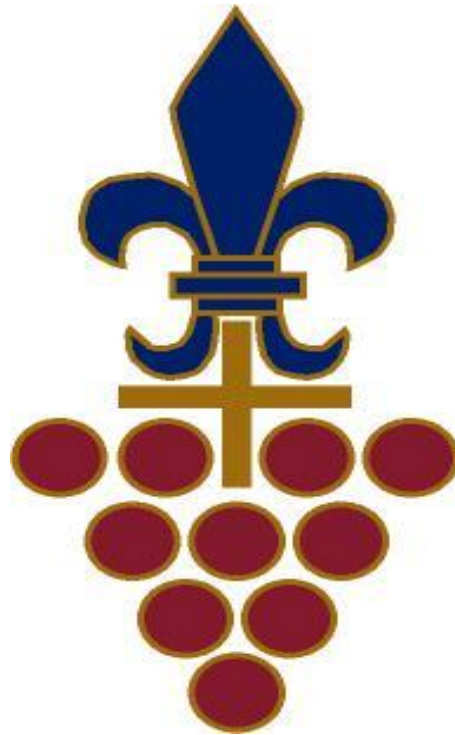
7.10.1 Should an application be received in terms of Promotion of Access to Information Act of 2000 (Act 2 of 2000), the “requestor” should be referred to the Stellenbosch Municipality’s Information Manual which establishes the procedures to be followed and the criteria that have to be met for the “requester” to request access to records in the possession or under the control of Stellenbosch Municipality’s.

7.10.2 Access to technical and commercial information such as a comprehensive programme which links resources and prices to such programme should be refused as such information provides the order and timing of operations, provisions for time risk allowances and statements as to how the contractor plans to do the work which identifies principal equipment and other resources which he plans to use. Access to a bill of quantities and rates should be provided in terms of the Act

CONCLUSION

The Stellenbosch Municipality to ensure that there is *institutional capacity* to drive the Standard for Infrastructure and Delivery Management (SIPDM) to conduct operational day-to-day activities. The Stellenbosch municipality will follow a phased in approach in terms of the required stages pertaining to the general compliance. The phased in approach will be accordance and as per the available resources and capacity.

STELLENBOSCH MUNICIPALITY



**DEVELOPMENT CHARGES
POLICY**

2019/2020



STELLENBOSCH MUNICIPALITY

DEVELOPMENT CHARGES POLICY

TABLE OF CONTENTS

PAGE

1.	DEFINITIONS	3
2.	INTRODUCTION.....	5
3.	OBJECTIVES	6
4.	PRINCIPLES OF THE POLICY.....	7
5.	LEGISLATIVE FRAMEWORK	8
6.	OBLIGATION TO IMPOSE A DEVELOPMENT CHARGE	10
7.	PURPOSE OF DEVELOPMENT CHARGES.....	12
8.	CALCULATION OF DEVELOPMENT CHARGES	12
9.	ACTUAL COSTS	14
10.	INSTALLATION OF EXTERNAL ENGINEERING SERVICES INSTEAD OF THE PAYMENT OF DEVELOPMENT CHARGES.....	15
11.	NON-PROVISION BY THE MUNICIPALITY.	16
12.	WITHHOLDING CLEARANCES AND APPROVALS.	16
13.	EXEMPTIONS.....	16
	ANNEXURES.....	18

1. DEFINITIONS

In this policy, unless the context indicates otherwise -

- 1.1 **'applicant'** means a person who makes a land development application;
- 1.2 **'bulk service'** means the capital infrastructure assets associated with that portion of an external engineering service which is intended to ensure provision of municipal infrastructure services for the benefit of multiple users or the community as a whole as indicated in the relevant Master Plan;
- 1.3 **'By-Law'** means the Stellenbosch Municipality: Land Use Planning By-Law published in the Western Cape Provincial Gazette Extraordinary of 20 October 2015;
- 1.4 **'capacity'** means the extent of availability of a municipal infrastructure service, based on the capital infrastructure asset or combination of capital infrastructure assets installed for provision of such municipal infrastructure services;
- 1.5 **'capital infrastructure asset'** means a capital asset which is required for provision of a municipal infrastructure service, limited to immovable assets and insofar as movable assets are concerned, specialised vehicles, used for waste collection and disposal only;
- 1.6 **'developer'** means an applicant for land development whose land development application is approved, in whole or in part, by the Municipality or the Municipal Planning Tribunal or municipal official authorised to determine land development applications;
- 1.7 **'development charge'** means a charge imposed by the Municipality on a developer in terms of any applicable law referred to in this policy, or a condition of the approval, payment of which will contribute towards the Municipality's expenditure on capital investment in municipal infrastructure services;
- 1.8 *"Engineer"* means an Engineer employed by the "Municipality" or any person appointed by the "Municipality" from time to time and notified as such in writing to the "Developer" to perform the duties envisaged in terms of this Agreement
- 1.9 **'engineering services installation agreement'** means an agreement concluded between the Municipality and a developer, recording their detailed and specific respective rights and obligations regarding the provision and installation of the external engineering services required for an approved land development, and regarding the associated development charge;
- 1.10 **'external engineering service'** means an engineering service situated outside the boundaries of a land area and which is necessary to serve the use and development of the land area, provided that in circumstances where the characteristics of a specific area or the design of the relevant engineering service so requires, such services can be located within the boundaries of a land area;
- 1.11 **'impact zone'** means a zone within which the capital infrastructure assets or system of capital infrastructure assets required to provide bulk services to an approved land development are located (see Annexure A as far as civil bulk services are concerned);

- 1.12 **‘internal engineering service’** means an engineering service within the boundaries of a land area which is necessary for the use and development of the land area and which is to be owned and operated by the Municipality or service provider;
- 1.13 **‘land development’** means the erection of buildings or structures on land, or the change of use of land, including township establishment, the subdivision or consolidation of land or any deviation from the land use or uses permitted in terms of an applicable land use scheme;
- 1.14 **‘land development application’** means an application for land development submitted with the Municipality or referred to the Municipal Planning Tribunal or other decision-making body for approval, in accordance with applicable national or provincial legislation, including the National Building Regulations and Building Standards Act 103 of 1977 (including any regulations promulgated thereunder), the SPLUMA, the LUPA and the By-Law;
- 1.15 **‘land use’** means the purpose for which land is or may be used lawfully in terms of a land use scheme, existing scheme or in terms of any other authorisation, permit or consent issued by a competent authority, and includes any conditions related to such land use purposes;
- 1.16 **‘link service’** means the capital infrastructure assets associated with that portion of an external engineering service which links an internal engineering service to the applicable bulk service, and which is not shared by multiple users or the community as a whole;
- 1.17 **‘LUPA’** means the Western Cape Land Use Planning Act, 2014, Act. 3 of 2014 (PN 99/2014 of 7 April 2014);
- 1.18 **‘Municipality’** means the Stellenbosch Municipality (WCO24) established in terms of Provincial Notice 489 of 22 September 2000 in terms of the Local Government: Municipal Structures Act, 117 of 1998, and includes all political structures or office bearers and municipal staff members to whom authority has been delegated to take decisions in terms of the Municipality’s delegation system;
- 1.19 **‘municipal infrastructure service’** means any of the following municipal services:
- 1.20.1 potable water;
 - 1.20.2 sewerage and wastewater treatment;
 - 1.20.3 electricity distribution
 - 1.20.4 municipal roads;
 - 1.20.5 street lighting
 - 1.20.6 storm water management;
 - 1.20.7 solid waste disposal;
 - 1.20.8 public transport, including non-motorised transport;
 - 1.20.9 social infrastructure services;
- 1.20 **‘Municipal Planning Tribunal’** means a Municipal Planning Tribunal referred to in Chapter 6 of SPLUMA;
- 1.21 **‘Social Infrastructure services’** means community services provided in terms of the functions which are the responsibility of the Municipality in terms of the Constitution, which includes, but is not limited to:
- 2.2.1 Early Childhood Development Centres;
 - 2.2.2 Public Open Spaces, parks, sports fields;

- 2.2.3 Fire Fighting and Emergency Services;
 - 2.2.4 Local Tourism;
 - 2.2.5 Cemeteries;
 - 2.2.6 Burial of animals;
 - 2.2.7 Noise pollution; and
 - 2.2.8 Municipal health services;
- 1.22 ‘**SPLUMA**’ means the Spatial Planning and Land Use Planning Act, 16 of 2013;
- 1.23 ‘**Systems Act**’ means the Local Government: Municipal Systems Act, 2000, Act 32 of 2000).

2. INTRODUCTION

- 2.1 In terms of Section 152 of the Constitution, the objects of local government include the provision of services to communities in a sustainable manner and the promotion of social and economic development.¹ Chapter 8 of the Systems Act provides for the general duty of the Municipality to provide municipal services and the manner in which such services are to be provided.²
- 2.2 Social and economic development has a positive impact on the Municipality’s finances as it increases revenue from property rates, fees, service charges and tariffs by expanding the base of ratepayers. However, development associated with this economic growth has an impact on the demand for municipal infrastructure services as well as social infrastructure services such as clinics, schools and other public amenities. Therefore, infrastructure is needed to support sustainable social and economic development in Stellenbosch. Without infrastructure, both public and private sector investment in Stellenbosch will slow down. The cost to the Municipality for providing this infrastructure is high. Funding to cover these costs is obtained from three sources:
- 2.2.1 Grants are provided by national or provincial government and are generally targeted towards social infrastructure, particularly in support of low-income housing development.
 - 2.2.2 Loans are converted into tariffs and are recovered by user fees paid by all consumers to the Municipality.
 - 2.2.3 Development charges are a more targeted and more equitable way of ensuring that the main beneficiaries of infrastructure make an appropriate and fair contribution to that cost, without unduly burdening the Municipality’s ratepayers. Development Charges are the most important form of capital contribution raised by the Municipality to pay for infrastructure.
- 2.3 The general duty of the Municipality to provide municipal services is inter alia provided for in terms of Section 73(2) of the Systems Act, which section provides as follows:

“(2) *Municipal services must—*

¹ Section 152(1)(b) and (c).

² Section 73(1).

- (a) *be equitable and accessible;*
- (b) *be provided in a manner that is conducive to—*
 - (i) *the prudent, economic, efficient and effective use of available resources; and*
 - (ii) *the improvement of standards of quality over time;*
- (c) *be financially sustainable;*
- (d) *be environmentally sustainable; and*
- (e) *be regularly reviewed with a view to upgrading, extension and improvement.”*

2.4 The goal of this policy includes the following:

- 2.2.1 Striving to make Stellenbosch the preferred town for investment and business, where investment inflows and new enterprise translate into jobs and prosperity.
- 2.2.2 Establishing the greenest municipality which will not only make Stellenbosch attractive for visitors and tourists, but will also provide a desirable environment for new businesses and appropriate industries.
- 2.2.3 Ensuring a dignified living for all Stellenbosch citizens, who feel that they own their town, take pride in it and have a sense of self-worth and belonging.
- 2.2.4 Creating a safer Stellenbosch, where civic pride and responsibility supplant crime and destructive behaviour.

3. OBJECTIVES

- 3.1 The objectives of this policy are to provide a sustainable and equitable framework for the financing of capital infrastructure assets and to ensure that:
 - 3.1.1 The Municipality is able to provide capital infrastructure assets in a timely and sufficient manner to support land development;
 - 3.1.2 Development charges complement other sources of capital finance available to the Municipality and are not utilised as a general revenue source;
 - 3.1.3 Development charges are managed in a predictable, fair and transparent manner; and
 - 3.1.4 Unnecessary litigation in the administration of development charges is minimised.

4. PRINCIPLES OF THE POLICY

4.1 Four key principles underlie the system of development charges. These are:

4.1.1 **Equity and Fairness:** Development charges should be reasonable, balanced and practical so as to be equitable to all stakeholders. The key function of a system of development charges is to ensure that those who benefit from new infrastructure investment, or who cause off-site impacts, pay their fair share of the associated costs.

This implies that:

4.1.1.1 The Municipality should recover from applicants a contribution that is as close as possible to be full and actual costs of the capital infrastructure assets that are needed to mitigate the impacts of land development and to provide services to new land developments;

4.1.1.2 Development charges are levied to recover the infrastructure costs incurred or to be incurred due to land development, and are thus not a form of taxation;

4.1.1.3 Costs which should be covered by development charges can be determined both in relation to the value of pre-installed capital infrastructure assets resulting from historical investments, and the provision of new capital infrastructure assets to meet new capacity requirements; and

4.1.1.4 Development charges are not an additional revenue source to be used to deal with historical backlogs in provision of services, such as backlogs that exist in some historically disadvantaged areas.

4.1.2 **Predictability:** Development charges should be a predictable, legally certain and reliable source of revenue to the Municipality for providing external engineering services, and should be clearly and transparently accounted for. In order to promote predictability in municipal finance systems the costs associated with municipal capital infrastructure assets provided expressly to benefit poor households should be established before subsidies are applied in a transparent manner to fund the liability.

4.1.3 **Spatial and Economic Neutrality:** The primary role of a system of development charges is to ensure the timely, sustainable financing of required capital infrastructure assets.

This implies that:

4.1.3.1 Development charges should be determined based on identifiable and measurable costs so as to avoid distortions in the economy and in patterns of spatial development;

4.1.3.2 Development charges should not be used as a spatial planning policy instrument;

4.1.3.3 Costs recovered should be dedicated only to the purpose for which they were raised; and

4.1.3.4 Development charges should be calculated where possible on a sectoral or geographic scale to more accurately approximate costs within a specific impact zone.

4.1.4 **Administrative ease and uniformity:** The determination, calculation and operation of development charges should be administratively simple and transparent.

5. LEGISLATIVE FRAMEWORK

Development Charges are an integral part of the broader legal framework for urban land development and municipal finance. This legal framework has undergone substantial changes at national, provincial and municipal levels with the introduction of the SPLUMA, LUPA and the By-Law.

5.1 Policy context

This policy is consistent with the Final Draft Policy for Municipal Development Charges (Version 10) issued by the National Treasury on 15 December 2015 and which reflects a broadly shared understanding of the role, purpose and legal nature of Development Charges across the country.

5.2 Applicable legislation

The Systems Act

5.2.1 The general power of the Municipality to recover charges is provided for in Section 75A. In terms of Section 75A(2) charges are levied by the Municipality by resolution passed by the Municipal Council with a supporting vote of a majority of its members.

5.2.2 All development charges levied in terms of the general power of the Municipality, as envisaged in terms of Section 75A, will be levied in terms of a Council's Resolution by virtue of which this policy is approved.

5.2.3 When the development charges are determined pursuant to a Council's Resolution envisaged in terms of Section 75A(2), regard must at least be had to the factors provided for in Section 40(3), (4) and (5) of the LUPA read with the changes required by the context. See **Paragraph 5.2.7** below.

LUPA

5.2.4 The LUPA came into force on 1 December 2015 pursuant to Proclamation No 30 of 2015 (Western Cape).

5.2.5 In terms of Section 40(2) the Municipality may, when it approves a land use application³ subject to conditions, impose reasonable conditions

³ A land use application is defined in LUPA as an 'application to a municipality contemplated in Chapter IV'.

which arise from the approval relating to the provision of engineering services and infrastructure and the cession of land or the payment of money.⁴ The aforementioned type of conditions may require a proportional contribution to municipal public expenditure according to the normal need therefore arising from the approval, as determined by the Municipality.

5.2.6 Municipal public expenditure is provided for in Section 40(4) as follows:

- “40(4) Municipal public expenditure contemplated in subsection (3) includes, but is not limited to, municipal public expenditure for municipal service infrastructure and amenities relating to—*
- (a) community facilities, including play equipment, street furniture, crèches, clinics, sports fields, indoor sports facilities or community halls;*
 - (b) conservation purposes;*
 - (c) energy conservation;*
 - (d) climate change; or*
 - (e) engineering services.”*

5.2.7 Section 40(5) provides as follows:

- “40(5) When determining the contribution contemplated in subsections (3) and (4), a municipality must have regard to at least—*
- (a) the municipal service infrastructure and amenities for the land concerned that are needed for the approved land use;*
 - (b) the public expenditure on that infrastructure and those amenities incurred in the past and that facilitates the approved land use;*
 - (c) the public expenditure on that infrastructure and those amenities that may arise from the approved land use;*
 - (d) money in respect of contributions contemplated in subsection paid in the past by the owner of the land concerned; and*
 - (e) money in respect of contributions contemplated in subsection (3) to be paid in the future by the owner of the land concerned.”⁵*

SPLUMA

5.2.8 In terms of Section 49, an applicant is responsible for the provision and installation of internal engineering services and the Municipality is responsible for the provision of external engineering services.

⁴ See Section 40(2)(a) and (b).

⁵ Section 83(7) of the By-Law contains a similar provision.

5.2.9 Section 49(4) and (5) provides as follows:

- “40(4) An applicant may, in agreement with the municipality or service provider, install any external engineering service instead of payment of the applicable development charges, and the fair and reasonable cost of such external services may be set off against development charges payable.
- (5) If external engineering services are installed by an applicant instead of payment of development charges, the provision of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), pertaining to procurement and the appointment of contractors on behalf of the municipality does not apply.”

Stellenbosch Municipality : Land Use Planning By-Law

- 5.2.10 In terms of Section 83(1) of the By-Law, an applicant (as defined in Section 1 of the By-Law) must pay development charges to the Municipality in respect of the provision and installation of external engineering services. The external engineering services for which development charges are payable must be set out in the policy and be reviewed annually by the Municipality. The amount of development charges payable by such applicant must be calculated in accordance with a policy adopted by the Municipality.⁶
- 5.2.11 The provision of engineering services is prescribed in detail in Chapter 8 of the By-Law. Specific reference is made to Section 66(4) and (5). National Land Transport Act 5 of 2009
- 5.2.12 Although public transport infrastructure is not typically included as one of the engineering services covered by development charges, this act allows the Municipality to raise a user charge from 'land, buildings or other developments that generate the movement of passengers, including land or buildings of which the State is the owner, in its area', provided that this money goes into the Municipality's 'land transport fund'.

6. OBLIGATION TO IMPOSE A DEVELOPMENT CHARGE

6.1 When the Municipality approves a land development application (as defined in this policy) which will or may result in intensified land use with an increased demand for such municipal infrastructure services, the Municipality must levy a development charge proportional to the municipal public expenditure according to the normal need arising from such approval. The instances when development charges will be levied will include:

- 6.1.1 When the Municipality approves an application in terms of Section 15(2) of the By-Law and imposes conditions in terms of Section 66 thereof

⁶ See Chapter VIII of the By-Law.

relating to the provision of engineering services and infrastructure and the cession of land or the payment of money;

- 6.1.2 The approval of building plans in terms of the National Building Regulations and Building Standards Act 103 of 1977.
- 6.2 A development charge will be determined by the Municipality in terms of and on the basis of the applicable statutory provisions referred to in **Paragraph 5.2** above read with this policy.
- 6.3 A developer must pay to the Municipality the full amount of the applicable development charge prior to the exercise of any rights to use, develop or improve the land arising from the approval of a land development application, unless in the case of a phased land development –
 - 6.3.1 The Municipality authorises phased payments in the land development approval conditions, to take into account the timing of the proposed phases of the land development; and
 - 6.3.2 The developer provides a written guarantee from a registered financial institution, in an amount and subject to terms and conditions agreed in writing by the Municipality.
- 6.4 When approving a land development application, the Municipality must stipulate at least the following matters relating to the development charge –
 - 6.4.1 The total amount of the development charge, including its component charges as contemplated in **Paragraph 8**;
 - 6.4.2 The dates on which the payment or payments must be made and the amount of such payments;
 - 6.4.3 Whether the Municipality requires the developer to install the required link services, as contemplated in **Paragraph 10**;
 - 6.4.4 Whether the Municipality and the developer have agreed that the developer will install any bulk services, as contemplated in **Paragraph 10**; and
 - 6.4.5 Where the developer is to install link services and/or bulk services instead of the payment of some portion or all of a development charge –
 - 6.4.5.1 The nature and extent of the link services and/or bulk services to be installed by the developer;
 - 6.4.5.2 The timing of commencement and completion of the link services and/or bulk services to be installed by the developer;
 - 6.4.5.3 The amount of the developer's fair and reasonable costs of installation, or the process for determining that amount, including the process, after installation, for making any adjustments to an amount specified as determined by the Municipality; and
 - 6.4.5.4 The engineering and other standards to which the installed external engineering services must conform.

- 6.5 The Municipality and a developer may, and in the circumstances provided for in **Paragraph 10** must, conclude an engineering services installation agreement to give detailed effect on the arrangements contemplated in this **Paragraph 6**, provided that an engineering services installation agreement may not permit any intensification of land use beyond that which was approved.
- 6.6 The impact zones with reference to which the Municipality will calculate development charges in respect of civil services, are those indicated on **Annexure A** hereto.
- 6.7 The development charges calculated in terms of **Annexure A** exclude development charges for electricity consumption and infrastructure as provision relating thereto shall be described in a separate policy, conditions of approval or resolution/s of Council.

7. PURPOSE OF DEVELOPMENT CHARGES

- 7.1 Money collected by the Municipality in respect of development charges must be used for purposes of funding or acquiring capital infrastructure assets in a timely and sufficient manner to support current and projected future land development in the area of jurisdiction of the Municipality, and where calculated with reference to a particular impact zone, must be used for capital infrastructures assets in that impact zone.
- 7.2 Development charges are not a general revenue source and money collected in respect of development charges may not be used to fund the operating or maintenance costs incurred by the Municipality in respect of municipal infrastructure services.

8. CALCULATION OF DEVELOPMENT CHARGES

- 8.1 Subject to the provisions of this policy, a development charge shall be calculated with reference to the estimated increased load placed on the external engineering services networks that results from the development in a specific impact zone.
- 8.2 The capital cost of internal engineering services is for the account of the developer.
- 8.3 The development charge shall be calculated in two parts: a *pro rata* estimate based on the project's impact on bulk services (in terms of **Annexure A**); and the actual costs of link services, where they are required. The overall development charge liability is the sum of these two parts.
- 8.4 The purpose of introducing the distinction between bulk services and link services is that the extent of link services is often unknown in advance and is highly variable between developments. Certain developments may require no link services as they are located on bulk networks, while peripheral '*leapfrog*' developments may require substantial amounts of infrastructure to link them to the existing or planned bulk services networks. In order to recover the true costs of development that takes place outside of the planned infrastructure networks, and to maximise on the

availability of existing infrastructure, developers are to pay for link services in addition to the bulk services component.

- 8.5 Where the implementation of an approved land development will entail the installation of bulk services and link services, the Municipality must calculate the amount of a development charge separately for each of the bulk services and link services components, on the basis that there is no duplication of costs for the two components of external engineering services but that the total amount of the development charge reflects the aggregate amounts for bulk services and link services.
- 8.6 Where the implementation of an approved land development will not necessitate the provision of link services, no development charge will be imposed in respect of link services. In the event that the implementation of an approved land development requires the provision of link services and the Municipality in its entire discretion provides and installs these link services, the developer shall remain liable for the full costs thereof.
- 8.7 Subject to **Paragraph 6.2** above and for purposes of calculation of the bulk services component of a development charge, the Municipality must –
 - 8.7.1 Determine a unit cost for each municipal infrastructure service, which unit cost must include all land cost, professional fees, materials, labour and reasonable costs of construction, but must exclude the value of any debts incurred by the Municipality for purposes of funding existing capital infrastructure assets, to the extent that such debt has not been repaid by the Municipality;
 - 8.7.2 Apply a formula, which formula will –
 - 8.7.2.1 Be aimed at determining the impact of the proposed land use on municipal infrastructure services, taking into account current and planned capacity, relative to the impact of the land use occurring at the date of approval of the land development application; and
 - 8.7.2.2 Calculate the amount payable by multiplying the unit cost referred to in **Paragraph 8.7.2.1**, by the estimated proportion of the municipal infrastructure services, including current and planned capacity, that will be utilised by the proposed land development.
- 8.8 The basis upon which development charges will be determined, as envisaged in **Paragraph 8.7**, will be as recorded in the report of iCE Tygerberg Consulting Engineers, which report is incorporated into this policy with reference thereto and attached hereto as **Annexure A**. The aforementioned report does not provide for the calculation of development charges in respect of all components of municipal infrastructure services. Development charges in respect of any component of municipal infrastructure services not provided for in **Annexure A**, will be determined and calculated in terms of a separate policy, conditions of approval or Council's Resolution/s.
- 8.9 For purposes of calculation of the link services component of a development charge, if any, the Municipality will use the actual costs of installation of the required link services, as the basis for determining the amount payable.

- 8.10 The Municipality must adjust the unit cost for each municipal infrastructure service on an annual basis during the budget preparation process referred to in Section 21 of the Local Government: Municipal Finance Management Act 56 of 2003, to take account of inflationary impacts and must publish the adjusted unit costs within two months of approving the municipal budget. The Municipality will use the Contract Price Adjustment Factor to determine the annual effect of inflation.
- 8.11 The Municipality must re-calculate the unit cost for each municipal infrastructure service at least once every five years or within such longer period as is approved in advance by the Council of the Municipality, to take into account the current and planned capacity for each municipal infrastructure service at the date of re-calculation, and any other relevant factors.

9. ACTUAL COSTS

- 9.1 Notwithstanding the provisions of **Paragraph 8.7**, the Municipality may at its own instance or on request by a developer, increase or reduce the amount of the bulk services component of a development charge so as to reflect the actual cost of installation of the required bulk services, where:
- 9.1.1 Exceptional circumstances, as determined by the Council, justify such an increase or reduction; or
- 9.1.2 a particular land development exceeds the size or impact thresholds set out in the applicable Municipal Development Charges By-Law or as determined by Council from time to time.
- 9.1.3 Where a development is situated outside the urban area and was not taken into account during the determination of the DC tariffs, then DCs of that development will be based on its actual impact, as confirmed by a report by a professionally registered engineer appointed by the Developer, and as approved by the (municipality's) Engineer. Examples of such a scenario would be development on farms that supports the primary farming activity, i.e. a cellar on a wine farm. The actual trip generation might be less than what is allowed for in the DC tables and if it can be justified the DC can be based on the actual impact/demand on the bulk infrastructure.
- 9.2 Where the Municipality adjusts the amount of the bulk services component of a development charge on the basis of actual costs in terms of this section
- 9.2.1 the developer is responsible for the costs of performing the calculation of such adjustment, which must be carried out by a registered professional civil engineer appointed by the developer with appropriate experience and expertise having regard to the nature and extent of the proposed land use; and
- 9.2.2 the actual cost must include, where applicable and without limitation, land costs, professional fees, materials, labour, the reasonable costs of construction and any tax liabilities: provided that all such costs would

otherwise have been borne by the municipality, in the provision and installation of the bulk services concerned.

10. INSTALLATION OF EXTERNAL ENGINEERING SERVICES INSTEAD OF THE PAYMENT OF DEVELOPMENT CHARGES.

- 10.1 The Municipality may agree with a developer that the developer installs all or part of the external engineering services required for an approved land development instead of the payment of the applicable development charge.
- 10.2 Where a developer installs external engineering services to the technical standards required by the Municipality, as reflected in the applicable conditions of approval of the land development application or as agreed with the Municipality in writing, the developer may set off the fair and reasonable cost of such installation, as determined by the Municipality, against the applicable development charges.
- 10.3 Any capital infrastructure assets forming part of an external engineering service installed by a developer instead of payment of any part of a development charge shall, upon installation, become the property of the Municipality, and-
 - 10.3.1 the developer shall bear the responsibility of ensuring that ownership or other relevant rights to the affected capital infrastructure assets is or are transferred to the Municipality;
 - 10.3.2 the Municipality must include the applicable capital infrastructure asset gain in its next adjustments budget, in accordance with regulations relating to asset gains, made in terms of the Local Government: Municipal Finance Management Act 56 of 2003.
- 10.4 The Municipality may require that a developer installs external engineering services to accommodate a greater capacity than that which would be required for the proposed land use alone in accordance with any master plan approved by the Municipality, in order to support planned future development in the vicinity of the approved land development. Where the total fair and reasonable cost of installation of such required external engineering services exceeds the development charge payable by the developer, the Municipality may reimburse the developer the amount in excess of the development charge, in accordance with a written agreed payment schedule, provided that such infrastructure has been provided for in accordance with an approved master planning programme for such service and which has been approved as a capital project in terms of the budget of the Municipality.
- 10.5 When a developer installs external engineering services instead of payment of a development charge, he or she must adopt the most cost-effective and efficient approach to meet the Municipality's technical standards.. The principles of procuring the most cost –effective and efficient services must be followed. Therefore, the installation of engineering services must be provided at a competitive bidding process. As a minimum, three quotations or tenders should be obtained and evaluated by the Developer's consultant with a recommendation for appointment. Such recommendation must be approved by the Municipality before the appointment of a contractor.

11. NON-PROVISION BY THE MUNICIPALITY.

- 11.1 Where the Municipality has agreed to install the required external engineering services and fails to do so within a period of twelve months from the date for completion stipulated in such agreement, the Municipality must return the development charge paid by the developer, to the developer, with interest charged at the applicable rate for debts owed to the state.
- 11.2 Notwithstanding the provisions of **Paragraph 11.1**, the Municipality and the developer may agree to:
- 11.2.1 an extension of the time period for the installation of the required external engineering services by the Municipality: provided that such extended time period may not exceed twenty-four months and provided further that where the Municipality completes the installation within such extended time period, it has no obligation to return the development charge paid by the developer, to the developer; or
- 11.2.2 an engineering services installation agreement, or revised engineering services installation agreement, in terms of which the developer agrees to install the required external engineering services in whole or in part and, where agreeing to install in part, the time period within which the municipality will install those external engineering services for which it remains responsible: provided that the extended time period for installation by the Municipality may not exceed twenty-four months and provided further that where the Municipality completes its portion of the installation within such extended time period, it has no obligation to return that portion of the development charge paid by the developer which pertains to the external engineering services installed by the Municipality, to the developer.

12. WITHHOLDING CLEARANCES AND APPROVALS.

- 12.1 The Municipality shall be entitled to withhold any consent, clearance or approval in respect of a land development in the event where development charges owed by the developer remain unpaid or the developer fails to install external engineering services in accordance with an engineering services installation agreement entered into with the Municipality.
- 12.2 The Municipality shall not be obliged to allow any internal or link services to be connected to the bulk services of the Municipality until all development charges have been paid by a developer.

13. EXEMPTIONS

- 13.1 The Municipality may only exempt a developer from the payment in full or in part of a development charge where it does so in accordance with a development charges exemption policy approved by the Municipal Council.

- 13.2 A development charges exemption policy referred to in **Paragraph 13.1** –
- 13.2.1 may permit the Municipal Council to approve individual exemptions from the obligation to pay a development charge, for developers or land development applications falling within one or more categories as specified in the policy;
 - 13.2.2 must include a mechanism to ensure that the revenue to be forgone as a result of any exemption approved by the Municipal Council is reflected in the Municipality's budget; and
 - 13.2.3 must provide for budgetary provision for the realisation of the revenue forgone to be made, from another realistically available source of revenue.
- 13.3 The Municipal Council may not delegate the power to approve the development charges exemption policy or an individual exemption from the obligation to pay a development charge, to an official, a Municipal Planning Tribunal or any other person or body.
- 13.4 Before the Municipality grants an individual exemption in terms of this **Paragraph 13** and in accordance with the Municipality's Development Charges Exemptions Policy, it must:
- 13.4.1 calculate the applicable development charge as if it were payable; and
 - 13.4.2 ensure that the monetary value of the exemption, together with the amount of any other payment or payments received by the Municipality towards the capital costs of external engineering services for an approved land development, is at least equal to the development charge calculated in accordance with **Paragraph 13.4.1**.

14. OTHER PRINCIPLES TO BE APPLIED

- 14.1 Where a particular service does not fall into the criteria of Par 4 and Par 6.2 of the Development Charge Calculation Report (Annexure A), it can still be DC deductible if it fits the definition of a bulk service, and at the discretion of the Engineer.
- 14.2 DC's will be applied based on the impact on services by the increase in land use rights and/or intensification of land use leading to increased demand, irrespective of the geographical location of the development. For example, the traffic generated by a development located along a provincial road, will ultimately end up on the Municipality's road network that link to the provincial roads. The same applies to the additional stormwater run-off that ends up in downstream municipal networks and river courses, increase in demand and the bulk supply of water, and sewer and solid waste disposal.
- 14.3 DCs in rural areas/farms: DCs will be determined in terms of 9.1.3 for buildings/development related to the primary farming activities and can be classified as an agricultural building/agricultural industry i.e.: cellar and bottling facilities on a wine farm or a fruit packaging and storage facility on a fruit farm. It can be assumed that in most cases, the people already working or residing on the farm will work in these buildings and not place a significant additional demand on the bulk services. The approved DC tariffs will be applicable for any other development on a farm i.e. a farm stall, function venues, tourist accommodation facilities, conference facilities or other business and commercial activities

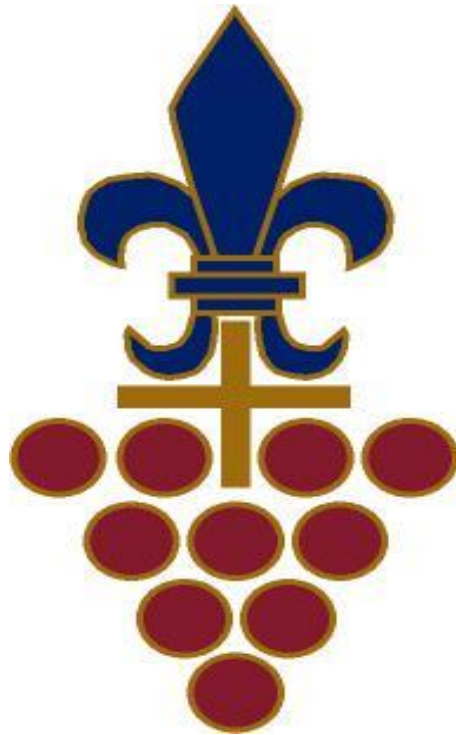
including wine tasting since these land uses attract people from outside and places an additional demand on the bulk infrastructure.

- 14.4 Where a development's DC's are utilised to upgrade a specific service in order to create the required capacity, and the DCs for that specific service category is not sufficient to cover the cost of the upgrade, the **Engineer**, at his discretion, will determine if DCs from the other service categories can be utilized to cover the cost. Factors to be taken into consideration include the status of bulk services in the development area, the practicality and timing to secure alternative sources of funding, etc.
- 14.5 GLA – Gross Leasable Area – where this is not known at the time of the DC calculation being done, it will be deemed to be 15% less than the total bulk i.e. 85% of the total bulk.
- 14.6 DCs in lieu of Parking bays: If the development is located in an area where the lack of sufficient on-site parking is currently causing problems for the municipality and or the public, this option will not be considered. Other criteria:
- In the historical CDB core where buildings were approved with limit parking provision
 - When a development is situated within a 500m radius of a public transport hub or facility
 - When a development is situated along a primary functional public transport route – provide that the necessary embayment is provided
 - When a development is situated along a primary NMT route (as defined by the NMT Masterplan) – provide that the necessary facilities is of good state
 - Where public parking garage has been constructed that can cater for shortfall in parking demand.

ANNEXURES

1. Annexure A : Development Charges Calculation Report

STELLENBOSCH MUNICIPALITY



**PERFORMANCE MANAGEMENT
POLICY**

2019/2020



STELLENBOSCH MUNICIPALITY

PERFORMANCE MANAGEMENT POLICY

Compiled in terms of the Local Government: Municipal Systems Act,
2000 (Act 32 of 2000)

Table of Contents

Table of Contents.....	2
List of acronyms	4
Glossary of terms	4
1. Introduction.....	9
2. Legislative Framework.....	10
2.1 The following legislation forms the foundation for the policy.....	10
3. Objectives and Benefits of a Performance Management System.....	10
3.1 Objectives.....	10
4. Definitions and Key Steps in Performance Management	11
4.1 The Performance Cycles	11
4.2 Key Steps in Performance Management.....	12
4.3 The Performance Management Model.....	13
5. The Service Delivery and Budget Implementation Plan (SDBIP).....	13
5.1 The municipal scorecard.....	14
5.1.1 Update actual performance.....	15
5.1.2 Quarterly reviews.....	16
5.1.3 Council Reviews	17
5.1.4 Public Reviews	17
5.1.5 Roles and Responsibilities.....	18
5.2 Departmental scorecards.....	19
5.2.1 Preparing the Departmental SDBIP	19
5.2.2 Approval of Departmental SDBIP.....	20
5.2.3 Update actual performance.....	20
5.2.4 Monthly reviews.....	20
5.2.5 Adjustments to KPI's.....	21
5.2.6 Roles and Responsibilities.....	21
5.3 Individual Performance	22
5.3.1 Individual scorecards (Municipal Manager and Section 56 Managers).....	23
5.3.2 Individual scorecards (rest of staff)	24
5.3.3 Skills Development Plan	25

- 5.3.4 Informal and Formal performance reviews 25
- 5.3.5 Appeals process 26
 - 5.3.5.1 Section 56/57-Employees 26
 - 5.3.5.2 Employees reporting to the Directors and the Municipal Manager 26
- 5.3.6 Reward and Recognition 26
- 5.4 Service Providers 26
 - 5.4.1 Notification of Service Providers upon appointment 27
 - 5.4.2 Evaluating the Performance of Service Providers 27
 - 5.4.3 Prescribed procedures to evaluate service providers 28
 - 5.4.4 Evaluation and Improvement of the Performance Management System 28
- 6. Governance 29
 - 6.1 Continuous quality control and co-ordination 30
 - 6.2 Performance investigations 30
 - 6.3 Internal Audit 30
 - 6.4 Performance Audit Committee 30
- 7. Performance Reporting 31
 - 7.1 Monthly reports 31
 - 7.2 Quarterly reports 31
 - 7.3 Mid-year assessment 31
 - 7.4 Annual Performance Report 32
 - 7.5 Annual Report 32
 - 7.6 Legislative Reporting Requirements 32
- 8. Design of Key Performance Indicators and Targets 35
 - 8.1 Setting indicators 35
- 9. Performance Process Maps 36
 - 9.1 Top Layer SDBIP 37
 - 9.2 Departmental SDBIP 37
 - 9.3 Individual Performance 38
- 10. Role and Responsibilities of Stakeholders 38
- 11. Framework review 41
- 12. Conclusion 41

List of acronyms

AG	: Auditor General
CCR	: Core Competency Requirement
IDP	: Integrated Development Plan
KPA	: Key Performance Areas
KPI	: Key Performance Indicators
LED	: Local Economic Development
MEC	: Member of the Executive Council
MFMA	: Municipal Finance Management Act
MSA	: Municipal Systems Act
MTEF	: Medium Term Expenditure Framework
PDP	: Personal Development Plan
PMS	: Performance Management System
POE	: Portfolio of Evidence
SALGA	: South African Local Government Association
SDBIP	: Service Delivery and Budget Implementation Plan
SFA	: Strategic Focus Area
SMART	: Specific, Measurable, Achievable, Realistic, Time-frame
TL SDBIP	: Top Layer Service Delivery Budget Implementation Plan
WPSP	: Work Place Skills Plan

Glossary of terms

- **“accounting officer”**

- (a) in relation to a municipality, means the municipal official referred to in section 60 of the Municipal Systems Act; or
- (b) in relation to a municipal entity, means the official of the entity referred to in section 93, and includes a person acting as the accounting officer

- **“annual report”**

in relation to a municipality or municipal entity, means an annual report contemplated in section 121 of the Municipal Finance Management Act

- **“Auditor-General”**

means the person appointed as Auditor-General in terms of section 193 of the Constitution, and includes a person-

- (a) acting as Auditor-General
- (b) acting in terms of a delegation by the Auditor-General; or
- (c) designated by the Auditor-General to exercise a power or perform a duty of the Auditor-

General

- **“basic municipal service”**

means a municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety or the environment

- **“backlogs”**

A backlog can be defined as quality of service/ goods that have accumulated over time that are still undelivered/unattended/still not produced. The backlogs in rural water, sanitation and electricity have been defined in official census figures, but vary (increase or

decrease) from year to year due to migration patterns. Regardless, these backlogs are now being dealt with systematically (refer to baseline).

- **“baseline”**

the accurate and quantitative data at a stated point in time that marks the beginning of a trend.

- **“Councillor”**

means a member of a municipal council

- **“ Section 57 employee”**

means a person employed by a municipality as a municipal manager or as a manager directly accountable to a municipal manager;

- **“employer”**

means the municipality employing a person as a municipal manager or as manager directly accountable to a municipal manager and as represented by the mayor, executive mayor or municipal manager as the case may be;

- **“employment contract”**

means a contract as contemplated in Section 57 of the Municipal Systems Act;

- **“external service provider”**

- means an external mechanism referred to in section 76(b) of the Municipal Systems Act; which provides a municipal service for a municipality **“financial statements”**

in relation to municipality or municipal entity, means statements consisting of at least-

- (a) a statement of financial position;
- (b) a statement of financial performance;
- (c) a cash-flow statement;
- (d) any other statements that may be prescribed; and
- (e) any notes to these statements

- **“financial year”**

means the financial year of municipalities that end on 30 June of each year

- **“input indicator”**

means an indicator that measures the costs, resources and time used to produce an output

- **“integrated development plan”**

means a plan envisaged in section 25 of the Municipal Systems Act

- **“local community” or “community”**

in relation to a municipality, means that body or persons comprising –

- (a) the residents of the municipality
- (b) the ratepayers of the municipality
- (c) any civic organisations and non-governmental, private sector or labour organisations or bodies which are involved in local affairs within the municipality

- **“Mayor”**

in relation to –

- (a) a municipality with an executive mayor, means the councillor elected as the executive mayor of the municipality in terms of section 55 of the Municipal Structures Act; or
- (b) a municipality with an executive committee, means the councillor elected as the mayor of the municipality in terms of section 48 of that Act

- **“MEC for local government”**

means the MEC responsible for local government in a province

- **“Minister”**

means the national Minister responsible for local government

- **“municipality”**

when referred to as –

- (a) an entity, means a municipality as described in section 2; and
- (b) a geographical area, means a municipal area determined in terms of the Local Government: Municipal Demarcation Act. 1998 (Act No. 27 of 1998)

- **“municipal council” or “council”**

means a municipal council referred to in section 157(1) of the Constitution

- **“municipal entity”**

means –

a company, co-operative, trust fund or any other corporate entity established in terms of any applicable national or provincial legislation ward which operates under the

- (a) ownership control of one or more municipalities, and includes, in the case of a company under such ownership control, any subsidiary of that company, a private company referred to in section 86B(1)(a); or
- (b) a service utility.
- (c) a multi-jurisdictional service utility

- **“Municipal Finance Management Act”**

means the Local Government: Municipal Finance Management Act, 2003, and any regulations made under that Act

- **“Municipal Manager”**

means a person appointed in terms of section 82 of the Municipal Structures Act

- **“municipal service”**

has the meaning assigned to it in section 1 of the Municipal Systems Act

- **“Municipal Structures Act”**

means the Local Government: Municipal Structures Act. 1998 (Act 117 of 1998)

- **“Municipal Systems Act”**

means the Local Government: Municipal Systems Act, 2000 (Act No.32 of 2000)

- **“Outcome indicator”**

means an indicator that measures the quality and or impact of an output on achieving a particular objective

- **“Output indicator”**

means an indicator that measures the results of activities, processes and strategies of a program of a municipality

- **“parent municipality”**

- (a) in relation to a municipal entity which is a private company in respect of which effective control vests in a single municipality, means that municipality;
- (b) in relation to a municipal entity which is a private company in respect of which effective control vests in two or more municipalities collectively, means of those municipalities;
- (c) in relation to a municipal entity which is a service utility, means the municipality which established the entity; or
- (d) in relation to a municipal entity which is a multi-jurisdictional service utility, means each municipality which is a party to the agreement establishing the service utility

- **“private company”**

means a company referred to in section 19 and 20 of the Companies Act. 1973 (Act No. 61 of 1973)

- **“performance agreement”**

means an agreement as contemplated in Section 57 of the Municipal Systems Act

- **“performance plan”**

means a part of the performance agreement which details the performance objectives and targets that must be met and time frame within which these must be met.

- **“prescribe”**

means prescribe by regulation or guidelines in terms of section 120 and **“prescribed”** has a corresponding meaning

- **“political office bearer”**

means the speaker, executive mayor, mayor, deputy mayor or member of the executive committee as referred to in the Municipal Structures Act

- **“political structure”**

in relation to a municipality, means the council of the municipality or any committee or other collective structure of a municipality elected, designated or appointed in terms of a specific provision of the Municipal Structures Act

- **“resident”**

in relation to a municipality, means a person who is ordinarily resident in the municipality

“senior manager”

- (a) in relation to a municipality, means a manager referred to in section 56 of the Municipal Systems Act; or

(b) in relation to a municipal entity, means a manager directly accountable to the chief executive officer of the entity

- **“service authority”**

means the power of a municipality to regulate the provision of a municipal service by a service provider

- **“service delivery agreement”**

means an agreement between a municipality and an institution or person mentioned in section 76(b) of the Municipal Systems Act 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

- **“service delivery and budget implementation plan”**

means a detailed plan approved by the mayor of a municipality in terms of section 53(1)(c)(ii) of the Municipal Finance Management Act for implementing the municipality’s delivery of municipal services and its annual budget, and which must indicate –

- (a) projections for each month of –
 - (i) revenue to be collected, by source; and
 - (ii) operational and capital expenditure, by vote;
- (b) service delivery targets and performance indicators for each quarter; and
- (c) any other matters that may be prescribed,
and includes any revisions of such plan by the mayor in terms of section 54(1)(c) of the Municipal Finance Management Act

- **“service utility”**

means a municipal entity established in terms of section 82(1)(c), a body established in terms of section 86H of the Municipal Systems Act

- **“staff”**

in relation to a municipality, means the employees of the municipality, including the municipal manager

1. Introduction

Performance Management is a process which measures the implementation of the organisation's strategy.

At local government level, performance management is institutionalized through the legislative requirements and the policies or regulations of a municipality. Performance management provides the mechanism with which to measure targets/goals set by the organisation and its employees to meet its strategic objectives.

The Constitution of S.A (1996), section 152, dealing with the objectives of local government paves the way for performance management, with the requirements for an "accountable government". 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 inter alia:

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

The Municipal Systems Act (MSA), 2000 requires municipalities to establish a performance management system. The MSA and the Municipal Finance Management Act (MFMA) further requires from the Integrated Development Plan (IDP) to be aligned to the municipal budget and to be monitored through the Service Delivery and the Budget Implementation Plan (SDBIP).

In addition, Regulation 7 (1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that "*A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players.*"

This policy therefore describes how the municipality's performance process, for the organisation as a whole will be conducted, organised and managed. It also has the following objectives:

- Clarify processes of implementation
- Ensure compliance with legislation
- Demonstrate how the system will be conducted
- Define roles and responsibilities
- Promote accountability and transparency
- Reflect the linkage between the IDP, Budget, SDF, SDBIP and individual and service provider performance

2. Legislative Framework

2.1 The following legislation forms the foundation for the policy

- Constitution of the Republic Of South Africa (1996)
- Local Government :Municipal Systems Act (MSA) 2000 and its amendments
- Government Gazette :Regulations gazette No.7146
- Municipal Financial Management Act (MFMA) No.56 of 2003
- Municipal Structures Act 1998
- National Treasury : 2007 Framework for managing performance information
- White Paper on Local Government (1998)
- Batho Pele (1998)
- Municipal Planning and Performance Regulation 796 (2001)
- Municipal Performance Regulation for Municipal Managers and Managers directly accountable to Municipal Managers (805 of 2006)
- MFMA Circular 11: Annual Reports
- MFMA Circular 13: SDBIP
- MFMA Circular 32: Oversight report
- MFMA Circular 42: Funding of municipal budget
- MFMA Circular 54: Municipal budget circular

3. Objectives and Benefits of a Performance Management System

3.1 Objectives

The objectives of the performance management system are described in the performance management policy and include:

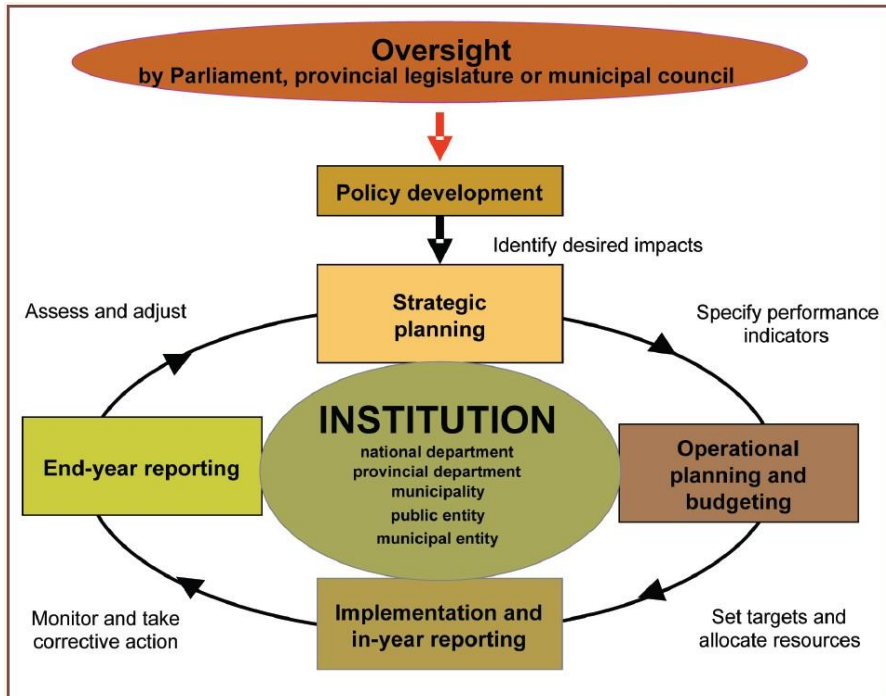
- Facilitate strategy development
- Facilitate increased accountability
- Facilitate learning and improvement
- Provide early warning signals
- Create a culture of best practices
- Facilitate decision-making

The above objectives are aligned with the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) and the guidelines of the Department of Development Planning and Local Government.

4. Definitions and Key Steps in Performance Management

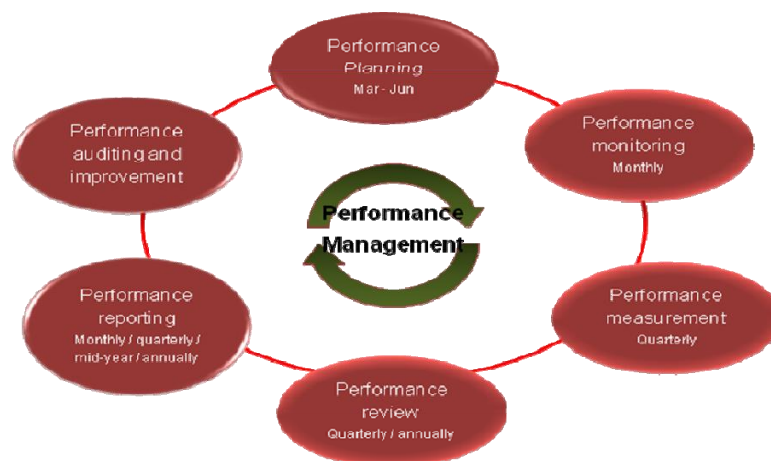
4.1 The Performance Cycles

The overall planning, budgeting and reporting cycle can be summarised as follows:



Source: Framework for Managing Programme Performance Information

The performance cycle can be summarised in the following diagram and each cycle will be addressed in the remainder of this framework:



Each of the above cycles can be explained as follows:

- **Performance Planning** ensures that the strategic direction of the Municipality more explicitly informs and aligns with the IDP planning, activities and resource decisions. This is the stage where Key Performance Areas and Key Performance Indicators are designed to address the IDP objectives.
- **Performance Measuring and Monitoring** is an ongoing process to determine whether performance targets have been met, exceeded or not met. Projections can also be made during the year as to whether the final target and future targets will be met. It occurs during key points in a process – for example, on a quarterly and annual basis.
- **Performance evaluation** analyses why there is under-performance or what the factors were, that allowed good performance in a particular area. Where targets have not been met, the reasons for this must be examined and corrective action recommended. Evidence to support the status is also reviewed at this stage. An additional component is the review of the indicators to determine if they are feasible and are measuring the key areas appropriately.
- **Performance Reporting** entails regular reporting to management, the performance audit committee, council and the public.
- **Performance review/auditing** is a key element of the monitoring and evaluation process. This involves verifying that the measurement mechanisms are accurate and that proper procedures are followed to evaluate and improve performance. According to section 45, of the Systems Act, results of the performance measurement must be audited as part of the municipality's internal auditing process and annually by the Auditor-General. The Municipality have therefore established frameworks and structures to evaluate the effectiveness of the municipality's internal performance measurement control systems. Areas of weak performance identified at year-end must be addressed during the following years planning phase.

4.2 Key Steps in Performance Management

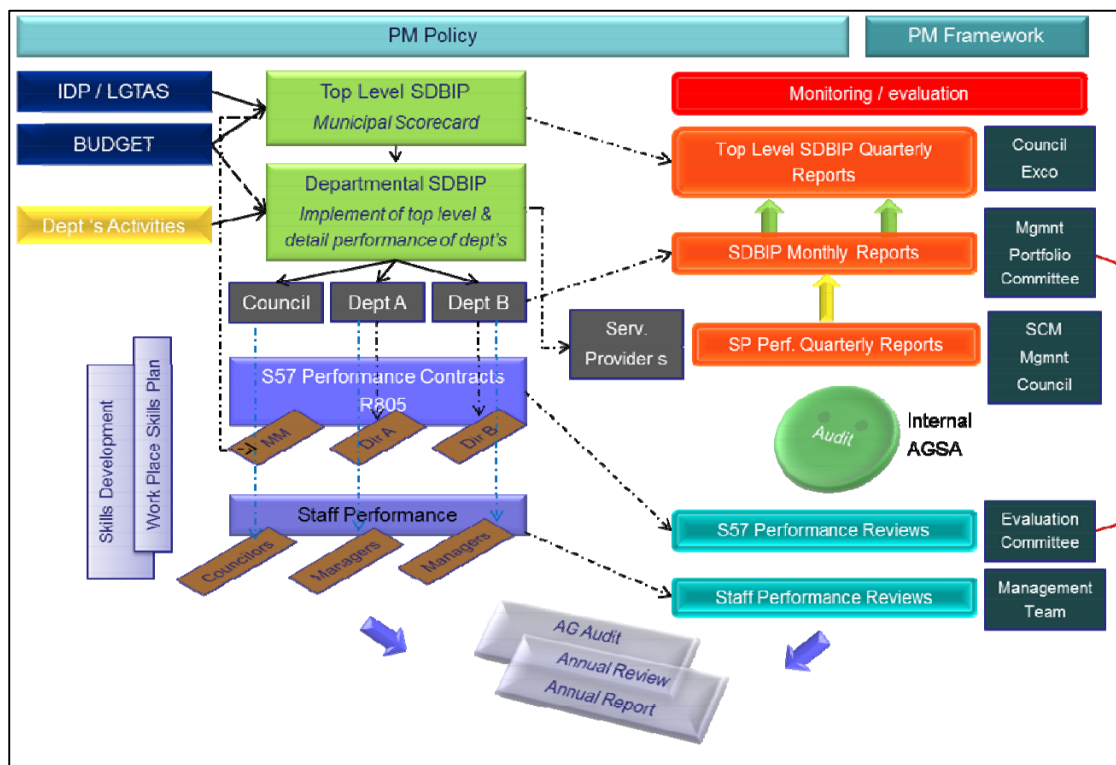
The key steps in implementing the performance cycle are as follows:

1. IDP consultation and strategic processes to determine
 - Strategic Objectives aligned with the National Agenda and local needs
 - Establish the Municipal KPA's
 - Design Strategic Focus Areas
2. Prioritise capital projects for budgeting purposes aligned with municipal strategy and approved methodology
3. Start with budget processes
4. Determine organisational KPI's in terms of strategy, budget and MTAS
5. Obtain baseline figures and past year performance
6. Set multi-year performance target dates
7. Determine steps/plans to achieve budget and KPI's
8. Assign strategic focused KPI's to Senior Management (Top Layer SDBIP)

9. Assign organisational KPI's to directorates and members of management (Departmental SDBIP)
10. Prepare individual performance agreements aligned with budget and SDBIP (s57 and management)
11. Prepare performance plans for staff and align work place skills plan with development plans
12. Provide monthly/quarterly status reports on progress with KPI implementation
13. Evaluate performance on individual (1/2 yearly) and organisational levels (monthly and quarterly)
14. Compilation of various performance reports
15. Auditing of performance report and portfolio of evidence(POE's)
16. Appoint oversight committee to analyse and prepare report on improvement of performance
17. Submit year-end report to various stakeholders

4.3 The Performance Management Model

The following section will explain the methodology of the adopted performance management model as depicted in the diagram below:



5. The Service Delivery and Budget Implementation Plan (SDBIP)

The IDP process and the performance management process must be seamlessly integrated. The IDP fulfils the planning stage of performance management. Performance

management in turn, fulfils the implementation, management, monitoring and evaluation of the IDP.

The organisational performance will be evaluated by means of a municipal scorecard (Top Layer SDBIP) at organisational level and through the service delivery budget implementation plan (SDBIP) at directorate and departmental levels.

The SDBIP is a plan that converts the IDP and budget into measurable criteria on how, where and when the strategies, objectives and normal business processes of the municipality will be implemented. It also allocates responsibility to directorates to deliver the services in terms of the IDP and budget.

The MFMA Circular No.13 prescribes that:

- The IDP and budget must be aligned
- The budget must address the strategic priorities
- The SDBIP should indicate what the municipality is going to do during next 12 months
- The SDBIP should form the basis for measuring the performance against goals set during the budget /IDP processes.

The SDBIP needs to be prepared as described in the paragraphs below and submitted to the Executive Mayor within 14 days after the budget has been approved. The Executive Mayor needs to approve the SDBIP within 28 days after the budget has been approved.

For each indicator the scorecard will require that a responsible official be designated, usually the respective line manager. While this official will not necessarily be accountable for performance on this indicator, they will be responsible for conducting measurements of that indicator, analysing and reporting first to their respective superior who in turn will report to the Municipal Manager and the Executive Mayor on these for reviews.

The municipal performance must be measured monthly and analysed at least quarterly. Municipal performance will be measured during the mid-year review where after the performance scorecard can be adjusted and action plans be developed to address poor performance. The information of the annual review will be included in the Annual Report of the municipality.

5.1 The municipal scorecard

The municipal scorecard (Top Layer SDBIP) must consolidate service delivery targets set by Council / senior management and provide an overall picture of performance for the municipality as a whole, reflecting financial and no- financial performance on its strategic priorities.

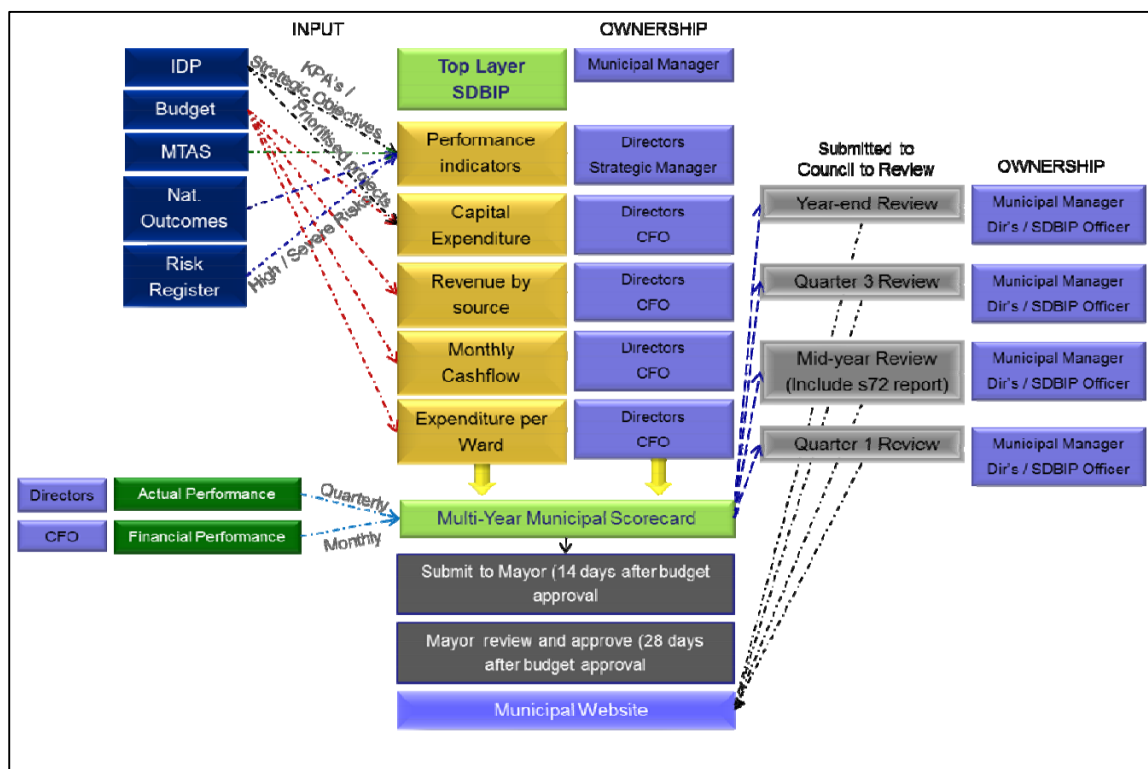
The Components of the top-layer SDBIP includes:

- Monthly projections of revenue to be collected for each source
- Expected revenue to be collected.
- Monthly projections of expenditure (operating and capital) and revenue for each vote

- Section 71 format (Monthly budget statements)
- Quarterly projections of service delivery targets and performance indicators for each vote
- Non-financial measurable performance objectives in the form of targets and indicators
- Output NOT input / internal management objectives
- Level and standard of service being provided to the community
- Ward information for expenditure and service delivery
- Detailed capital project plan broken down by ward over three years

Please refer to section 13 on the development of key performance indicators for assistance on how to develop indicators and targets.

The following diagram illustrates the establishment, components and review of the municipal scorecard (Top Layer SDBIP):



5.1.1 Update actual performance

The TL SDBIP will in most instances update automatically with the actual results reported in the departmental SDBIP. The SDBIP / PMS Officer needs to review the results, update the results that require a manual update and document the final performance comments in the relevant columns.

The KPI Owners should report on the results of the KPI by properly documenting the information in the performance response fields and make reference to where the POE can be found. In the instance of poor performance, corrective measures should be identified and documented. The POE should proof that the KPI was delivered and that the

expected outcome / impact has been achieved.

The actual performance should be monitored quarterly in terms of the objectives, KPI's and targets set. In order to measure the outcomes of the KPI's, the outputs and performance evidence (POE's) should be evaluated and **documented**.

It is important to note that the municipal manager needs to implement the necessary systems and processes to provide the POE's for reporting and auditing purposes.

Quarterly reviews

On a quarterly basis, the Executive Mayor should engage in an intensive review of municipal performance against both the directorate's scorecards and the municipal scorecard, as reported by the Municipal Manager. These reviews will take place in October (for the period July to end of September), January (for the period October to the end of December), April (for the period January to the end of March) and July (for the period April to the end of June).

The review in January will coincide with the mid-year performance assessment as per section 72 of the Municipal Finance Management Act. Section 72 determines that by 25 January of each year the accounting officer must assess the performance of the municipality and report to the Council on inter alia its service delivery performance during the first half of the financial year and the service delivery targets and performance indicators set in the service delivery and budget implementation plan.

Many of the indicators in the municipal scorecard will only be measurable on an annual basis. The quarterly reviews should thus culminate in a comprehensive annual review of performance in terms of all the scorecards.

The Executive Mayor will need to ensure that targets committed to in the municipal scorecard are being met, where they are not, that satisfactory and sufficient reasons are provided and that the corrective action being proposed is sufficient to address the poor performance.

The review should also focus on reviewing the systematic compliance to the performance management system, by directorates, departments, Portfolio Councillors and the Municipal Manager. The review will also include:

- An evaluation of the validity and suitability of the Key Performance Indicators and recommending must any changes.
- An evaluation of the annual and 5 year targets to determine whether the targets are over stated or understated. These changes need to be considered.
- Changes to KPI's and 5 year targets for submission to council for approval. (The reason for this is that the original KPI's and 5 year targets would have been published with the IDP, which would have been approved and adopted by council at the beginning of the financial year.)
- An analysis to determine whether the Municipality is performing adequately or under- performing.

It is important that the Executive Mayor not only pay attention to poor performance but also to good performance. It is expected that the Executive Mayor will acknowledge good performance, where directorates or departments have successfully met targets in their directorate/departmental scorecards.

5.1.2 Council Reviews

At least annually, the Executive Mayor will be required to report to the full council on the overall municipal performance. It is proposed that this reporting take place using the municipal scorecard in an annual performance report format as per the Municipal Systems Act. The said annual performance report will form part of the municipality's Annual Report as per section 121 of the Municipal Finance Management Act.

5.1.3 Public Reviews

The Municipal Systems Act as well as the Municipal Finance Management Act requires the public to be given the opportunity to review municipal performance. Section 127 of the MFMA requires that the accounting officer (Municipal Manager) must immediately after the Annual Report is submitted to Council make the report public and invite the local community to submit representations with regards to the Annual Report.

It is proposed that in addition to the Annual Report mentioned above and subject to the availability of funding, a user-friendly citizens' report should be produced for public consumption. The citizens' report should be a simple, easily readable and attractive document that translates the Annual Report and municipal scorecard for public consumption.

It is also proposed that a public campaign be embarked on annually to involve citizens in the review of municipal performance over and above the requirements of the MFMA. Such a campaign could involve the following:

- Various forms of media including radio, newspapers and billboards can be used to convey the citizens' report. The public should be invited to submit comment via telephone, fax, email and possibly also public hearings to be held in a variety of locations.
- The public reviews should be concluded by a formal review of the Annual Report by the IDP Representative Forum of the municipality.
- In the instance where service level agreements (SLA's) have been established, the public should review the SLA outcomes / outputs.

5.1.4 Roles and Responsibilities

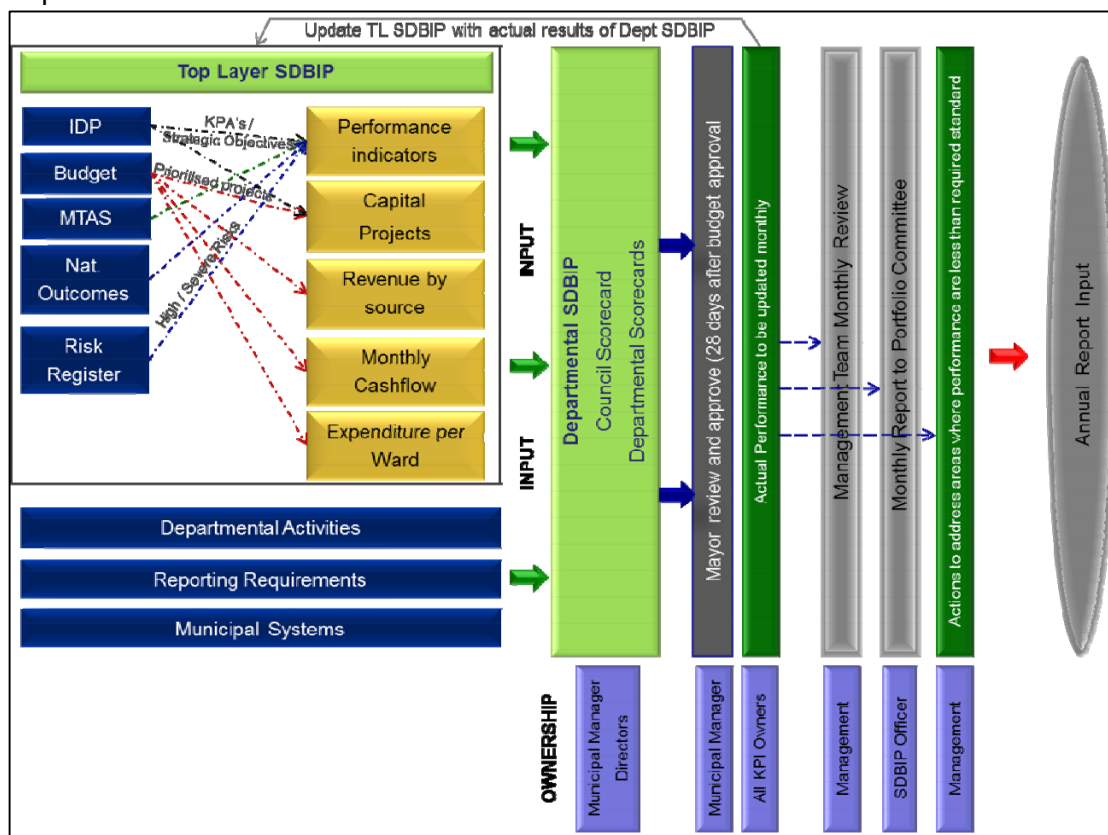
The roles and responsibilities during the TL SDBIP process can be summarised as follows:

Role Player	Roles and Responsibilities
Executive Mayor	<ul style="list-style-type: none"> • Mayor is responsible for the performance and need to approve the TL SDBIP. • Quarterly review of performance and monitor implementation of corrective action. • Submit the mid-year and annual performance reports to Council.
Mayoral Committee	<ul style="list-style-type: none"> • Support to the Executive Mayor • Provide strategic awareness and manage the development of the TL SDBIP.
Portfolio Councillor	<ul style="list-style-type: none"> • Monitor the implementation of the strategy. • Review and monitor the implementation of the TL SDBIP at Portfolio Committee level.
Council	<ul style="list-style-type: none"> • Oversight role to ensure that performance management processes are monitored
Municipal Manager	<ul style="list-style-type: none"> • Drafting of the TL SDBIP • Ensure the implementation of the TL SDBIP. • Monitor the TL SDBIP and ensure that POE's to proof performance exists. • Take corrective action where required. • Communicate with the Executive Mayor and Executive Management Team.
Senior Management Team	<ul style="list-style-type: none"> • Manage and report on departmental performance to be cascaded up to the TL SDBIP. • Plan Performance. • Integration role and ensure POE's exists to proof performance.
Internal Audit	Internal audit should quarterly audit the results reported on a sample basis and issue a report to the municipal manager/ performance audit committee.
Auditor-General	Auditing of legal compliance and outcomes.
Performance Audit Committee	Independent oversight on municipal performance and legal compliance.

5.2 Departmental scorecards

The directorate and departmental scorecards (detailed SDBIP) will capture the performance of each defined directorate or department. Unlike the municipal scorecard, which reflects on the strategic priorities of the municipality, the SDBIP will provide detail of each outcome for which top management are responsible for, in other words a comprehensive picture of the performance of that directorate/sub-directorate. It will be compiled by senior managers for his/her directorate and will consist of objectives, indicators and targets derived from the Municipality's annual service delivery and budget implementation plan and any annual business or services plan compiled for each directorate or department.

The following diagram illustrates the establishment, components and review of the departmental SDBIP:



5.2.1 Preparing the Departmental SDBIP

KPI's should be developed for Council, the office of the Municipal Manager and for each Directorate. The KPI's should:

- Address the TL KPI's by means of KPI's for the relevant section responsible for the KPI.
- Include the capital projects KPI's for projects that relates to services higher than R200 000. KPI's for furniture and equipment should be grouped as one KPI per directorate. The targets should to some extent be aligned with the cash flow budgets and project plans.

- Add KPI's to address the key departmental activities.
- Each KPI should have clear monthly targets and should be assigned to the person responsible for the KPI'. KPI's should be SMART.

The number KPI's developed to address National KPA's, Municipal KPA's and strategic objectives should be spread amongst the aforementioned in terms of National and Local Agendas.

Please refer to section 13 on the development of key performance indicators for assistance on how to develop indicators and targets.

5.2.2 Approval of Departmental SDBIP

The SDBIP of each Directorate must be submitted to the municipal manager for approval within 28 days after the budget has been approved.

5.2.3 Update actual performance

An evaluation of the validity and sustainability of the KPI's should be done and the actual performance results of each target should be updated and evaluated on a monthly basis. In order to measure the input/output of the KPI's, the performance results and performance evidence (POE's) should be evaluated and documented. The KPI owners should 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.
- The output/outcome of achieving the KPI.
- The calculation of the actual performance reported. (If %)
- The reasons if the target was not achieved.
- Actions to improve the performance against the target set, if the target was not achieved.

The municipal manager and his/her senior management team needs to implement the necessary systems and processes to provide the POE's for reporting and auditing.

5.2.4 Monthly reviews

The Directorates will update their performance monthly in terms of the SDBIP and report to the Municipal Manager and the respective Portfolio Committee. Decision-makers should be warned immediately of any emerging failures to service delivery so that they can intervene if necessary. It is important that Directorates use these reviews as an opportunity for reflection on their goals and programmes and whether these are being achieved. The Portfolio Committee should have a standing agenda item to discuss at their monthly meetings. The SDBIP report submitted should be used to analyse and discuss performance. The Portfolio Councillor and the senior management team should report on

an overview of performance at the following Mayoral Committee. Changes in indicators and targets may be proposed at this meeting, but can only be approved by the Executive Mayor, in consultation with the Municipal Manager.

5.2.5 Adjustments to KPI's

KPI's can only be adjusted after the mid-year assessment and/or after the adjustments budget has been approved. KPI's should be adjusted to be aligned with the adjustment estimate and the reason for the change in KPI's should be documented in a report to the Executive Mayor for approval.

Additional KPI's can be added during the year with the approval of the municipal manager. The approval documents should be safeguarded for audit purposes.

5.2.6 Roles and Responsibilities

The roles and responsibilities during the Departmental SDBIP process can be summarised as follows:

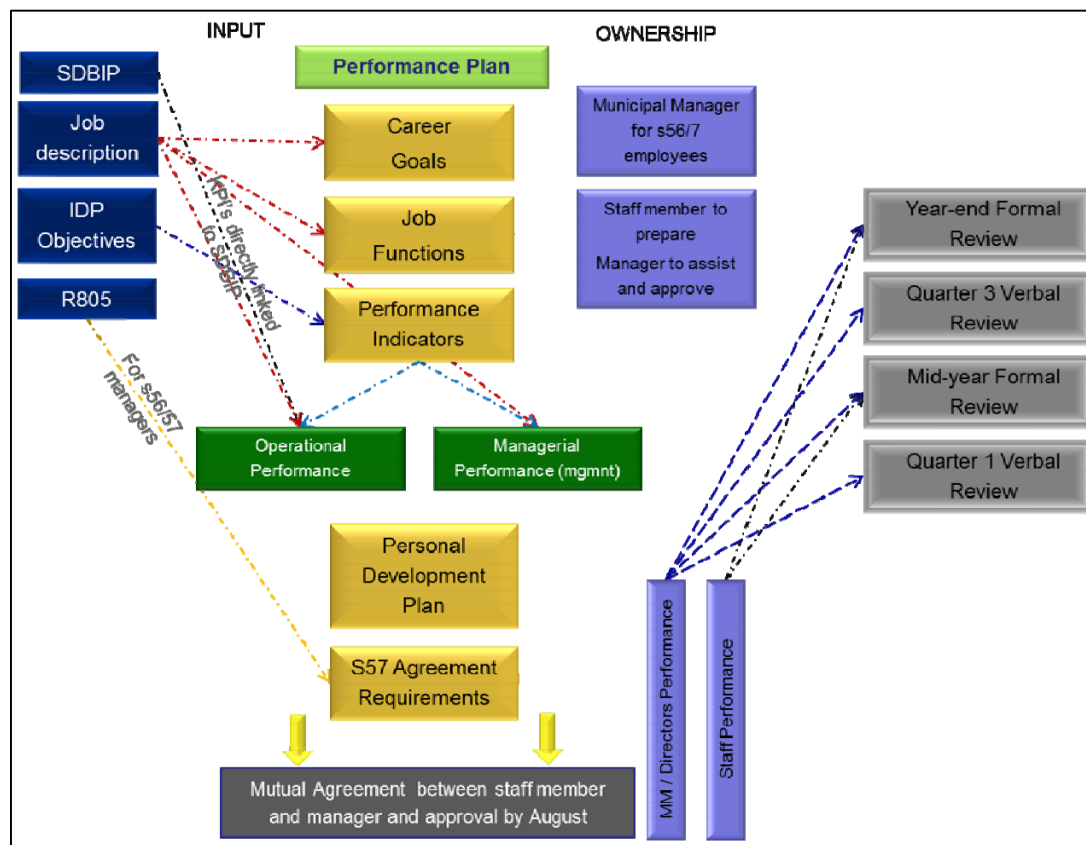
Role Player	Roles and Responsibilities
Executive Mayor	<ul style="list-style-type: none"> • Responsible for the KPI's assigned to him/her and his/her committee. The mayor should update performance results monthly.
Mayoral Committee	<ul style="list-style-type: none"> • Review the feedback received from Portfolio Councillors/ respective senior manager and monitor overall performance. • Support the Executive Mayor.
Portfolio Councillor	<ul style="list-style-type: none"> • Support the senior manager to implement the municipal strategy. • Review and monitor progress at portfolio level. • Report to the Mayoral Committee on performance review and progress. • Assist senior management to take corrective action to improve performance.
Municipal Manager	<ul style="list-style-type: none"> • Approval of the Departmental SDBIP • Monitor SDBIP and ensure that POE's exist. • Review and monitor the implementation on the SDBIP • Ensure that KPI's address the municipal strategy and service delivery requirements. • Ensure alignment with the IDP objectives/programmes and budgets. • Take corrective actions where required. • Communicate with the senior management team on performance progress and reporting.

All Managers	<ul style="list-style-type: none"> • Design KPI's to address the TL SDBIP, operational needs, service delivery improvement and other key departmental activities. • Plan performance and set targets. • Assign KPI's to KPI owners. • Ensure the implementation of the SDBIP. • Monitor performance and document POE's. • Take corrective action where required. • Communicate performance results to the municipal manager and Portfolio Committee.
Internal Audit	Internal audit should quarterly audit the results reported on a sample basis and issue a report to the municipal manager/ performance audit committee.
Auditor-General	Auditing of legal compliance and outcomes.
Performance Audit Committee	Independent oversight on municipal performance and legal compliance.

5.3 Individual Performance

The performance of a municipality is integrally linked to that of staff. It is therefore important to link organisational performance to individual performance and to manage both at the same time, but separately. Although legislation requires that the municipal manager, and managers directly accountable to the municipal manager, sign formal performance contracts, it is also a requirement that all employees have performance plans. These must be aligned with the individual performance plan of the head of the directorate and job descriptions. In this way all employees are working towards a common goal. It is however the responsibility of the employer, to create an environment, which the employees can deliver the objectives and the targets set for them in their performance plans and job descriptions.

The following diagram illustrates the individual performance management processes:



The Benefits of Individual Performance are to:

- Ensure alignment of individual goals and objectives with that of the organisation and to co-ordinate efforts in order to achieve those goals.
- Understand what is expected from the incumbents, by when it is expected and to what standard is expected
- Understand the incumbent's key areas of accountability.
- Determine whether or not performance objectives are being met.
- Make qualified decisions within the incumbents level of competencies
- Avail the incumbents of learning and development opportunities to competently meet their performance targets.

5.3.1 Individual scorecards (Municipal Manager and Section 56 Managers)

The Local Government Municipal Systems Act 2000 and Regulation 805 of August 2006 (Performance of the Municipal Manager and the Managers reporting directly to the Municipal Manager) require the Municipal Manager and the Managers reporting directly to the Municipal Manager to enter into annual Performance Agreements. The Performance Agreements of the Municipal Manager and other Section 56/57 Managers should be directly linked to their employment contract. These Performance Agreements consist of three distinct parts:

- Performance Agreement: This is an agreement between the Section 56/57 Manager and the Municipality, which regulates the performance required for a particular position and the consequences of the performance. The Agreement deals with only one

aspect of the employment relationship, namely performance. This agreement must be reviewed and renewed annually, subject to the individual's annual performance.

- A performance bonus may be paid as agreed in the performance agreement.
- Performance Plan: The Performance Plan is an Annexure to the Performance Agreement and stipulates in detail the performance requirements for a single financial year. The SDBIP transcends into the Performance Plan/s of the respective Section 56/57 Managers according to their areas of responsibility.
- Personal Development Plan: The plan is an Annexure to the Performance Agreement and addresses the developmental needs/requirements of the manager indicating actions and timeframes.

The management of the performance process for the municipal manager and the Section 56/57 managers will be in terms of R805 of 2006. Performance will be reviewed quarterly of which the mid-year and year-end performance will be formal evaluations.

5.3.2 Individual scorecards (rest of staff)

The introduction of individual performance is applicable to all staff including those appointed on a temporary basis.

The data obtained from Directorate scorecards (detailed SDBIP), will provide the user with the respective Individual performance contracts for managers reporting to the s57 managers.

Performance Plans are agreed with each employee in job grades 0-6 as part of his / her career development plan and should include the following:

- Qualifications – a record of formal and informal training and experience.
- Job functions – key focus areas for the year.
- Career goals - long term and intermediate career goals.
- Key performance indicators linked to the SDBIP – KPI's in the SDBIP that are the responsibility of the respective manager and KPI's aligned to the job description of the manager.
- Managerial KPI's – the core managerial competencies that the manager will be evaluated on.
- A list of the core managerial competencies (CMC's) is provided on the performance of the performance system and the manager should select between 3 and 5 CMC's. The CMC's and the measurement criteria should be agreed with the respective senior manager.
- Weightings show the relative importance of input or output against another input or output. Every input or output in the performance agreement must be assigned a weighting. The weightings / ratings and the distribution of the ratings per level need to be determined by the management team in the beginning of each financial year and agreed with the employer or group of employers. (employee or group of employees)
- Development needs and learning plan.

The agreements must be finalised by August every year and be agreed and approved by the respective senior manager. The process on how to prepare performance plans is documented in the Performance Management System manual.

5.3.3 Skills Development Plan

The skills development plan needs to be compiled / updated with the information obtained from the performance agreements and the development plans. The human resources manager together with the respective line manager is responsible to facilitate the implementation of the skills development plan.

5.3.4 Informal and Formal performance reviews

Monthly monitoring of the departmental SDBIP's take place and performance is discussed with relevant staff as and when required.

Although performance should be managed on a daily basis, formal performance reviews should be done by the respective supervisor at least bi-annually as of 2015/16 for the post levels as per implementation plan. The objective review should be based on actual performance and performance evidence. The responsibility to maintain and present a portfolio of evidence file at the performance assessment is with the subordinate. The supervisor and employee needs to prepare for the review and discuss the performance during a focused performance meeting. The review should be documented on the performance system as set out in the Performance Management System manual. Feedback should be provided during the review on the employee's ability to render the allocated tasks including measures to improve on set targets

The reviews should be completed by end January for the period July to December and July for the period January to June.

Please note that performance and growth is the responsibility of each individual employee and employees should ensure that his / her performance plan is executed. Performance measurement is an ongoing process and should not only be addressed during the formal reviewing sessions.

Performance should be moderated per department per task level / group level after the performance evaluation of all staff has been finalised. The moderation should be conducted in terms of the performance management manual to ensure objectivity and fairness.

Unacceptable performance needs to be addressed and action plans to improve the performance must be prepared and agreed with the employer who did not perform. The performance against the action plans must be reviewed on a monthly basis.

5.3.5 Appeals process

5.3.5.1 Section 56/57-Employees

The Appeals process as prescribed in R805 of August 2006 and as agreed in the employment and performance contracts of the Section 56/57-Managers will be applicable in instances where they are not in agreement with their final performance evaluations.

5.3.5.2 Employees reporting to the Directors and the Municipal Manager

Should employees not agree with the contents of their performance agreement after the performance discussions or with the final scores that are allocated to them, they may elect to follow the municipality's normal grievance procedures.

5.3.6 Reward and Recognition

The performance scores will be finalised during the moderation where after it must be approved by the moderation committee (fish-bowl). These scores will be used to recognise excellent performance in terms of the Council's reward and recognition policy.

5.4 Service Providers

A municipal service can be provided by the Municipality by entering into a Service Delivery Agreement in terms of Section 76(b) of the Municipal System Act with an external service provider. The Municipality is responsible for monitoring and assessing the implementation of the agreement, including the performance of the service provider in accordance with section 41 of the Municipal Systems Act.

This section sets out the framework on monitoring and reporting on the performance of service providers in terms of Chapter 8 of the Municipal Systems Act and Section 116 of the Municipal Finance Management Act.

External Service providers will be evaluated on the following criteria by the service departments:

Performance rating	Objective Measures to Assess Service Provider Performance
3	<ul style="list-style-type: none">- Quality of Service delivery as agreed; Deviations are managed as mutually agreed:- Compliance to most undertakings, duties and obligations and requirements as set out in the Main Agreement and Annexures;- Progress with all projects and new service requests are on target;- All Service failure events during month resolved within agreed time frames and preventative measures are proposed by Service Provider.
2	<ul style="list-style-type: none">- Quality of Service delivery in compliance with Agreement; BUT requires more management

	<p>and focus from Service Provider:</p> <ul style="list-style-type: none"> - Progress with projects and new service requests are on not on target; <p>1.1.1.1 Service failure events are not resolved in agreed time frames and preventative measures for implementation are not proposed by Service Provider.</p>
1	<ul style="list-style-type: none"> - Quality of Service delivery totally unacceptable; Consider termination of Agreement and all Services. - Non-compliances, progress with projects and new service requests and service failure events worse than for rating 2; - Commitment from Service Provider to resolve outstanding issues is lacking; - Skills and resources to deliver a quality service are inadequate; - Participation in contract governance, service management and effective communication is lacking or inadequate. <p>1.1.1.2</p>

5.3.7 Notification of Service Providers upon appointment

All service providers must be informed of:

- The assessment and reporting of the service provider's performance;
- setting of performance criteria in terms of the tender, the required deliverables and service level agreement;
- the exchange of information on service provider performance reports between government units/departments.

5.3.8 -Evaluating the Performance of Service Providers

Thresholds (size and types of service provider contracts in line that need to comply with the requirements of the SCM policy should be allowed to. The thresholds that need to be reviewed include:

- Contracts larger than R200 000 and
- Contracts where the service providers is required to deliver a service (not goods and products).

Contracts must be signed by service providers must sign a service level agreement indicating the services to be delivered,

- to be delivered,
- the timeframes and
- the evaluation methodology.

The service provider's performance must be assessed in the context of the project as a whole. The respective roles and obligations of the Municipality and service provider under the contract must be taken into account.

Persons preparing or reviewing the performance of a service provider must consider whether satisfactory progress or completion of a project has been affected by any matters which are:

- Outside the service provider's control, or
- The result of some action by the Municipality.

The service provider's performance must therefore be evaluated against set performance criteria, after taking into account matters beyond the service provider's control

5.3.9 Prescribed procedures to evaluate service providers

The following procedures need to be followed:

- The requirements of this policy must be included in the contract of the service provider.
- The performance of the service providers under the contract or service level agreement contracts to be included in a clause must be assessed monthly by the Reporting Officer.
- The assessment must be filed in the contract file or captured onto the database
- The Reporting Officer must complete the Service Provider Assessment Form on the database at the end of each quarter and on completion or termination of the contract. The quarterly assessment must be completed within 15 working days after the end of each quarter.
- The Reporting Officer must provide a copy of the assessment to the Service Provider at the end of each quarterly assessment period and on completion or termination of the contract.
- Supply Chain Management Unit will review the quarterly Service Provider assessments within 20 days after the end of each quarter and submit a summary report to Council.
- The Accounting Officer need to develop the necessary forms and report structures to be utilised to manage the above processes. The forms and reporting requirements need to be reviewed on a regular basis.
- In the instance of under-performance:
 - The Municipality will facilitate support interventions to service providers in the identified areas of underperformance.
 - Service providers who have been identified as under-performing in identified areas must be informed of these support interventions.
 - The impact of support interventions must be monitored by the Reporting Officer.
 - The records of the support interventions must be documented, signed by both parties and appropriately filed.

5.3.10 Evaluation and Improvement of the Performance Management System

The Municipal Systems Act requires the municipality to annually evaluate its performance

management system. It is proposed that after the full cycle of the annual review is complete; the Municipal Manager will initiate an evaluation report annually, taking into account the input provided by directorates and departments. This report will then be discussed by the Management Team and finally submitted to the Council for discussion and approval. The evaluation should assess:

- The adherence of the performance management system to the Municipal Systems Act.
- The fulfilment of the objectives for a performance management system.
- The adherence of the performance management system to the objectives and principles.
- Opportunities for improvement and a proposed action plan.

While good and excellent performance must also be constantly improved to meet the needs of citizens and improve their quality of life, it is poor performance in particular that needs to be improved as a priority. In order to do this, it is important that the causal and contributing reasons for poor performance are analysed. Poor performance may arise out of one or more of the following:

- Poor systems and processes.
- Inappropriate structures.
- Lack of skills and capacity.
- Inappropriate organisational culture.
- Absence of appropriate strategy.

To improve performance, the appropriate response strategy should be chosen:

- Restructuring is a possible solution for an inappropriate structure.
- Process and system improvement will remedy poor systems and processes.
- Training and sourcing additional capacity can be useful where skills and capacity are lacking.
- Change management and education programmes can address organisational culture issues.
- The revision of strategy by key decision-makers can address shortcomings in this regard.
- Consideration of alternative service delivery strategies should be explored.

Performance analysis is a requirement in order to identify poor performance. The Municipal Manager will implement the appropriate response strategy to improve performance.

6. Governance

The governance structure was established to offer credibility to the overall performance processes. The audit of performance information and system should comply with section 166 of the Municipal Finance Management Act and Regulation 14 of the Municipal Planning and Performance Management Regulations (2001).

6.1 Continuous quality control and co-ordination

The Municipal Manager and PMS Department are required to co-ordinate and ensure good quality of performance reporting and reviews on an ongoing basis. It is their role to ensure conformity to reporting formats and verify the reliability of reported information, where possible.

The municipal manager must review overall performance monthly while the IDP/manager should support him/her in verifying the performance data and prepare the performance reports.

6.2 Performance investigations

The Executive Mayor or Performance Audit Committee should be able to commission in-depth performance investigations where there is either continued poor performance, a lack of reliability in the information being provided or on a random ad-hoc basis. Performance investigations should assess.

- The reliability of reported information
- The extent of performance gaps from targets
- The reasons for performance gaps
- Corrective action and improvement strategies

While the internal audit function may be used to conduct these investigations, it is preferable that external service providers, who are experts in the area to be audited, should be used. Clear terms of reference will need to be adopted by the Executive Mayor for such investigation

6.3 Internal Audit

Section 165 of the MFMA requires that each municipality must have an internal audit unit however such function may be outsourced.

The municipality's internal audit function will need to be continuously involved in auditing the performance reports based on the organisational and directorate/departmental scorecards. As required by Regulation, they will be required to produce an audit report on a quarterly basis, to be submitted to the Municipal Manager and Performance Audit Committee.

The audit should include an assessment of:

- The functionality of the municipality's performance management system
- The adherence of the system to the Municipal Systems Act
- The extent to which performance measurements are reliable

6.4 Performance Audit Committee

The MFMA and the Municipal Planning and Performance Management Regulations require that the municipal council establish an audit committee consisting of a minimum of three members, where the majority of members are not employees of the municipality. No Councillor may be a member of an audit committee. Council shall also appoint a chairperson who is not an employee.

The Regulations give municipalities the option to establish a separate performance audit committee whereas the MFMA provides only for a single audit committee. The operation of this audit committee is governed by section 14 (2-3) of the regulations.

According to the regulations, the performance audit committee must

- review the quarterly reports submitted to it by the internal audit unit.
- review the municipality's performance management system and make recommendations in this regard to the council of that municipality.
- assess whether the performance indicators are sufficient.
- at least twice during a financial year submit an audit report to the municipal council .

It is further proposed that the audit committee be tasked with assessing the reliability of information reported.

In order to fulfil their function a performance audit committee may, according to the MFMA and the regulations,

- communicate directly with the council, municipal manager or the internal and external auditors of the municipality concerned;
- access any municipal records containing information that is needed to perform its duties or exercise its powers;
- request any relevant person to attend any of its meetings, and, if necessary, to provide information requested by the committee; and
- investigate any matter it deems necessary for the performance of its duties and the exercise of its powers.

7. Performance Reporting

Performance must be reported in terms of the MSA, MFMA and the circulars and regulations issued in terms of the aforementioned legislation. These reports include:

7.1 Monthly reports

Monthly reports on the performance of the directorates/departments should be generated from the performance management system and submitted to the portfolio committees and the senior management team.

7.2 Quarterly reports

Reports to report on the performance in terms of the TL SDBIP should be generated from the system and submitted to Council. This report should also be published on the municipal website.

7.3 Mid-year assessment

The performance of the first 6 months of the financial year should be assessed and reported on in terms of section 72 of the MFMA. This assessment must include the measurement of

performance, the identification of corrective actions and recommendations for the adjustments of KPI's, if necessary. The format of the report must comply with the section 72 requirements. This report must be submitted to Council for approval before 25 January of each year and published on the municipal website afterwards.

7.4 Annual Performance Report

The annual performance report must be completed by the end of August and submitted with the financial statements. This report must be based on the performance reported in the SDBIP. Reports should be generated from the system and reviewed and updated in the performance comments field for reporting purposes.

7.5 Annual Report

The annual report should be prepared and submitted as per MFMA Circular 11.

7.6 Legislative Reporting Requirements

The legislative requirements regarding reporting processes are summarised in the following table:

Time frame	MSA/ MFMA Reporting on PMS	Section
Quarterly reporting	<p>The municipal manager collates the information and draft the organisational performance report, which is submitted to Internal Audit.</p> <p>The Internal Auditors (IA) must submit quarterly audited reports to the Municipal Manager and to the Performance Audit Committee</p> <p>The Municipal Manager submits the reports to the Council.</p>	MSA Regulation 14(1)(c)
Bi-annual reporting	<p>The Performance Audit Committee must review the PMS and make recommendations to council</p> <p>The Performance Audit Committee must submit a report at least twice during the year a report to Council</p> <p>The Municipality must report to Council at least twice a year</p> <p>The Accounting officer must by 25 January of each year assess the performance of the municipality and submit a report to the Mayor, National Treasury and the relevant Provincial Treasury.</p>	<p>MSA Regulation 14(4)(a)</p> <p>MSA Regulation 14(4)(a)</p> <p>MSA Regulation 13(2)(a)</p> <p>MFMA S72</p>
Annual reporting	<p>The annual report of a municipality must include the annual performance report and any recommendations of the municipality's audit</p>	MFMA S121 (3)(c)(j) & MSA S46

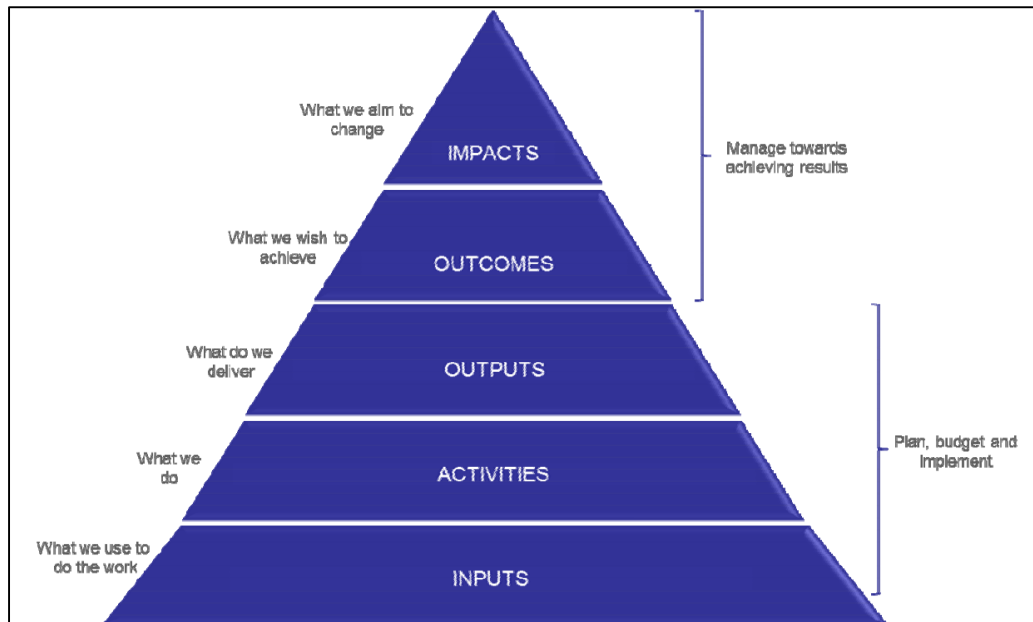
	<p>committee</p> <p>The accounting officer of a municipality must submit the performance report to the Auditor-General for auditing within two months after the end of the financial year to which that report relate</p> <p>The Auditor-General must audit the performance report and submit the report to the accounting officer within three months of receipt of the performance report</p> <p>The Mayor of a municipality must, within seven months after the end of a financial year, table in the municipal council the annual report of the municipality</p>	<p>MFMA S126 1(a)</p> <p>MFMA S126 (3)(a)(b)</p> <p>MFMA S127(2)</p>
	<p>The Auditor-General may submit the performance report and audit report of a municipality directly to the municipal council, the National Treasury, the relevant provincial treasury, the MEC responsible for local government in the province and any prescribed organ of the state</p> <p>Immediately after an annual report is tabled in the council, the accounting officer of the municipality must submit the annual report to the Auditor- General, the relevant provincial treasury and the provincial department responsible for local government in the province.</p> <p>The council of the municipality must consider the annual report by no later than two months from the date on which the annual report was tabled, adopt an oversight report containing council's comments on the annual report</p> <p>The meetings of a municipal council at which an annual report is to be discussed or at which decisions concerning an annual report are to be taken, must be open to the public and any organ of the state</p> <p>The Cabinet member responsible for local government must annually report to Parliament on actions taken by the MECs for local government to address issues raised by the Auditor-General</p>	<p>MFMA S127 (4)(a)</p> <p>MFMA S127 (5)(b)</p> <p>MFMA S129 (1)</p> <p>MFMA S130 (1)</p> <p>MFMA S134</p>
Contracts and contract Management	(1)A contract or agreement procured through the supply chain management system of a municipality or municipal entity must-	MFMA 116

	<p>(a) be in writing;</p> <p>(b) stipulate the terms and conditions of the contract or agreement, which must include provisions providing for-</p> <p>(i) the termination of the contract or agreement in the case of non- or underperformance;</p> <p>(ii) dispute resolution mechanisms to settle disputes between the parties;</p> <p>(iii) a periodic review of the contract or agreement once every three years in the case of a contract or agreement for longer than three years; and</p> <p>(iv) any other matters that may be prescribed.</p> <p>(2) The accounting officer of a municipality or municipal entity must-</p> <p>(a) take all reasonable steps to ensure that a contract or agreement procured through the supply chain management policy of the municipality or municipal entity is properly enforced;</p> <p>(b) monitor on a monthly basis the performance of the contractor under the contract or agreement;</p> <p>(c) establish capacity in the administration of the municipality or municipal entity-</p> <p>(i) to assist the accounting officer in carrying out the duties set out in paragraphs (a) and (b); and</p> <p>(ii) to oversee the day-to-day management of the contract or agreement; and</p> <p>(d) regularly report to the council of the municipality or the board of directors of the entity, as may be appropriate, on the management of the contract or agreement and the performance of the contractor.</p> <p>(3) A contract or agreement procured through the supply chain management policy of the municipality or municipal entity may be amended by the parties, but only after-</p> <p>(a) the reasons for the proposed amendment have been tabled in the council of the municipality or, in the case of a municipal entity, in the council of its parent municipality; and</p> <p>(b) the local community-</p> <p>(i) has been given reasonable notice of the intention to amend the contract or I O agreement; and</p> <p>(ii) has been invited to submit representations to the municipality or municipal entity.</p>	
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8. Design of Key Performance Indicators and Targets

8.1 Setting indicators

In setting indicators it is important that one understands the key performance concepts) and the relationship between the core performance information concepts illustrated below.



The following aspects must also be considered:

- The key priorities and objectives set in the IDP, which have been determined during the public participation process at ward committees.
- The activities and processes identified in the IDP for achieving the developmental objectives as well as the earmarked resources.
- Baseline and performance standard information for each indicator.
- The risks identified during the risk review of the municipality that needs to be addressed with specific actions.
- The indicators listed in the Municipal Turnaround Strategy (MTAS).
- Compliance and reporting requirements in terms of legislation.
- Core departmental activities that need to be measured to improve municipal effectiveness and efficiency.
- The alignment of departmental activities and capital projects identified in the IDP with the budget.
- Whether measurement tools (system and data) to measure the performance of the indicators are available or can be developed.
- In the event that measurement tools do not exist, then it is advisable that a KPI be set which would measure the design and implementation of such a system. Once the measurement tool has been implemented, then the KPI measuring the output from the tool can then be included in the scorecard.
- The cost involved in setting up measurement tools needs to be considered.
- The time frame for the implementation of measurement tools is also important.
- It is important that the responsibility for the KPI needs to be allocated to the appropriate person who will be required to measure the output/outcome on the KPI's.

- The timeframes for measuring and reporting actual performance against target set.

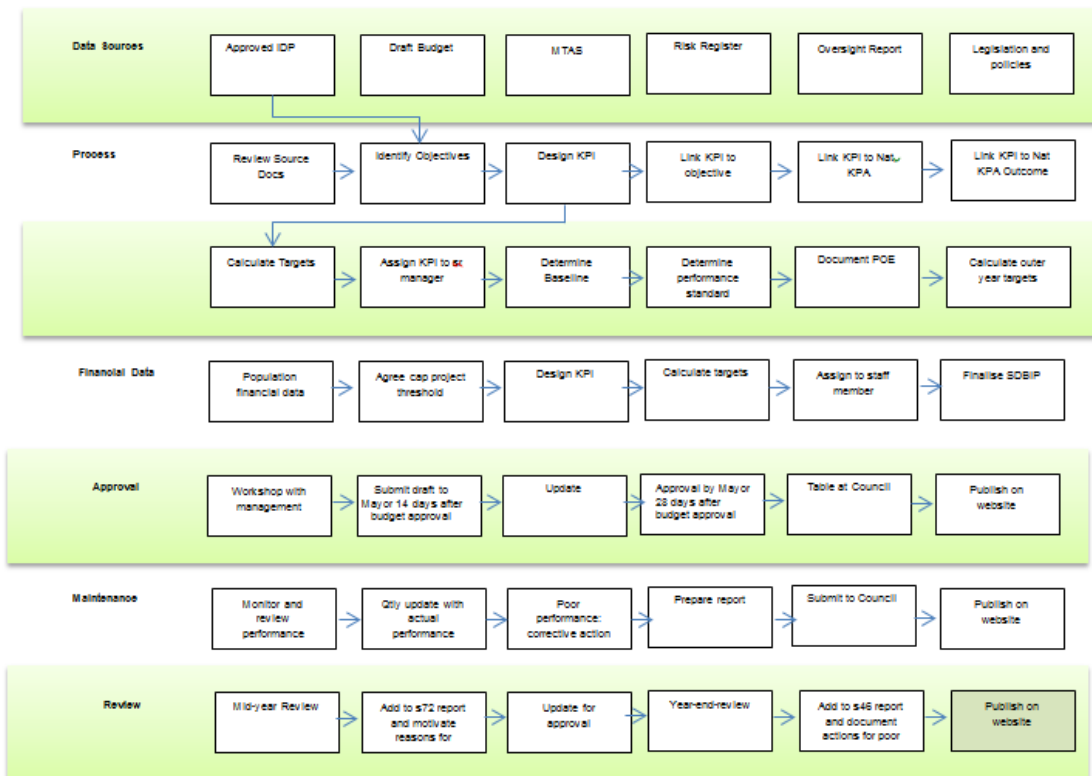
The following steps should be followed to develop a performance indicator:

- Identify the strategic objectives defined in the IDP and the key activities in the department that need to be measured.
- Agree on what you are aiming to achieve by considering the end result (outcome / impact) of each strategic objective and define the critical processes to achieve each of the strategic objectives.
- Specify the outputs, activities and inputs in order to achieve the outcomes and impacts.
- In the instance where performance indicators for individuals needs to be developed you also need to consider key job requirements (job description).
- For each activity, confirm that it will assist in achieving the objectives and determine what the proof of evidence will be that the activity has been delivered.
- Determine what resources you will require to be able to deliver the activity and confirm availability for such resources, e.g. you cannot establish a play park without the necessary financial resources.
- Determine the timeframes by when the activities need to be achieved.
- Decide which department and individual will take responsibility for the activities.
- Draft the KPI by explaining what will be done, how it will be done and what will be achieved.
- Link it to timeframes indicating by when the activity should be delivered as well as to the National KPA's, National Outcomes and the objective to be achieved.
- Formulate how the activity will be measured and what the proof will be that the activity has been delivered (how will the activity be measured).
- Add the baseline for the indicator (the level where we are before we start with the work).
- Determine and add the performance standard for the target (minimum or ideal level of performance).
- Allocate responsibility for delivering the activity to a department and individual (who will be responsible for delivery and reporting on the target).
- Set the targets to be achieved per month / quarter in order to deliver the indicator (targets should as far as possible comply with the SMART principle).
- Agree the finally formulated indicator with the respective department / manager / staff member.

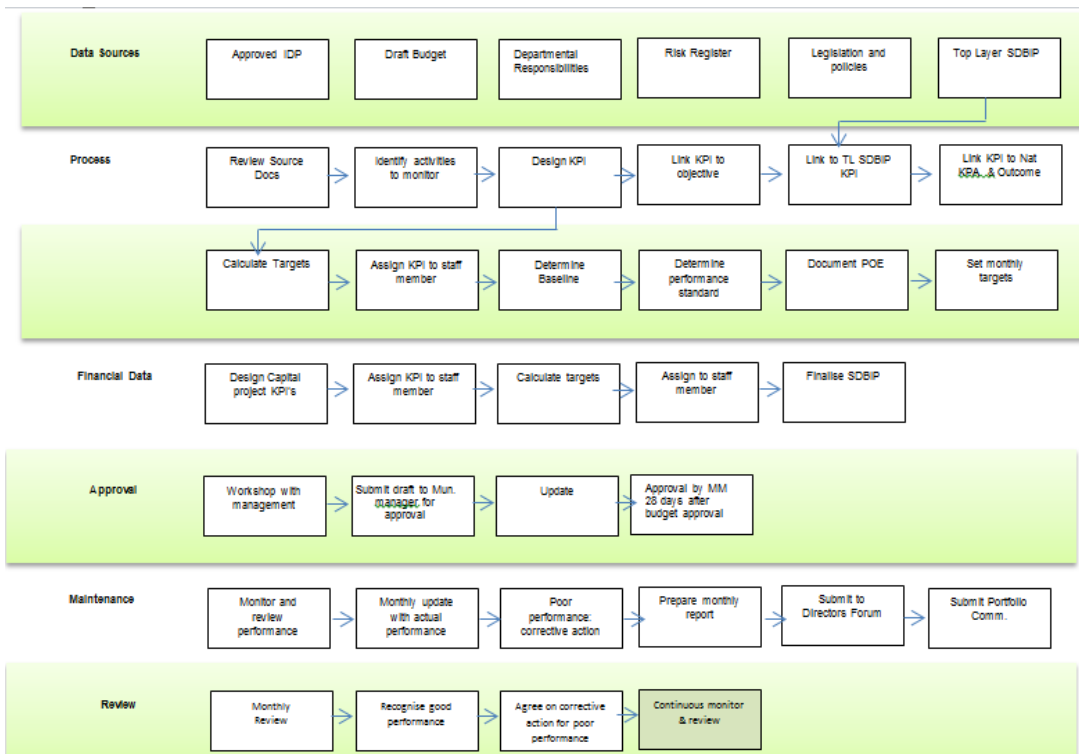
9. Performance Process Maps

The following process maps summarise the key operational and individual performance processes. These process maps should be read with the sections dealing with these performance processes

9.1 Top Layer SDBIP

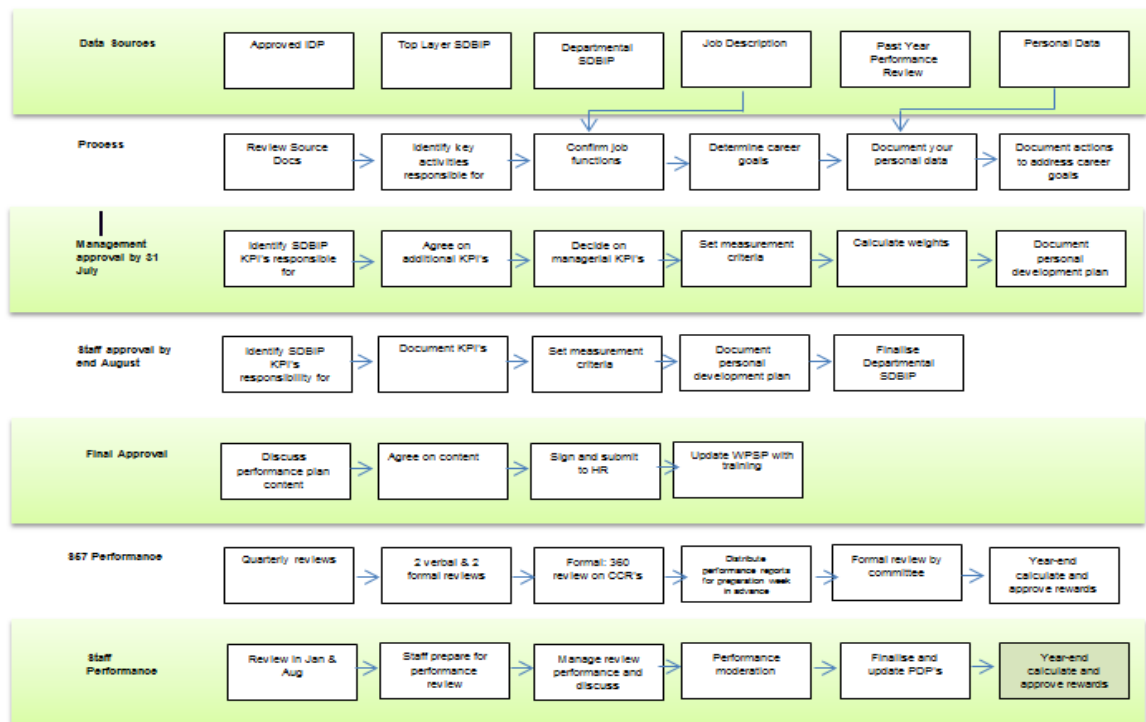


Departmental SDBIP



9.2 Individual Performance

10.



Role and Responsibilities of Stakeholders

The following table sets out a summary of the roles and responsibilities of the various stakeholders in the PMS within each of the management components:

STAKEHOLDERS	INVOLVEMENT	BENEFITS
	ADMINISTRATIVE OVERSIGHT	
Executive Mayor	<ul style="list-style-type: none"> Facilitate the development of a long term Vision regarding IDP and PMS Mayor is responsible for the performance and need to approve the SDBIP and submit the annual performance report to Council Approval of municipal manager performance plan and evaluate and report on municipal performance 	Optimum and equitable service delivery.

STAKEHOLDERS	INVOLVEMENT	BENEFITS
	ADMINISTRATIVE OVERSIGHT	
Mayoral Committee	<ul style="list-style-type: none"> • Support to the Executive Mayor • Provide strategic awareness and manage the development of the IDP and PMS. 	Promotes public awareness and satisfaction.

STAKEHOLDERS	INVOLVEMENT	BENEFITS
	ADMINISTRATIVE OVERSIGHT	
Portfolio Councillor	<ul style="list-style-type: none"> • Monitor the implementation of the strategy • Review and monitor the implementation of the IDP and the PMS • Evaluate performance of senior management, where applicable 	Facilitates the process of benchmarking and collaboration with other municipalities.
Council	<ul style="list-style-type: none"> • Adopt the PMS policy and approve the IDP • Approve performance rewards • Oversight role to ensure that performance management processes are monitored 	Provides a mechanism for the implementation and review of PMS and IDP achievement.

STAKEHOLDERS	INVOLVEMENT	BENEFITS
	IMPLEMENTERS	
Municipal Manager	<ul style="list-style-type: none"> • Ensure the implementation of the IDP and the PMS. • Communicate with the Executive Mayor and Senior Management Team. 	Clarifies goals, targets and work expectations of the executive management team, other senior managers, line managers and individual employees.

<p>Senior Management Team</p>	<ul style="list-style-type: none"> • Manage Departmental and individual performance • Review and report on performance 	<p>Facilitates the identification of training and development needs at different levels in the municipality.</p>
<p>All Other Managers</p>	<ul style="list-style-type: none"> • Implement the departmental business / operational plans and monitor the Individual Performance Plans. 	<p>Provides an objective basis upon which to reward good performance and correcting under performance.</p>
<p>Individual Employees</p>	<ul style="list-style-type: none"> • Execute individual performance plans. 	<p>Mechanism for early warning indicators to check and ensure compliance.</p>
<p>Reporting Officer (for service provider evaluations)</p>	<ul style="list-style-type: none"> • Line Departments • Monitor and assess work done or service provided as per the service delivery agreement or contract • Report on the performance of the service provider 	<p>Ensure quality and effective performance of service providers.</p>
<p>Supply Chain Management</p>	<ul style="list-style-type: none"> • Manage the performance monitoring process of service providers. • Report on contract management and service provider performance to Council quarterly. • Report to Council annually on the performance of service providers. • Investigate and report on the impact of the interventions. 	<p>Enhances service delivery and performance. Addresses weak performance timeously. Effective reporting.</p>
<p>Internal Audit</p>	<ul style="list-style-type: none"> • Assess the functionality, integrity, effectiveness and legal compliance with the PMS. 	<p>Enhances the credibility of the PMS and the IDP enhances the status and role of Internal Audit.</p>

STAKEHOLDERS	INVOLVEMENT	
	OVERSIGHT	BENEFITS
Representative Forums / Ward Committees	<ul style="list-style-type: none"> • Inform the identification of community priorities. • Public involvement in service delivery of the municipality. 	Provide a platform for the public / communities to inform and communicate with Council.
Auditor-General	Audit legal compliance and performance processes	Provides warning signals of under- performance which can provide proactive and timely interventions.
Performance Audit Committee	Independent oversight on legal compliance.	Provides warning signals of under- performance.
MPAC/Oversight Committee	Review Annual Report and suggest corrective action to address shortfalls	Improved performance

11. Framework review

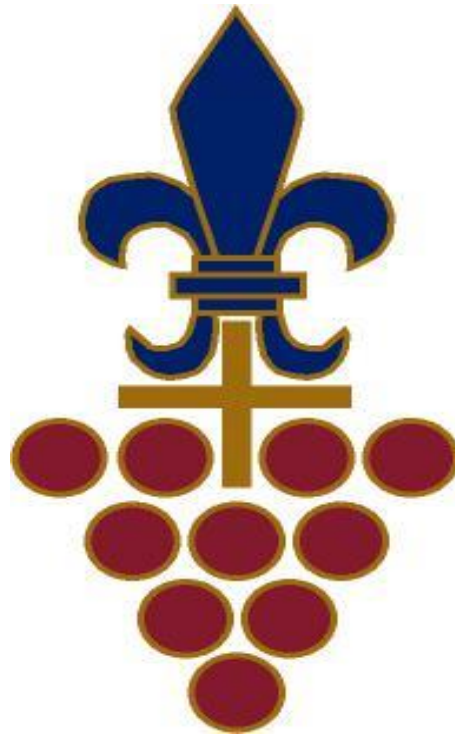
This framework will be reviewed as and when required.

12. Conclusion

This policy describes how the municipality's performance process, for the organisation as a whole will be conducted, organised and managed.

It is important to note that a Performance Management Policy is dynamic and will change and develop over time to reflect the unique features of the municipality. The municipality environment is no exception to this phenomenon and this policy lends itself to improvement and positive changes with even more focused alignment to the municipality's strategic objectives and performance levels.

STELLENBOSCH MUNICIPALITY



**RATES BY-LAW
POLICY**

2019/2020



STELLENBOSCH MUNICIPALITY

RATES BY-LAW

TABLE OF CONTENTS

	PAGE
1. PREAMBLE	1
2. INTERPRETATION	1
3. OBJECTS	2
4. ADOPTION AND IMPLEMENTATION OF RATES POLICY	2
5. CONTENTS OF RATES POLICY	2
6. ENFORCEMENT OF RATES POLICY	3
7. REPEAL	3
8. INTERPRETATION	3
9. SHORT TITLE and EFFECTIVE DATE	3

1. PREAMBLE

- (1) Section 229(1) of the Constitution authorizes a municipality to impose rates on property and surcharges on fees for services provided by or on behalf of the municipality.
- (2) Section 13 of the Systems Act read with section 162 of the Constitution require a municipality to promulgate municipal by-laws by publishing them in the gazette of the relevant province,
- (3) In terms of section 3 of the Property Rates Act, a municipal council must adopt a policy consistent with the Property Rates Act on the levying of rates on rateable properties in the municipality.
- (4) In terms of section 6(1) of the Property Rates Act, a municipality must adopt by-laws to give effect to the implementation of its rates policy.
- (5) In terms of section 6(2) of the Property Rates Act, by-laws adopted in terms of section 6(1) may differentiate between different categories of properties; and different categories of owners of properties liable for the payment of rates.

2. INTERPRETATION

In this By-Law, any word or expression to which a meaning has been assigned in the Local Government: Municipal Property Rates Act, (Act 6 of 2004) shall bear the same meaning unless the context indicates otherwise.

"Municipality" means the Stellenbosch Municipality (WC024).

"Rates Policy" means the Property Rates Policy adopted by the Municipality in terms of this By-Law.

"Constitution" means the Constitution of the Republic of South Africa.

"Council" means the Council of the Municipality.

"Credit Control and Debt Collection Policy" means the Municipality's Credit Control and Debt Collection Policy as stipulated by sections 96(b) and 97 of the Systems Act.

"Systems Act" means the Local Government: Municipal Systems Act, (Act 32 of 2000).

"Property Rates Act" means the Local Government: Municipal Property Rates Act, (Act 6 of 2004) including the amendment Acts and Regulations pertaining to the same.

"Rates" means a municipal rate on property as envisaged in section 229(1)(a) of the Constitution.

3. OBJECTS

The object of this By-Law is to give effect to the implementation of the Rates Policy as contemplated in section 6 of the Property Rates Act.

4. ADOPTION AND IMPLEMENTATION OF RATES POLICY

- (1) The Council shall adopt and implement a rates policy consistent with the Property Rates Act on the levying of rates on rateable properties within the jurisdiction of the Municipality.
- (2) The Council shall not be entitled to levy rates other than in terms of the valid Rates Policy.

5. CONTENTS OF RATES POLICY

The Municipality's Rates Policy shall, inter alia:

- (1) Apply to all the rates levied by the Municipality pursuant to the adoption of the Municipality's annual budget.
- (2) Comply with requirements for;
 - (a) the adoption and contents of a rates policy specified in section 3 of the Property Rates Act.
 - (b) the differentiation of categories of properties and categories of owners of properties as provided for in section 6 of the Property Rates Act.
 - (c) the process of community participation specified in section 4 of the Property Rates Act.
 - (d) the annual review of a rates policy specified in terms of section 5 of the Property Rates Act.
- (3) Specify principles, criteria and implementation measures consistent with the Property Rates Act for the levying of rates which the Council may wish to adopt.
- (4) Specify principles, criteria and implementation measures for the judicious granting of relief measures by means of Exemptions, Reductions and/or Rebates consistent with the Property Rates Act which the Council may wish to adopt.
- (5) Include such further administrative, control and enforcement mechanisms if any that are consistent with the Property Rates Act and the Systems Act, as the Council may wish to impose in addition to those contained in the Credit Control and Debt Collection By-Law and its associated Policy.

6. ENFORCEMENT OF RATES POLICY

The Rates Policy of the Municipality shall be enforced through the Municipality's Credit Control and Debt Collection By-Law and its associated Policy and any further enforcement mechanisms stipulated in the Municipality's Rates Policy.

7. REPEAL

The provisions of any by-laws relating to Property Rates by the Municipality are hereby repealed insofar as they relate to matters provided for in this By-Law.

8. INTERPRETATION

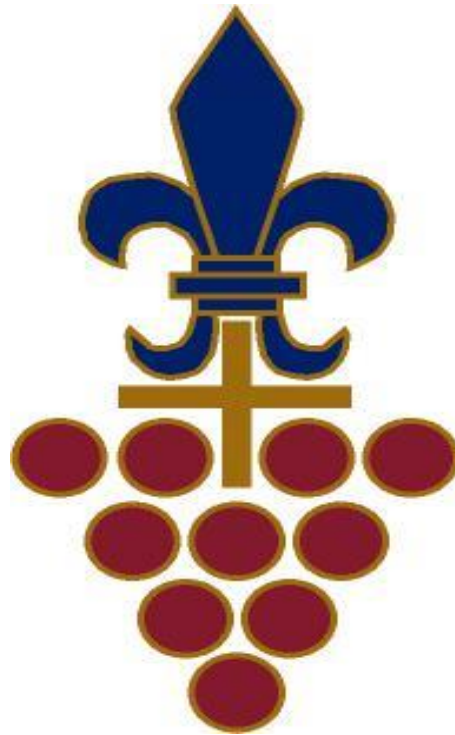
If there is a conflict of interpretation between the English version of this By-Law and a translated version, the English version prevails.

This By-Law must be read in conjunction with the Rates Policy.

9. SHORT TITLE and EFFECTIVE DATE

This By-Law is the Rates By-Law of Stellenbosch Municipality and shall take effect on 01 July 2017.

STELLENBOSCH MUNICIPALITY



**SPECIAL RATING AREA BY-LAW
POLICY**

2019/2020



STELLENBOSCH MUNICIPALITY

SPECIAL RATING AREA BY-LAW

TABLE OF CONTENTS

CHAPTER 1

ESTABLISHMENT OF SPECIAL RATING AREAS

1. Definitions	3
2. Interpretation.....	4
3. Determination of special rating areas	4
4. Application	4
5. Public meetings	5
6. Motivation report and implementation plan	6
7. Advertising of applications and objections.....	6
8. Decision	7
9. Determination of a limited special rating area	7

CHAPTER 2

SPECIAL RATING AREAS – STRUCTURES AND FINANCES

10. Commencement of implementation plans	8
11. Establishment, composition, powers and duties of management body	8
12. Finances	9
13. The role of the CFO	10

CHAPTER 3

AMENDMENTS TO AND EXTENSION OF IMPLEMENTATION PLANS

14 Amendments to implementation plans	10
15 Extension of implementation plans	11

To provide for the establishment of special rating areas; to provide for additional rates; and to provide for matters incidental thereto.

BE IT ENACTED by Stellenbosch Municipality as follows:-

CHAPTER 1

ESTABLISHMENT OF SPECIAL RATING AREAS

1. DEFINITIONS

In this By-law words or expressions shall bear the meaning assigned to them and, unless context otherwise indicates –

“additional rate” means an additional rate contemplated in sections 19(1)(d) and 22(1)(b) of the Property Rates Act in section 12(2) of this By-Law;

“applicant” means any owner who makes an application for the determination of a special rating area in accordance with provisions of Chapter 1 of this By-Law, or if a management body is established in terms of section 10 any reference to **“the Applicant”** means the management body;

“CFO” means the Chief Financial Officer of Stellenbosch Municipality, or his or her nominee.

“Council” means Council of Stellenbosch Municipality;

“implementation plan” means an Implementation Plan as contemplated in section 6 of this By-Law;

“limited special rating area” means a limited special rating area approved by the Council in terms of section 9 of this By-Law;

“majority” means the majority of property owners as contemplated in section 22 of the Property Rates Act;

“management body” means the management body of a special rating area to be establishment in accordance with the provision of section 10 of this By-Law;

“motivation report” means a motivation report as contemplated in section 6 of this By-Law;

“owner” has the meaning assigned to it in section 1 of the Property Rates Act;

“Policy” means the Policy for the determination of special rating areas;

“Property Rates Act” means the Local Government: Municipal Property Rates Act, 2004 (Act No.6 of 2004);

“rateable property” has the meaning assigned to it in section 1 of the Property Rates Act;

“special rating area” means a special rating area approved by the Council in accordance with the provisions of section 22 of the Property Rates Act and section 8 of this By-Law.

2. INTERPRETATION

In the event of any conflict with the Afrikaans or isiXhosa texts the English text prevails.

3. DETERMINATION OF SPECIAL RATING AREAS

Stellenbosch Municipality may by resolution of the Council determine special rating areas.

4. APPLICATION

- (1) Any owner located within the area of jurisdiction of Stellenbosch Municipality and who owns property within the proposed special rating area, may lodge an application to the Stellenbosch Municipality for the determination of a special rating area.
- (2) All costs incurred by the applicant in respect of the establishment of a special rating area shall be for his or her own account, provided that after implementation of the implementation plan the management body may reimburse the applicant for some or all of those costs.
- (3) Any application contemplated in subsection (1) above must –
 - (a) be in writing and be in the form as the CFO may determine;
 - (b) be submitted not more than nine months after the date on which the public meeting referred to in section 5 of this By-Law is held, or if a second public meeting is held as provided for in section 6(2) of this By-Law, nine months after the date of the second public meeting;
 - (c) be accompanied by –
 - (i) a motivation report and an implementation plan;
 - (ii) the written consent of the majority of the members of the local community in the proposed special rating area who will be liable for paying the additional rate, in a form determined by the CFO;

- (iii) payment of such fee as the Council may determine.

5. PUBLIC MEETINGS

- (1) An application for the determination of a special rating area must be preceded by the holding of a public meeting.
- (2) The purpose of the public meeting is to enable the applicant to consult with those owners within the proposed special rating area with regard to the proposed boundaries of the area and the proposed improvement or upgrading of the area.
- (3) Prior to the holding of the public meeting, the applicant must –
 - (a) give notice in a manner approved by the CFO in terms of this By-law owners of rateable property, who will be liable for payment of the additional rate, of the applicant's intention to apply for the determination of a special rating area
 - (b) in the notice referred to in subsection (3)(a) above, give notice of a public meeting, which notice must –
 - (i) state the purpose of such meeting; and
 - (ii) contain details of the place, date and time when such meeting is to be held.
- (4) The public meeting must be held not less than seven days and not more than 30 days after the date of the notice.
- (5) The public meeting must be held at such place, date and time as stated in the notice, provided that it must be held at a place which is within the boundaries of the proposed special rating area unless the CFO approves another venue in writing before the public meeting is held.
- (6) The public meeting must be chaired by a suitable qualified and experienced person appointed by the CFO.
- (7) Interested person must, at the public meeting, be –
 - (a) Furnished with all relevant information relating to the proposed special rating area, including the information to be set out in the motivation report and implementation plan; and
 - (b) given an opportunity to ask questions, express their views and make representations.

6. MOTIVATION REPORT AND IMPLEMENTATION PLAN

- (1) Any application for the establishment of a special rating area must include a motivation report and an implementation plan covering a period commencing on 1 July of a year and ending on 30 June of the fifth year, or covering such lesser period as may be determined by the CFO.
- (2) If the motivation report or the implementation plan are materially amended, as determined by the CFO, after the public meeting referred to in section 5 of this By-Law, the applicant must call a second public meeting for approval of the special rating area as amended.
- (3) The provision of section 5 of this By-Law applies with the necessary changes to the second public meeting.

7. ADVERTISING OF APPLICATION AND OBJECTIONS

- (1) The applicant must within 14 days after the application is lodged in accordance with section 4 of this By-Law, or within such further period which the CFO may approve –
 - (a) Cause a notice of the application to be published in a manner approved by the CFO; and
 - (b) Either before or up to seven days after the date of publication of the notice, give written notice of the application to all owners within the proposed special rating area, who will be liable for payment of the additional rate, such notice to be given by pre-paid registered post, hand delivery or in any other manner approved of in writing by the CFO.
- (2) Every notice contemplated in terms of subsection (1) above must state that written objections to the determination of a special rating area or the provisions of the motivation report and implementation plan may be lodged with the Stellenbosch Municipality by a date specified in the notice, which shall not be less than 30 days after the date of publication in terms of subsection (1)(a) above, and must state where the documentation specified in subsection (5) below will be available for inspection.
- (3) Any owner of rateable property who will be liable for paying the additional rate may submit written objections to the determination of the special rating area, which objections must be received by the Stellenbosch Municipality not later than the date stipulated in the notice referred to in subsection (1) above.
- (4) Any objector to the application who owns property within the proposed special rating area may make oral representation to the CFO

- (5) The application, including the motivation report and the implementation plan, and all objections must be available for inspection at the office of Stellenbosch Municipality and at a venue determined by the CFO within the proposed special rating area, for the period referred to in subsection (2) above.

8. DECISION

- (1) After the provision of sections 4 and 7 of this By-Law have been complied with, the Council must, at a meeting of the Council held within 90 days after the last date for the submission of objections in accordance with section 7(2) of this By-Law, consider the application and –
- (a) determine a special rating area which must be implemented in accordance with the motivation report and implementation plan;
 - (b) determine a special rating area with such amendments or conditions as the Council considers to be in public interest;
 - (c) determine a special rating area in respect of a limited area in terms of section 9;
 - (d) refuse the application, in which event the Council must, within 30 days, furnish the applicant with written reasons for not approving the determination of a special rating area; or
 - (e) refer the application back to the applicant for amendments in such manner as the Council may direct.
- (2) If an application is refused by the Council in accordance with the provisions of subsection (1)(d) above or referred back to the applicant in accordance with the provisions of subsection (1)(e) above, the applicant may, within six months of the Council's decision, re-apply to the Council for the determination of the special rating area, provided that such re-application has been appropriately amended in the light of the reasons for refusal or referral, as the case may be.
- (3) If the motivation report or implementation plan is amended in any material respect at any time before the determination, the Council may require that the amended application be re-advertised in accordance with the provision of section 7 of this By-Law.

9. DETERMINATION OF A LIMITED SPECIAL RATING AREA

If an application in terms of section 4 of this By-Law is not accompanied by the majority of the members of the local community in the proposed special rating area required by section 4(3)(c) of this By-Law, but the applicant can demonstrate to the satisfaction of the Council, that –

- (a) there are such confirmations from owners of rateable properties in a limited geographical area within the proposed special rating area that would meet the

requirements of section 4(3)(c of this By-Law) if they were to be applied to that area;
and

- (b) the level of services to be provided will not be reduced and the budget will be reduced accordingly as a result of the provision of those services in the limited area alone, as compared to the provision of those services in the whole of the proposed special rating area,

then the Council may, subject to the other provisions of this By-Law, determine a limited special rating area.

CHAPTER 2

SPECIAL RATING AREAS – STRUCTURES AND FINANCES

10. COMMENCEMENT OF THE IMPLEMENTATION PLAN

Once the Council has approved the establishment of the special rating area, the implementation plan may only be implemented after the management body has been established in accordance with section 11 of this By-Law.

11. ESTABLISHMENT, COMPOSITION, POWERS AND DUTIES OF MANAGEMENT BODY

- (1) The applicant must establish a management body for the purposes of implementing the provisions of the implementation plan.
- (2) The management body must be a company incorporated in accordance with the provisions of a Non-Profit company (company not for gain) as per the Companies Act, Act 71 of 2008 (as amended or replaced).
- (3) Stellenbosch Municipality shall monitor compliance by the management body with the applicable provisions of this By-Law, any guidelines or policies adopted by Stellenbosch Municipality and any agreements entered into with the management body and Stellenbosch Municipality.
- (4) The Council must nominate the relevant ward councillor and one other person, as representatives to attend and participate, but not vote, at the meetings of the management body.
- (5) Within two months after receipt of the first payment of the additional rate, the management body must begin carrying out the provisions of the implementation plan.

- (6) Within two months of the end of each financial year, the management body must provide the CFO with –
 - (a) Its audited financial statements for the immediately preceding year; and
 - (b) an annual report on its progress in carrying out the provisions of the implementation plan in the preceding year to improve and upgrade the special rating area.
- (7) Within two months after the Annual General Meeting, the management body must provide the Finance Portfolio Committee with –
 - (c) Its audited financial statements for the immediately preceding year; and
 - (d) An annual report on its progress in carrying out the provisions of the implementation plan in the preceding year to improve and upgrade the special rating area.

12. FINANCES

- (1) The financial year of the management body must coincide with the financial year of the Stellenbosch Municipality.
- (2) Where a special rating area has been determined, the Council must levy in accordance with the provisions of the Property Rates Act, a property rate in addition to the rates that it already charges on the owners of rateable property in the special rating area for the purposes of realizing the implementation plan, provided that the Council may in terms of the Property Rates Act, Stellenbosch Property Rates Policy, Stellenbosch Credit Control and Debt Collection By-Law and the Stellenbosch Credit Control and Debt Collection Policy, exempt the indigent, senior citizens, disabled persons or any other category of owners.
- (3) When determining the additional rate referred to in subsection (2) above, the Council may give consideration to imposing differential additional rates on one or more of the categories set out in section 8 of the Property Rates Act.
- (4) The additional rate due in terms of this By-Law is a debt due to the Council and is payable and must be collected in the same manner as other property rates imposed by the Council.
- (5) The Council may, for the purpose of carrying out the provisions of the implementation plan of special rating area and subject to section 67 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 200), make payment to the management body of a special rating area.
- (6) The payment contemplated in subsection (5) above is conditional upon the conclusion of a finance agreement to be entered into between the Council and the relevant management body, and such agreement must regulate, among other things –
 - (a) the mechanisms and manner of payment; and

(b) terms on which payment to the relevant management body is to be made.

(7) Subject to the provisions of its memorandum and articles of association, the management body is entitled to raise its own funds through commercial activities, donations or any other lawful means

(8) The Council, determine and impose on the management body an administrative charge.

13. THE ROLE OF THE CFO

In addition to the other responsibilities and obligations of the CFO as set out elsewhere in this By-Law, the CFO must –

(a) Establish separate ring-fenced budget votes and other record-keeping systems regarding the revenue generated by the additional rate and the improvement and upgrading of the special rating area;

(b) Monitor compliance with the applicable legislation, including this By-Law and the Policy, by –

- (i) receiving and considering the audited financial statements and reports regarding the carrying out of duties laid out in the implementation plan;
- (ii) nominating, if he or she elects to do so, representatives to attend and participate but not vote at meetings of the management body.

CHAPTER 3

AMENDMENT AND EXTENSION OF IMPLEMENTATION PLANS

14. AMENDMENT TO IMPLEMENTATION PLANS

(1) An implementation plan, including the geographical boundaries of the special rating area, may be amended by the Council on written application by the management body at any time after the formation of the special rating area.

(2) The council may approve an application for an amendment referred to in subsection (1) above where the Council considers it not likely to materially affect the rights or interests of any owner, provided that the Council may require the management body to cause a notice of the application for such amendments to be published as approved by the CFO.

- (3) The Council may only approve an amendment in terms of subsection (1) above, with the changes required by the context, in accordance with the provisions of Chapter 1 of this By-Law, which the Council considers is likely to –
 - (a) materially affect the rights or interests of any person;
 - (b) affect the approved budget for the special rating area; and
 - (c) change the boundaries of the special rating area.

- (4) The Council may, for good reason, on written application by the management body, exempt the management body from complying with the provisions, or condone any non-compliance with any provisions, of Chapter 1 of this By-Law.

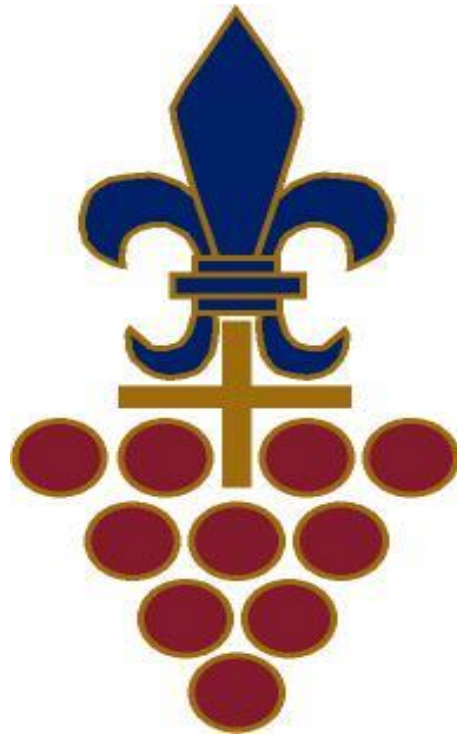
15. EXTENSION OF IMPLEMENTATION PLANS

A management body must, if it elects to extend the term of the implementation plan for a further period, on or before January in the year in which the implementation plan is due to terminate, submit an application to Stellenbosch Municipality for approval of extension of the term of the implementation plan, provided that –

- (a) the extension of the implementation plan may only be approved by the Council in accordance with the provisions of Chapter 1 of this By-Law, with the changes required by the context, and the Council may, for good reason, on written application by the management body, exempt the management body from complying, or condone any non-compliance, with any such provisions;

- (b) the provisions of section 14 of this By-Law shall apply to any amendment of an implementation plan which has been extended in terms of this section.

STELLENBOSCH MUNICIPALITY



**TARIFF BY-LAW
POLICY**

2019/2020



STELLENBOSCH MUNICIPALITY

TARIFF BY-LAW

TABLE OF CONTENTS

	PAGE
1. PREAMBLE	1
2. INTERPRETATION	2
3. OBJECTS	2
4. ADOPTION AND IMPLEMENTATION OF TARIFF POLICY	2
5. CONTENTS OF TARIFF POLICY	3
6. ENFORCEMENT OF TARIFF POLICY	3
7. REPEAL	4
8. INTERPRETATION	4
9. SHORT TITLE and EFFECTIVE DATE	4

1. PREAMBLE

- (1) Section 229(1) of the Constitution authorizes a municipality to impose:
 - (a) rates on property and surcharges on fees for services provided by or on behalf of the municipality; and
 - (b) if authorized by national legislation, other taxes, levies and duties.
- (2) In terms of section 75A of the Systems Act a municipality may:
 - (a) levy and recover fees, charges or tariffs in respect of any function or service of the municipality; and
 - (b) recover collection charges and interest on any outstanding amount.
- (3) In terms section 74(1) of the Systems Act, a municipal council must adopt and implement a tariff policy on the levying of fees for a municipal service provided by the municipality or by way of service delivery agreements and which complies with the provisions of the Systems Act, the Municipal Finance Management Act and any other applicable legislation.
- (4) In terms of section 75(1) of the Systems Act, a municipal council must adopt by-laws to give effect to the implementation and enforcement of its tariff policy.
- (5) In terms of section 75(2) of the Systems Act, by-laws adopted in terms of section 75(1) of the Systems Act may differentiate between different categories of users, debtors, service providers, services, service standards and geographical areas as long as such differentiation does not amount to unfair discrimination.
- (6) In furtherance of reusable energy, Council may determine tariffs pertinent to the purchase of surplus energy from consumers, subject to regulations issued and approved by the National Electricity Regulator of South Africa (NERSA).

2. INTERPRETATION

"**Municipality**" means the Stellenbosch Municipality (WC024).

"**Tariff Policy**" means the Tariff Policy adopted by the Municipality in terms of this By-Law.

"**Constitution**" means the Constitution of the Republic of South Africa.

"**Council**" means the Council of the Municipality.

"**Credit Control and Debt Collection Policy**" means the Municipality's Credit Control and Debt Collection Policy as stipulated by sections 96(b) and 97 of the Systems Act.

"**Systems Act**" means the Local Government: Municipal Systems Act, (Act 32 of 2000).

"**Finance Management Act**" means the Local Government: Municipal Finance Management Act, (Act 53 of 2003).

"**Tariff**" means fees, charges or any other tariffs levied by the Municipality in respect of any function or service provided, or surplus energy purchased, by the Municipality including rates levied by the Municipality in terms of the Local Government: Property Rates Act, (Act 6 of 2004).

"**Tariff List**" or "**Tariff Schedule**" means the list of the Tariffs applicable and in respect of any function or service provided, or surplus energy purchased, by the Municipality. This list, effective for a specific financial year, is approved by Council during the annual budget process.

3. OBJECTS

The object of this By-Law is to give effect to the implementation of the Tariff Policy as contemplated in section 74(1) of the Systems Act, and of the Tariff Schedule for a given financial year as approved by Council during the Municipality's annual budget process.

4. ADOPTION AND IMPLEMENTATION OF TARIFF POLICY

- (1) The Municipality shall adopt and implement a Tariff Policy on the levying of fees for a municipal service provided by the Municipality or by way of service delivery

agreements which complies with the provisions of the Systems Act, the Municipal Finance Management Act and any other applicable legislation.

- (2) The Municipality shall not be entitled to impose tariffs other than in terms of the valid Tariff Policy.

5. CONTENTS OF TARIFF POLICY

The Municipality's Tariff Policy shall, inter alia:

- (1) Apply to all the tariffs fees (as per the Tariff List) imposed by the Municipality pursuant to the adoption of the Municipality's annual budget.
- (2) Reflect the principles referred to in section 74(2) of the Systems Act and specify any further principles for the imposition of Tariffs which the Municipality may wish to adopt.
- (3) Specify the manner in which the principles referred to in paragraph 4(2) above are to be implemented in terms of the Tariff Policy.
- (4) Specify the basis of differentiation, if any, for tariff purposes between the different categories of users, debtors, service providers, services, service standards and geographical areas as long as such differentiation does not amount to unfair discrimination.
- (5) Include such further enforcement mechanism, if any, as the Municipality may wish to impose in addition to those contained in the Credit Control and Debt Collection Policy.
- (6) Provide tariffs for the export of surplus energy from approved and certified consumers, within the jurisdiction of the Municipality, into the Municipality's distribution network.

6. ENFORCEMENT OF TARIFF POLICY

The Tariff Policy shall be enforced through the Credit Control and Debt Collection Policy and any further enforcement mechanisms stipulated in the Municipality's Tariff Policy.

7. REPEAL

The provisions of any by-laws relating to Tariffs by the Municipality are hereby repealed insofar as they relate to matters provided for in this By-Law.

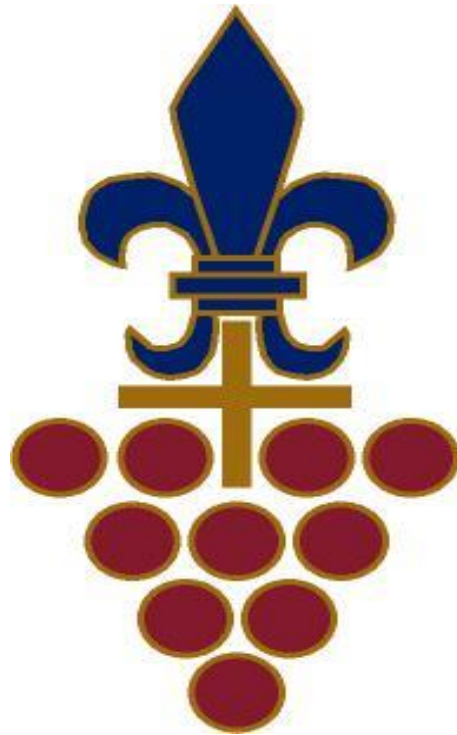
8. INTERPRETATION

If there is a conflict of interpretation between the English version of this By-Law and a translated version, the English version prevails.

9. SHORT TITLE and EFFECTIVE DATE

This By-law is the Tariff By-Law of Stellenbosch Municipality and shall take effect on 01 July 2017.

STELLENBOSCH MUNICIPALITY



TARIFF POLICY

2019/2020



STELLENBOSCH MUNICIPALITY

TARIFF POLICY

TABLE OF CONTENTS

	PAGE
PREAMBLE	1
1. OBJECTIVE	2
2. LEGAL FRAMEWORK	2
3. TARIFF PRINCIPLES	2
4. CLASSIFICATION OF SERVICES	4
5. CALCULATION OF TARIFFS FOR MAJOR SERVICES	4
5.1 Water Tariffs	4
5.2 Electricity Tariffs	7
5.3 Refuse (Solid Waste) Removal Tariffs	10
5.4 Sewerage Tariffs	10
6. CALCULATION OF OTHER TARIFFS	11
6.1 Sundry Tariffs	11
6.2 Rates Tariffs	12
7. SHORT TITLE	12

PREAMBLE

In accordance with Section 74 of the Local Government Municipal Systems Act, Act 32 of 2000, Stellenbosch Municipal Council must adopt and implement a tariff policy on the levying of tariffs for municipal services which complies with the provisions of the Municipal Systems Act and with any other applicable legislation.

Tariffs represent the charges levied by Council on consumers for the utilization of services provided by the Municipality and rates on properties. Tariffs will be calculated in various ways, dependent upon the nature of the service being provided.

In furtherance of reusable energy, Council may consider tariffs pertinent to the purchase of surplus energy from consumers.

1. OBJECTIVE

The objective of this Tariff Policy is to ensure the following:

- (a) Tariffs must conform to acceptable policy principles;
- (b) Municipal services must be sustainable;
- (c) Tariffs must comply with the applicable legislation; and
- (d) Tariffs should take indigent consumers into consideration.

2. LEGAL FRAMEWORK

The following legislation is applicable for the determination of tariffs for municipal services delivered or for the purchase of surplus energy:

The Constitution of the Republic of South Africa, Act 108 of 1996

Local Government: Municipal Finance Management Act, Act 56 of 2003

Local Government: Municipal Systems Act, Act 32 of 2000

Water Services Act, Act 108 of 1997

Electricity Regulation Act, Act 4 of 2006

Local Government: Municipal Property Rates Act, Act 6 of 2004

3. TARIFF PRINCIPLES

The following principles will apply in the Stellenbosch Municipal Area of jurisdiction (WC024):

- (a) Users of municipal services are treated equitably in the application of tariffs;
- (b) The amount individual users pay for services are generally in proportion to their use of that service;
- (c) Indigent households have access to basic services through:
 - (i) Special or life line tariffs for low levels of use or consumption of services or for basic levels of service; or

- (ii) Any other direct or indirect method of subsidisation of tariffs for poor households.
- (d) Tariffs reflect the costs reasonably associated with rendering the service, including capital, operating, maintenance, administration, replacement costs and interest charges;
- (e) Tariffs are set at levels that facilitate the financial sustainability of the service, taking into account subsidisation from sources other than the service concerned. A service is financially sustainable when it is provided in a manner that would ensure its financing from internal and external sources is sufficient to cover the costs of the initial capital expenditure required, operating the service, maintaining, repairing, and replacing the physical assets used in its provision;
- (f) Provision is made in appropriate circumstances for a surcharge or a rebate on the tariff for a service;
- (g) Provision is made for the promotion of local economic development through special tariffs for categories of commercial and industrial users;
- (h) The economical, efficient, and effective use of resources, the recycling of waste and other appropriate environmental objectives are encouraged;
- (i) The extent of subsidisation of tariffs for poor households and other categories of users are fully disclosed; and
- (j) The safeguarding of the integrity of the electrical distribution network and the continued economic viability for the purchasing of surplus energy from consumers.

It is further stated that tariffs, rates, and the employment of resources, in general, take into account the Council's Integrated Development Plan (IDP) principles and goals.

4. CLASSIFICATION OF SERVICES

Traditionally, municipal services have been classified into five groups based on how they are financed. The five groups are as follows:

(a) Trading services Water and Electricity Services

These services must generate a surplus which will be used to subsidize community services other than economical services.

(b) Economical services Refuse Removal and Sewerage Services

These services' charges must cover the cost of providing the services, i.e. it must at least break even. In the event of the latter not being possible within a period, the shortfall will be financed from the Municipal Property Rates revenue.

(c) Rates Services The revenue from Municipal Property Rates is utilized for Rates related services.

(d) Housing Services Housing Schemes

These services are ring-fenced in the Housing Development Fund and the net operating balance is set off as a contribution to/from the Housing Development Fund.

(e) Sundry Services Various Services

All Services not defined in paragraphs (a) to (d) above.

5. CALCULATION OF TARIFFS FOR MAJOR SERVICES

5.1 Water Tariffs

Although a fairly large proportion of the water needs is supplied from own sources, water is also purchased from external suppliers, such as the City of Cape Town. The increase in water tariffs are largely influenced by the changes in the Consumer Price

Index (CPI), the purchase price of water and the need for financing bulk water infrastructure expansion.

Water is bought at a one-part tariff expressed in Rand per kilolitre. For this reason, it is found that water tariff structures for end-users follow the same trend. In order to manage consumption, an inclining block rate tariff structure is applied in the Stellenbosch Municipal area of jurisdiction.

The first block rate for domestic consumers represents the Life Line volume in kilolitres (kl) per month (considered to be the lowest sustainable water volume per household), which is supplied at a rate well below cost. Losses incurred in this tariff category are recovered by contributions from the higher tariff categories, conforming to the principle of cross-subsidisation.

Tariff structures for water supply are applied in the form of a sliding scale or a flat tariff in the area of jurisdiction of Stellenbosch Municipality. This is reflected in the Tariff Schedule approved by Council.

The specific sliding scale(s) linked to each consumer group or the service charge types and the applicable tariffs, including any specific tariffs that would be applicable when Council adopts water restriction strategies, are reflected in the Water Tariff Schedule as approved by Council.

The following table illustrates the principals for tariff charges applied to various consumers or the specialised water service charge types for water consumption in the Stellenbosch Municipal Area:

(a) Domestic:

Includes residential erven and Sectional Title Units as well as residential erven managed by body corporates, each being served by an individually metered water connection.

(b) Domestic Cluster:

Refers to a cluster (block of flats) served by a single water connection.

(c) MASO:

A MASO tariff for the affected parties will be applied.

(d) Bulk Users:

A sliding scale tariff will be applied on water consumption for irrigation of sports grounds of schools, irrigation of Council property by sports clubs, as well as irrigation of parks and other grounds or properties serviced by Council's Parks and Recreation Department.

(e) Business, Commercial and Industrial:

A single tariff for all business, commercial and industrial consumers will apply.

(f) All other consumers and Miscellaneous cases:

A single tariff for all other consumers and miscellaneous cases including schools and churches or any other user as determined by the relevant Director, will apply.

(g) Leakages:

Different tariffs may apply to Municipal, Domestic, Business, Commercial or Industrial consumers.

(h) Basic Charge:

A Basic (a fixed monthly) charge will be applied to each domestic consumer, a domestic cluster consumer and all other non-domestic consumers, irrespective whether a gated/non-gated development is supplied via a bulk meter.

The Basic charge will be applied to Indigent Households as per the Indigent Policy of the Municipality.

(i) Availability Fee:

An availability fee is charged on properties not connected to the water network, should it be available. This fee aims to recoup capital and maintenance costs of networks as well as certain fixed administrative costs in respect of such properties.

5.2 Electricity Tariffs

In addition to general cost factors, the following is taken into account when determining a tariff structure for electricity:

- (i) Electricity is supplied by a sole supplier, Eskom, and distributed by the Municipality.
- (ii) Minimum standards for distribution are determined nationally and must be adhered to in order to conform to both safety and continuity of supply norms.
- (iii) Due to the fact that a large part of the operating expenditure consists of bulk electricity purchases, tariff structures and levels are very sensitive to any change in the cost of supply by Eskom.
- (iv) Electricity is supplied under a distribution license, granted by the National Electricity Regulator of South Africa (NERSA) for a specific area of jurisdiction. All tariff structures and tariffs must be approved by NERSA prior to application thereof by a distributor on an annual basis.

Electricity is distributed by Stellenbosch Municipality in the towns of Stellenbosch and Franschhoek.

Eskom distributes electricity in Jamestown, Raithby, Kylemore, Klapmuts and the rural areas. Drakenstein Municipality supplies electricity to Johannesburg and Pniel. In these areas, the distribution is managed, operated and controlled by the applicable service provider.

Export of surplus energy from an approved and certified consumer to the Municipality's distribution network shall be subject to special and specific agreements embracing in broad terms the operational and financial imperatives for a sustainable and economically viable alliance.

In order to manage consumption, inclining block rate tariff structures are applied in the Stellenbosch Municipal areas of distribution, or any part or area incorporated where due course was followed. In these areas, different tariff structures may be implemented for consumers using renewable energy for own use and/or where the export of surplus energy is approved under the proviso of specific conditions, limits on energy export and reimbursement of exported energy.

Additional fees may be levied on consumers for which maximum demand charges are in effect and who have exceeded specific limits.

The specific inclining block rate(s), any other charges linked to the tariff structure and the applicable tariffs are reflected in the Electricity Tariff Schedule as approved by Council.

The following table illustrates the principals for tariff charges applied to various consumers or the service charge types for electricity consumption or export in the Stellenbosch Municipal Area:

(a) Domestic Life Line (PP):

Domestic Life Line Tariffs will apply to prepaid Indigent consumers in order to promote the affordability of the service. A fixed monthly charge will not be applied to this category of consumers.

(b) Domestic Regular:

Domestic Regular tariffs will apply, in various service charge types, to other domestic consumers other than Indigent consumers on either conventional and prepaid metering systems. A fixed monthly charge is applied to this category of consumers.

(c) Commercial Life Line Low energy rate:

A Commercial Life Line energy rate tariff will apply in respect of prepaid commercial low consumers. A fixed monthly charge will not be applied to this category of consumers.

(d) Commercial Low energy rate:

Commercial Low energy rate tariffs will apply, in various service charge types, in respect of conventional and prepaid commercial low consumers. A fixed monthly charge will be applied to this category of consumers.

(e) Commercial Regular energy rate:

Commercial Regular energy rate tariffs will apply, in various service charge types, in respect of conventional and prepaid commercial regular consumers. A fixed monthly charge is applied to this category of consumers.

(f) Agricultural energy rate:

Agricultural energy rate tariffs will apply, in various service charge types, in respect of agricultural use. A fixed monthly charge is applied to this category of consumers.

(g) Industrial energy rate:

Industrial energy rate tariffs as well as various types of energy demand tariffs will apply, in various service charge types, in respect of Industrial use. A fixed monthly charge is applied to this category of consumers.

(h) Municipal energy rate:

Municipal energy rate tariffs will apply, in various service charge types, for municipal consumption for street and traffic lights and for municipal buildings. A fixed monthly charge will not be applied to this category of consumers.

(i) Non-profit Organisations (NPO) energy rate:

Non-profit organisation's tariffs will apply, in various service charge types, to Non-profit Organisations in order to promote the affordability of the service for Non-profit Organisations. A monthly fixed charge will not be applied for this category of consumers.

(j) Sport Organisations energy rate:

Sport energy rate tariffs will apply and a Maximum Demand Charge may apply on sports fields as per approved contracts being classified as either Low Consumers or High Consumers. A fixed monthly charge will not be applied to this category of consumers.

(k) Time-of-Use energy rate:

Different fixed monthly tariffs as well as various types of energy demand tariffs will apply during the low demand and the high demand tariff periods (also referred to as the summer and winter periods respectively) in respect of low and medium voltage consumers. For the purpose of these tariffs the low demand period shall be defined as being the summer period and the high demand period as the winter period.

(l) Availability fee:

An availability fee is charged to properties not connected to the electricity network, where it is available. This fee aims to recoup capital and maintenance costs of networks as well as certain fixed administrative costs.

5.3 Refuse (Solid Waste) Removal Tariffs

The specific services rendered, any other charges linked to the service and the applicable tariffs are reflected in the Solid Waste Tariff Schedule as approved by Council.

(a) Residential properties:

Residential refuse (solid waste) will be removed once a week. Households are allowed 3 bags or one “Otto”-type container per week.

Refuse removal tariffs are based on a flat rate per household.

Single residential properties with a plot extent not exceeding 250m² and a maximum valuation not exceeding the amount as per Section 8.2 of the Stellenbosch Municipality’s Rates Policy, are charged a lower rate.

(b) Business and industries:

Business and industry refuse (solid waste) are removed by means of “Otto”-type or bulk containers. Each container (size in volume) is accepted as a refuse unit at a specific tariff and number of removals per week.

(c) Availability Fee:

An availability fee is charged to all vacant properties, businesses, flats, developments not making use of the municipal collection services.

5.4 Sewerage Tariffs

Tariff structures for sewerage are applied uniformly in the area of jurisdiction of Stellenbosch Municipality.

The tariff structures for specific services rendered, any other charges linked to the service and the applicable tariffs are reflected in the Sewerage Tariff Schedule as approved by Council.

(a) Residential properties:

A tariff structure utilizing plot sizes is applied to allocate the sewerage costs to a specific property.

(b) Business and industries:

A tariff structure utilizing plot sizes, as well as floor areas per usage is applied to allocate the sewerage costs to a specific property.

The removal of industrial effluent is charged at a cost per kilogram removed (chemical oxygen demand).

(c) Septic Tanks:

The clearance of septic tanks is charged per 5 000 litre or part thereof.

(d) Availability Fee:

An availability fee based upon a tariff structure utilizing plot sizes will apply to all vacant properties.

6. CALCULATION OF OTHER TARIFFS

6.1 Sundry Tariffs

(a) Tariff Structure:

(i) The tariff structure as reflected in the Sundry Tariffs Tariff Schedule as annually approved by Council will be used to determine regulatory community and subsidized services.

(b) Method of calculation:

(i) Existing tariffs will be revised annually, for application during the next financial year, by adjusting the tariff that applied during the current financial year by a percentage (suitable rounding will be applied) to recover increased costs or to compensate for any cost reductions where appropriate.

- (ii) New tariffs will be calculated based on the estimated actual cost where appropriate or to recover some costs depending on the type of community service.

(c) Building Clause references:

- (i) Obligations pertaining to Building Clauses as per the development agreements or contracts will be dealt with according to the contract obligations.

6.2 Rates Tariffs

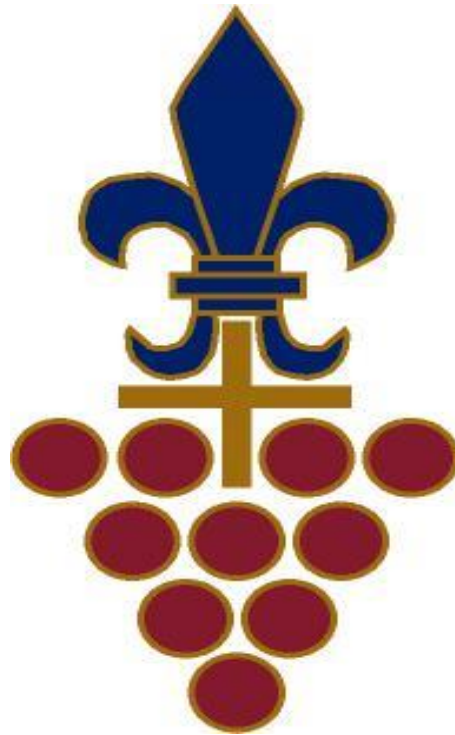
Refer to the Stellenbosch Municipality's Rates Policy dealing with the application of property rates for the various categories of owners and properties.

The tariff structures for the applicable categories, any other charges linked to the service and the applicable provisions for relief measures are reflected in the Property Rates Tariff Schedule as approved by Council.

7. SHORT TITLE

This policy is the Tariff Policy of the Stellenbosch Municipality.

STELLENBOSCH MUNICIPALITY



**ASSET MANAGEMENT
POLICY**

2019/2020



STELLENBOSCH MUNICIPALITY

ASSET MANAGEMENT POLICY

Table of Contents

	Page
1. PREAMBLE.....	3
2. DEFINITIONS.....	4
3. ACRONYMS.....	6
4. AIM.....	6
5. OBJECTIVES.....	6
6. STATUTORY AND REGULATORY FRAMEWORK.....	7
7. RESPONSIBILITIES AND ACCOUNTABILITIES.....	7
7.1 The Accounting Officer (Municipal Manager).....	7
7.2 The Chief Financial Officer (Director: Finance).....	8
7.3 Asset Managers/ Directors.....	9
7.4 Asset Champions.....	10
7.5 Finance Department: Asset Management Division.....	11
7.6 The responsibility of the Budget and Treasury.....	11
7.7 The Human Resources Management Department.....	11
8. SAFEGUARDING OF ASSETS.....	12
9. PROCEDURE WITH REGARD TO CONTRIBUTED ASSETS.....	12
10. FINANCIAL MANAGEMENT.....	13
11. ACCOUNTING FOR ASSETS.....	17
12. INTERNAL CONTROL OVER ASSETS.....	26
13. FINANCIAL DISCLOSURE.....	29
14. CLASSIFICATION OF ASSETS.....	29

1. PREAMBLE

- Section 63 of the Municipal Finance Management Act Number 56 of 2003 governs Asset and Liability Management and states the following:

Asset and liability management

63. (1) The accounting officer of a municipality is responsible for the management 10
of—

- (a) the assets of the municipality, including the safeguarding and the maintenance of those assets; and
- (b) the liabilities of the municipality.

(2) The accounting officer must for the purposes of subsection (1) take all reasonable 15
steps to ensure—

- (a) that the municipality has and maintains a management, accounting and information system that accounts for the assets and liabilities of the municipality;
- (b) that the municipality's assets and liabilities are valued in accordance with 20
standards of generally recognised accounting practice; and
- (c) that the municipality has and maintains a system of internal control of assets and liabilities, including an asset and liabilities register, as may be prescribed.

The Municipal Finance Management Act Number 56 of 2003 will be the legislative framework for the Asset Management Policy whilst Generally Recognised Accounting Practice (GRAP) will be the accounting framework.

- The Municipal Council of Stellenbosch is in terms of the MFMA and GRAP obliged to adopt an Asset Management Policy to regulate the effective management of all council's assets.
- **And whereas** the municipal manager as accounting officer of municipal funds, assets and liabilities is responsible for the effective implementation of the asset management policy which regulates the acquisition, safeguarding, maintenance of all assets and disposal of assets where the assets are no longer used to provide a minimum level of basic service as regulated in terms of section 14 of the MFMA.
- **And whereas** these assets must be protected over their useful life and may be used in the production or supply of goods and services or for administrative purposes in meeting the municipality's operational requirements.
- **Now therefore** the municipal council of the Stellenbosch Municipality adopts this asset management policy:

2. DEFINITIONS

In this Policy, unless the context indicates otherwise

An **asset** means a resource

- a) controlled by Stellenbosch Municipality
- b) as a result of a past event
- c) it is probable that future economic benefits or service potential associated with the assets will flow to the municipality

Property, Plant and Equipment (PPE) refers to tangible, identifiable assets that:

- a) are held for-
 - i. use in the production or supply of goods or services
 - ii. rental, or
 - iii. administrative purposes, and
 - iv. are expected to be used for more than one year.

PPE should be classified according to the following definition groups:

- a) **Infrastructure assets** which are defined as assets that usually display some or all of the following characteristics:
 - i. they are part of a system or network,
 - ii. they are specialised in nature and do not have alternative uses
 - iii. they are immovable, and
 - iv. they may be subject to constraints on disposal
 - v. examples are road networks, sewer systems, water networks etc.
- b) **Community assets** which are defined as assets that contributes to the communities' well-being. Community assets are disclosed in accordance with its nature.
- c) **Heritage assets** which are defined as cultural significant resources.
- d) **Investment Properties** are defined as properties (land or buildings) that are acquired for economic and capital gains or held by Stellenbosch Municipality as finance lease to earn rentals. Examples are office parks and undeveloped land acquired for the purpose of resale in future years.
- e) **Other assets** which are defined as assets utilised in normal operations.
- f) **Intangible assets** which are defined as being assets without physical substance.

g) **Biological assets** are assets acquired for agricultural purposes.

Capitalization of assets means the recording of assets in the Fixed Asset Register with its historical financial cost in accordance with GRAP.

Carrying amount means the amount at which an asset is recognized after deducting any accumulated depreciation and accumulated impairment losses.

Classification of assets means the grouping of assets of a similar nature of functionality in an entities operation that is shown as a single item for the purpose of disclosure in the financial statements.

Cost means the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognized in accordance with specific requirements of other Standards of Generally Recognized Accounting Practices (GRAP).

Contributed assets means items received by the municipality as a donation.

Depreciation means the systematic allocation of the depreciable amount of an asset over its useful life.

Depreciable amount means the cost of an asset, or other amount substituted for the cost less its residual value.

Fair value means the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fixed Asset Register means a register for recording assets in accordance with GRAP

Impairment of an asset

- An impairment loss of cash - generating assets is the amount by which the carrying amount of an asset exceeds its recoverable amount.
- An impairment loss of non - cash generating assets is the amount by which the carrying amount of an asset exceeds its recoverable service amount.

Recoverable amount means the amount that the municipality expects to recover from the future use of an asset, including the residual value on disposal.

Residual value means the estimated amount that Stellenbosch municipality would currently obtain from disposal of the asset, after deducting the estimated cost of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Useful life means the period over which an asset is expected to be available for use by the municipality.

Contributed Assets means items received by the Stellenbosch Municipality in the form of a donation.

3. ACRONYMS

PPE:	Property, Plant and Equipment
AMC Form:	Asset Movement Capture Form
MFMA:	Municipal Finance Management Act
GRAP:	General Accepted Accounting Practice
DIR:	Departmental Inventory Register
SCM:	Supply Chain Management
FAR:	Fixed Asset Register
NARC:	New asset receipt capture form
AT:	Asset transfer form

4. AIM

This policy will lay down broad guidelines for consistent, effective and efficient asset management principles of Stellenbosch Municipality

5. OBJECTIVES

- Specifying Council's practice regarding accounting for assets
- Ensure consistency in accounting treatment.
- To assist officials in understanding their legal and managerial responsibilities with regard to key asset functions such as:
 - safeguarding of assets,
 - maintaining assets,
 - establishing and maintaining a management, accounting and information

system

- that accounts for the assets of the municipality.
- asset valuation principles in accordance with GRAP.
- establishing and maintaining systems of internal controls over assets.
- establishing and maintaining asset registers.
- clarifying responsibilities and accountabilities for the asset management process.

6. STATUTORY AND REGULATORY FRAMEWORK

This policy must comply with all relevant legislative requirements including:

- The Constitution of the Republic of South Africa, 1996
- Municipal Structures Act, 1998
- Municipal Systems Act, 2000
- Division of Revenue Act (enacted annually)
- Municipal Finance Management Act of 2003

Also, this policy must comply with the standards specified by the Accounting Standards Board. The relevant currently recognized accounting standards include:

- GRAP 17 Property, plant or equipment
- GRAP 16 Investment property
- GRAP 100 Non-current Assets held for Sale and Discontinued Operations
- GRAP 31 Intangibles
- GRAP 103 Heritage Assets
- GRAP 101 Agriculture
- GRAP 21 & 26 Impairment

7. RESPONSIBILITIES AND ACCOUNTABILITIES

The purpose of this section is to prescribe the responsibilities of the various functionaries within Stellenbosch Municipality.

7.1 The Accounting Officer (Municipal Manager)

The Accounting Officer (Municipal Manager) or his duly delegated representative is responsible to ensure implementation and compliance with the responsibilities prescribed in section 63 of the MFMA.

- The municipality has and maintains a management, accounting and

- information system that accounts for the assets of the municipality;
- The municipality's assets are valued in accordance with standards of generally recognized accounting practice;
 - The municipality has and maintains a system of internal control of assets, including an asset register; and
 - The senior managers and their teams comply with this policy.
 - In consultation with the asset managers, he approves the temporary or permanent transfer of a movable asset between departments as determined in the "Delegation of Authority to officials of the Stellenbosch Municipality".

7.2 The Chief Financial Officer (Director: Finance)

The Chief Financial Officer is responsible to the Municipal Manager to ensure that the financial investment in the municipality's assets is safeguarded and maintained.

The Chief Financial Officer must take reasonable steps to ensure that:

- i. Appropriate systems of financial management and internal control are established and carried out diligently;
- ii. The financial and other resources of the municipality are utilized effectively, efficiently, economically and transparently;
- iii. Any unauthorized, irregular or fruitless or wasteful expenditure and losses resulting from criminal or negligent conduct are prevented;
- iv. The systems, processes and registers required to substantiate the financial values of the municipality's assets are maintained at standards sufficient to satisfy the requirements of the Auditor-General.
- v. Financial processes are established and maintained to ensure that the municipality's financial resources are optimally utilized through an appropriate asset plan, budgeting, purchasing, maintenance and disposal decisions.
- vi. The managers and asset champions are appropriately advised on the exercise of their powers and duties pertaining to the financial administration of assets;
- vii. The policy and supporting procedures or guidelines are established, maintained and effectively communicated;
- viii. The Chief Financial Officer may delegate or otherwise assign responsibility for performing the functions but he/she will remain accountable for ensuring these activities are performed.

7.3 Asset Managers/ Directors

- a) The manager referred to in Section 56 of the municipal systems act being someone reporting directly to the Municipal Manager and has the functional accountabilities for the physical management of a particular set of assets in order to achieve the municipalities strategic objectives relevant to their directorate.
- b) Directors shall be directly responsible for the physical safeguarding of any fixed asset controlled or used by the directorate in question. In exercising this responsibility, directors shall adhere to the stipulations of this policy as well as any other written directives issued by the municipal manager to the directorate in question, or generally to all directorates, in regard to the control of or safeguarding of the municipality's fixed assets.

Asset managers should:

- i. ensure that employees in their departments adhere to the approved Asset Management Policy;
- ii. ensure that all assets are procured in terms of the SCM Policy;
- iii. ensure that council are properly informed about any contributed (donated) assets and that approval from council is obtained timeously
- iv. ensure that the contributed asset is recorded on the NARC form and communicated with the Asset Management Department.
- v. ensure that employees with delegated authority have been nominated to implement and maintain physical control over assets in their departments. Although authority has been delegated, responsibility remains with the respective Managers of the departments and overall accountability with the Directors of relevant directorates;
- vi. ensure that the termination of service asset verification form for staff, is duly completed and submitted to the Strategic and Corporate Services Directorate;
- vii. ensure that assets are properly maintained in accordance with their respective asset maintenance policy;
- viii. ensure that, where applicable, all their movable assets as reflected on the Fixed Asset Register are barcoded to exercise control;
- ix. ensure that the Asset Management Section is notified via the AT form within 10 working days of any changes in the status of assets under the department's control;
- x. ensure that transfers between departments within directorates are administered internally;
- xi. ensure that a complete asset verification of all inventory and asset

- items is performed annually;
- xii. ensure that all obsolete, damaged and unused assets, supported by relevant asset and condemnation forms, are handed in at the Asset Management Department without delay;
 - xiii. be responsible for maintaining and managing their own DIR;
 - xiv. ensure that all assets are safeguarded against loss/theft and that they are adequately insured; and
 - xv. ensure that location changes are made timeously and location/room information are updated and reported on the relevant form to the Asset Management Section regularly.

7.4 Asset Champions

Asset Champions are senior officials appointed by the Asset Manager in the different Directorates.

The Asset Champion must:

- i. Assist the Asset Manager/ Director in performing his/her functions and duties.
- ii. Ensure that all new assets (purchased or donated) are recorded on the NARC form.
- iii. Ensure that the NARC forms are completed in full and send with copies of the relevant documentation to the asset control department within 7 working days after receipt of the assets.
- iv. Ensures that all their movable assets, where applicable, are barcoded.
- v. Ensure that asset listings are verified and kept up to date in collaboration with the Finance Directorate.
- vi. Assist the Finance Department with the annual verification of movable assets by making sure that the assets, as per asset listing, are at the correct locations, that these locations are accessible when the verification of assets takes place and provides a full report on any missing assets to the Asset Manager.
- vii. Notify the Finance Department when he/she identifies obsolete and redundant assets so that these assets can be moved to the Write-off Store.
- viii. Report all changes affecting asset listing sheets to the Director: Finance and the Finance Department: Asset Management Division

within 7 days of occurrence.

The following require the written recommendation of the Asset Manager and approval of Municipal Manager on the prescribed form:

- a) The temporary or permanent transfer of all movable assets between departments.
- b) The writing off or disposal of obsolete or redundant assets.

7.5 Financial Services Directorate: Asset Management Section

- i. Is the asset registrar of the municipality and shall ensure that a complete, accurate and up to date asset register is maintained that conforms to the GRAP specifications.
- ii. Ensures that physical asset verification is performed annually by all departments to verify the assets on the asset register. The results of this verification must be reported to the Municipal Manager and Council.
- iii. Will perform reconciliations between the asset register and the General Ledger on a monthly basis.
- iv. Ensures adequate bar codes and equipment to exercise the function relating to asset control is available at all times.
- v. Will ensure that all audit queries are resolved in a timely manner.
- vi. Dispose of asset in accordance with the SCM policy
- vii. Handles the administrative functions with regards to the transfers received.

7.6 The responsibility of the Budget and Treasury

- i. Ensure that a clear description is provided with each project and the appropriate funding source is identified.
- ii. Release capital funds only after receiving written authority and a clear and concise description of the item to be purchased.
- iii. Ensure that any changes in the capital budget, with regards to funds transferred or project description changes are communicated to the Asset Management Division.

7.7 The Strategic and Corporate Services Directorate

The Strategic and Corporate Services directorate shall ensure that no monies are paid out to the staff on termination of their service prior to receiving the relevant asset resignation form signed off by the relevant directorate- refer to Termination of

Service Asset Confirmation form.

8. SAFEGUARDING OF ASSETS

Custody and Security

- i. All barcoded assets shall be tracked by physical location through the Fixed Asset Register.
- ii. A physical asset verification process shall be performed every year and all directorates will be verified simultaneously.
- iii. The coordination of the process and verification of the assets will rest with the Asset Management Section and all directorates are responsible to see that the assets under their control are available during the verification process.

Communication

- i. Directorates are responsible to report any stolen or damage property to the Asset Management Section.
- ii. All changes must be accurately recorded on the AT forms and reported to the Asset Management Section within 10 working days.
- iii. Any discrepancies between the Fixed Asset Register and the physical inventory must be reconciled and motivated by the relevant directorates.

9. PROCEDURE WITH REGARD TO CONTRIBUTED ASSETS

Governance

- i. The authority to endorse and approve acceptance of assets contributed to the Stellenbosch Municipality vests with Council as such assets have an impact on future operational costs.
- ii. A report including the fair value/cost price of the contributed asset as well as the financial implications of acceptance of the contributed asset must be submitted to Council, so that acceptance of the asset can be confirmed.

Procedures

- i. Once Council has approved the donation, the departments must:
- ii. Notify the Financial Services Directorate of any assets contributed, by

submitting the Council approved report including the cost/fair value of the contributed asset so that the asset can be recorded and capitalized at the appropriate value.

10. FINANCIAL MANAGEMENT

Pre-Acquisition Planning

Before a capital project is included in the draft municipal budget for approval, the Asset Manager must prove that they have considered:

- The projected acquisition and implementation cost over all the financial years until the project is operational;
- The future operational costs and revenue on the project, including tax and tariff implications;
- The financial sustainability of the project over its economic life span including revenue generation and subsidization requirements;
- The physical and financial stewardship of the asset through all stages in its economic life span including acquisition, installation, maintenance, operations, disposal and rehabilitation; and
- The inclusion of the capital project in the Integrated Development Plans and future budgets.

The Chief Financial Officer is accountable to ensure that the Asset Managers/ Directors receive all reasonable assistance, guidance and explanation to enable them to achieve their planning requirements.

Approval to acquire Property, Plant and Equipment:

Funds can only be invested with a capital project if:

- The funds have been appropriated in the capital budget;
- The project, including the total cost and funding sources, has been approved by the Council;
- The Director: Finance confirms that funding is available for that specific project; The Supply Chain Management prescripts/procedures have been adhered to.
- Any contract that will impose financial obligations more than two years beyond the budget year is appropriately disclosed.

The funding sources of Assets:

Within the municipality's ongoing financial, legislative or administrative capacity, the Chief Financial Officer will establish and maintain the funding strategies that optimize the municipality's ability to achieve its Strategic Objectives as stated in

the Integrated Development Plan.

Four main sources of finance are utilized to acquire Property Plant and Equipment for the municipality, namely:

- The Accumulated Surplus/Deficit (Capital Replacement Reserve)
- The External Financing Fund (EFF).
- Grants, Subsidies and Public
- Contributions. Fair value

The sources of finance that may be utilized to finance assets are utilized in accordance with the provisions of S19 of the Municipal Finance Management Act.

a) Accumulated Surplus/Deficit (The Capital Replacement Reserve)

The Council must annually approve the basis and the amounts for which contributions should be appropriated to the Accumulated Surplus/Deficit in conjunction with the availability of funds and the requirements of the capital program for that financial year.

The funds in the Accumulated Surplus/Deficit are accumulated by: An annual contribution from revenue

The cash backed profit on the sale/disposal of assets

When an amount is advanced to a borrowing service to finance the acquisition of an asset, the money must be transferred to the Accumulated Surplus created for the purpose of acquiring a specific asset and the accumulated funds in the Accumulated Surplus/Deficit must be reduced by the amount of the advance.

The balance of the accumulated funds in the Accumulated Surplus/Deficit will therefore represent the amount that is available to finance assets in future periods. This balance must be cash backed at all times.

The balance in the Accumulated Surplus is transferred to the income statement over the estimated life of assets financed by the Accumulated Surplus/Deficit to offset the depreciation charge included in the income statement relating to fixed assets.

b) The External Financing Fund (EFF)

When loans are obtained from external sources, they must be paid into the EFF. The corresponding cash should be invested until utilized for the purpose of acquiring assets. When the external loan is utilized to finance

assets in a service entity it should be recorded in an “advances” account in the EFF.

Where a loan has a fixed period the installments should be calculated to determine the cash that should be set aside in the EFF. This is done so that there will be sufficient money to repay the loan when it matures as well as any interest charges as they occur.

When the loan is an annuity loan, the cash required to be paid into the EFF should be based on the actual loan repayments. Once the money has been received by the EFF, the cash would be used to repay the loan.

When the EFF is consolidated with the various services, the “advances made” account in the EFF will contra with the “advances received” account in the various service entities.

Loan finance option

A municipality should ensure that a loan satisfies the requirements of legislation on incurring debt. In particular, municipalities should ensure that long-term debt is:

- Incurred only for the purposes of capital expenditure for the purpose of achieving the objectives stated in section 152 of the Constitution (MFMA S46);
- incurred in line with its capital budget (MFMA S19 and S46(2));
- Is incurred only after the anticipated debt repayment schedule has been submitted to council (MFMA S46(3)(b)(i));
- Included in the liabilities register and
- Satisfies the other requirements of sections 19, 46 and 63 of the MFMA, the MSA and the Constitution.

c) Grants, Subsidies and Public Contributions (Capital Receipts)

Unutilized conditional grants are reflected on the Balance Sheet as a Creditor called Creditor (Unspent and Receipts). They represent unspent government grants, subsidies and contributions from the public. This creditor always has to be backed by cash.

The following provisions are set for the creation and utilization of this creditor:

- The cash which backs up the creditor is invested until it is utilized.
- Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor. If

it is the council's interest it is recognized as interest earned in the income statement.

- Whenever an asset is purchased out of the unutilized conditional grant an amount equal to the cost price of the asset purchased is transferred from the Unutilized Capital Receipts into the income statement as revenue. Thereafter an equal amount is transferred on the statement of changes in equity to a reserve called an Accumulated Surplus/Deficit (Future Depreciation Reserve). This reserve is equal to the remaining depreciable value (book value) of assets purchased out of the Unutilized Capital Receipts. The Future Depreciation Reserve is used to offset depreciation charged on assets purchased out of the Unutilized Capital Receipts to avoid double taxation of the consumers.
- If a profit is made on the sale of assets previously purchased out of Unutilized Capital Receipts the profit on these assets sold is reflected in the notes to the income statement and is then treated in accordance with Council policy.

The acquisition of assets will not be funded over a period longer than the useful life of that asset.

Disposal of assets

- The municipality may not transfer ownership as a result of a sale or other transaction or otherwise permanently dispose of an asset needed to provide the minimum level of basic municipal services, unless such asset is obsolete or surplus to requirements or beyond a state of good repair or being replaced and provided that the delivery of the minimum level of basic municipal services must not be compromised as a result of the disposal of the asset.
- The decision that a specific asset is not needed to provide the minimum level of basic municipal services, may not be reversed by the municipality after that asset had been sold, transferred or otherwise disposed of.
- The disposal of an item of property, plant or equipment must be fair, equitable, transparent, competitive and cost effective and comply with a prescribed regulatory framework for municipal supply chain management and the Supply Chain Management Policy of the municipality.
- The transfer of assets to another municipality, municipal entity, national department or provincial department is excluded from these provisions, provided such transfer is being done in accordance with a prescribed regulatory framework. Directors shall report in writing to the Director: Finance on 31 May of each financial year on all fixed assets controlled or used by the directorate concerned which such Director wishes to alienate by public auction or public tender. The Director: Finance shall thereafter

consolidate the requests received from the various directorates, and shall promptly report such consolidated information to the council or the Municipal Manager of the municipality, as the case may be, recommending the process of alienation to be adopted.

- Once the fixed assets are alienated, the Director: Finance shall de-recognize the asset from the accounting records and the fixed asset register.

Loss, theft, destruction or impairment of fixed assets

The different directorates shall ensure that any incident of loss, theft, destruction, or material impairment of any fixed asset controlled or used by the directorate in question is promptly reported in writing to the Director: Financial Services, to the internal auditor, and in cases of suspected theft or malicious damage, also to the South African Police Service.

11.ACCOUNTING FOR ASSETS

Capitalization of Assets

Stellenbosch Municipality does not capitalize an asset based on a capitalization cost threshold, but recognizes an asset when it complies with the definition of an asset as stipulated in GRAP 17 and the cost of the asset to the municipality can be measured reliably.

Where an asset is acquired at no cost, or for a nominal cost, its cost is its fair value as at the date of acquisition (GRAP 17.22).

Assets will only be capitalized in the asset register on completion or finalization of the project.

Multi Year projects

Projects to be completed over more than one financial year will be initially disclosed in the asset register and financial statements as “Work in Progress” thereafter only on completion the asset will be capitalized and depreciated.

Assets will be recorded in the asset register continuously on completion thereof and bar-coded with an aluminium label where appropriate for identification.

Only expenses incurred in the enhancement of a fixed asset (in the form of improved or increased services or benefits flowing from the use of such asset) or in the material extension of the useful operating life of a fixed asset shall be capitalized (GRAP 17.19-.20):

- Parts of some items of property, plant and equipment may require

replacement at regular intervals. For example, a road may need resurfacing every few years, a furnace may require relining after a specified number of hours use, or aircraft interiors such as seats and galleys may require replacement several times during the life of the airframe. Items of property, plant and equipment may also be required to make a less frequently recurring replacement, such as replacing the interior walls of a building, or to make a non-recurring replacement. Under the recognition principle in an entity recognizes in the carrying amount of an item property, plant and equipment the cost replacing part of such an item when that cost is incurred if the recognition criteria are met. The carrying amount of those parts that are replaced is derecognized in accordance with the de-recognition provision of this Standard (GRAP 17.19).

- A condition of continuing to operate an item of property, plant and equipment (for example, an aircraft) may be performing regular major inspections for faults regardless of whether parts of the item are replaced. When each major inspection is performed, its cost is recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any remaining carrying amount of the cost of the previous inspection (as distinct from physical parts) is derecognized. This occurs regardless of whether the cost of the previous inspection was identified in the transaction in which the item was acquired or constructed. If necessary, the estimated cost of a future similar inspection may be used as an indication of what the cost of the existing inspection component was when the item was acquired or constructed (GRAP 17.20)

Computer software will be capitalized and classified as intangible assets.

MAINTENANCE

Maintenance Strategy

Each directorate must develop a maintenance strategy that will ensure that the assets of Stellenbosch Municipality are maintained at an adequate operational level or standard by ensuring that all statutory, technical and operational objectives are achieved. This strategy must ensure that tangible assets under the custody and control of the relevant directors are properly maintained and repaired so that their possible maximum useful lives are realised.

Directorates Responsibilities

Each Directorate is responsible for ensuring:

- i. That all tangible assets under their control are maintained in a good

working condition. The directorates must take adequate care that the working environments for the various assets are appropriate and suitable for such types of tangible assets.

- ii. That their assets are not misused or used for personal use or benefit.
- iii. That repair and maintenance costs incurred is reviewed and properly controlled.
- iv. The development of a maintenance program according to their operating budget resources. The program must provide a schedule of the repairs and maintenance to be done. The program must also consist of planned and unplanned repairs and maintenance to be performed.
- v. The following matrix will assist in distinguishing capital expenditure from maintenance expenditure:

CAPITAL EXPENDITURE	MAINTENANCE
<ul style="list-style-type: none"> • Acquiring a new asset 	<ul style="list-style-type: none"> • Restoring an asset so that it can continue to be used for its intended purpose
<ul style="list-style-type: none"> • Replacing an existing asset 	<ul style="list-style-type: none"> • Maintaining an asset so that it can used for the period for which it was initially intended
<ul style="list-style-type: none"> • Enhancing an existing asset so that its use is expanded 	
<ul style="list-style-type: none"> • Further developing an existing asset so that its original useful life is extended 	

When assets are capitalized a distinction should be made on whether the new asset is purchased to replace an existing asset or whether it is a total new asset that is purchased.

Assets held under leases

- **Finance leases** are leases, which in effect transfer all risks and rewards associated with the ownership of an asset from the lessor to the lessee. Assets held under finance leases are capitalized by the municipality and reflected as such in the fixed asset register. It will be capitalized at its leased value at commencement of the lease, which will be the price stated in the lease agreement. The asset is then depreciated over its expected useful life.

- **Operating leases** are those leases which do not fall within the scope of the above definition. Operating lease rentals are expensed as they become due. Assets held under operating leases are not accounted for in the asset registers of the municipality.

INVESTMENT PROPERTY

- An item shall be recognised as investment property if it meets the definition. Investment property is recorded at cost.
- Disclosable value measured at recognition:
 - Initially at acquisition cost plus transaction cost, or nominal value
 - Where acquired at no cost or nominal value, fair value at acquisition is deemed to be cost for disclosure
 - If held under a lease and classified as Investment Property, is the lower of fair value and the present value of the minimum lease payments
- Cost value is determined according to the requirements of the GRAP standard on Investment Property.
- Assets classified as Investment Property shall be re-defined once such assets usage changes

Cost Model

Investment property is, subsequent to initial measurement, carried at cost less accumulated depreciation and any accumulated impairment losses

Depreciation is provided to write down the cost, less estimated residual value by equal instalments over the useful life of the property, which is as follows:

Item	Useful life
Property – buildings	30-99 years
Property – land	indefinite

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable

Depreciation

- Depreciation will be done in accordance with the GRAP frame work
- The depreciable amount of an item of property, plant or equipment should be allocated on a systematic basis over its useful life.
- Stellenbosch Municipality's depreciation method will be the straight-line method for all assets of the Council unless otherwise agreed to in writing by the Director: Financial Services.
- Depreciation shall be calculated from the day the fixed asset is available for use (commissioning date) (GRAP 17.65).
- If the cost of land includes the cost of site dismantlement, removal and restoration, the portion of the land asset is depreciated over the period of benefits or service potential obtained by incurring those costs. In some cases, the land itself may have a limited useful life, in which case it is depreciated in a manner that reflects the benefits or service potential to be derived from it (GRAP 17.69).

Review of residual value and useful life

- The residual value and useful life of an asset should be reviewed at least at each reporting date (GRAP 17.61).
- If the review indicates that a change has taken place and expectations differ from previous estimates, the changes should be accounted for as a change in the accounting estimate in accordance with the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.
- The remaining useful life of capital assets should be reviewed annually and, if expectations are significantly different from previous estimates, the depreciation charge for the current and future periods should be adjusted.
- This review should be done by the asset manager in conjunction with the impairment review.
- The review of useful life is a check to see if there is any evidence to suggest that expected life should be changed.
- The Table of Useful Lives is provided in the MFMA Local Government Capital Asset Management Guideline (Refer to Annexure A). These should be used as a guide to the minimum useful lives only because actual asset lives experienced greatly exceed those recommend lives.
- The residual value of an asset may increase to an amount equal to or greater than the asset's carrying amount. If it does, the asset's depreciation charge is zero unless and until its residual value subsequently decreases to an amount below the asset's carrying amount (GRAP 17.64).

Impairment of assets

The accounting treatment relating to impairment losses is outlined as follows in GRAP 17:

- The carrying amount (Book value) of an item or a group of identical items of property, plant and equipment should be reviewed periodically in order to assess whether or not the recoverable amount has declined below the carrying amount.
- Recoverable amount is the higher of a cash – generating asset's net selling price and its value in use.
- When such a decline has occurred, the carrying amount should be reduced to the recoverable amount. The amount of the reduction should be recognized as an expense immediately.
- The recoverable amount of individual assets, or groups of identical assets, is determined separately and the carrying amount reduced to recoverable amount on an individual asset, or group of identical assets, basis.
- However, there may be circumstances when it may not be possible to assess the recoverable amount of an asset on this basis, for example when all of the plant and equipment in a sewerage purification work is used for the same purpose. In such circumstances, the carrying amount of each of the related assets is reduced in proportion to the overall decline in recoverable amount of the smallest grouping of assets for which it is possible to make an assessment of recoverable amount.

The following may be indicators that an item of PPE has become impaired:

- The asset has been damaged.
- The asset has become technologically obsolete.
- The asset remains idle for a considerable period either prior to it being put into use or during its useful life.
- Land is purchased at market value and is to be utilized for subsidized housing developments, where the subsidy is less than the purchase price.

Procedure to identify, budget and account for impairment losses:

- The following needs to be done to ensure that impairment losses that are identified by the above indicators are budgeted for during the operating budget cycle and are accounted for in the next financial year. The following steps will have to be performed during the operating budget cycle:

Financial Services Directorate - Asset Management Section shall issue a memo to all directorates requesting them to identify assets that:

- a) Are in a state of damage at the start of the operating budget cycle;
- b) Are technologically obsolete at the start of the operating budget cycle; This can be facilitated if directorates require that Financial Services Directorate - Asset Management - section to supply them with a Fixed Asset Register printout pertaining to major assets showing the remaining useful lives of assets. The directorates can then assess and indicate cases where the assessed remaining useful life is shorter than the remaining useful life on the printout.
- c) Have remained idle for a considerable period either prior to them being put into uses at the start of the operating budget cycle or during their useful life;
- d) Are subject to impairment losses because the subsidies to be received in exchange for assets are less than the carrying amounts. An example of this is Land that is purchased at market value and is to be utilized for subsidized housing developments;
 - The recoverable amounts of these assets need to be calculated by calculating the Net selling Price per asset as defined above.
 - The impairment loss per asset needs to be calculated as the difference between the Net selling price and the book value of the asset.
 - The impairment loss needs to be budgeted for.
 - The following steps will have to be performed regularly during the year to account for impairment losses:

Directorates will identify and inform Financial Services Directorate - Asset Control section of assets that:

- a) Are in a state of damage at year-end,
- b) Are technologically obsolete at year-end. This can be facilitated if directorates require Finance Directorate - Asset Control section to supply them with a Fixed Asset Register printout pertaining to major assets showing the remaining useful lives of assets. The directorates can then assess and indicate cases where the assessed remaining useful life is shorter than the remaining useful life on the printout.
- c) Have remained idle for a considerable period either prior to them being put into uses at year-end or during their useful life
- d) Are subject to impairment losses because the subsidies to be received in exchange for assets are less than the carrying amounts. An example of this is Land that is purchased at market value and is to be utilized for subsidized housing developments. The recoverable amounts of these assets need to be calculated by calculating the Net selling Price per asset as defined above.

The impairment loss per asset needs to be calculated as the difference between the Net selling price and the book value of the asset.

The impairment loss needs to be accounted for by identifying the relevant funding source.

Disclosure requirements relating to impairment losses:

All material impairment losses need to be disclosed in the notes to the income statement as a separately disclosed item. They are normally disclosed as part of the note on the amounts that are included in the calculation of the Net Surplus or Deficit for the year.

DISPOSAL AND RETIREMENTS

Governance

Section 14 and 90 of the MFMA governs the disposal of assets. This section provides inter alia:

- The council may not dispose of assets that are utilized to provide minimum level of basic municipal services.
- Assets other than those utilized to provide minimum level of basic service may be disposed of subject to Council approval.
- An item of property, plant or equipment should be eliminated from the Statement of Financial Position, on disposal or when the asset is permanently withdrawn from use and no future economic benefits or potential service delivery is expected from its disposal, in accordance with GRAP 100.
- Gains or losses arising from the retirement or disposal of an item of property, plant or equipment should be determined as the difference between the actual or estimated net disposal proceeds and the carrying amount of the asset, and should be recognized as revenue or expense in the Statement of Financial Performance.

Procedures

- a) Any items declared obsolete or damaged will be handed in to the Finance department - Asset Control section for safekeeping.
- b) No items will be received by the Financial Services Directorate, Asset

Management section without a completed AT form and attached condemnation forms, counter signed by Finance Directorate - Asset Management section, describing the status of the item and the reason for writing-off the item.

- c) Directorates must ensure that assets are disposed of in terms of the SCM policy.
- d) It is the responsibility of each directorate to ensure that all such assets to be disposed of are delivered to and received at the Finance Directorate - Asset Management section.
- e) Approval for the disposal of assets is considered by the Municipal Manager only after a recommendation has been obtained from the following persons:
 - i. Vehicles and Plant - The Fleet Manager and applicable Directorate;
 - ii. Computers - Information Technology Manager;
 - iii. Other Items - Directors (Asset Managers) within the different directorates.
- f) After the approval of the Municipal Manager has been obtained, any vehicle written off must be deregistered immediately.
- g) All asset items lost, stolen or damaged must be reported to the Financial Services Directorate – Insurance section as well as Finance Directorate - Asset Management section by completing the AT form.
- h) All asset items lost or stolen also need to be reported to the SAPS by the relevant department.

An item of property, plant and equipment should be eliminated from the balance sheet on disposal or when the asset is permanently withdrawn from use and no future economic benefits or potential service delivery is expected from when it is disposed of.

Gains and losses arising from the retirement or disposal of an item of property, plant and equipment should be determined as the difference between the actual or estimated net disposal proceeds and the carrying amount of the asset, and should be recognized as revenue or expense in the Statement of Financial Performance.

The accounting treatment relating to the profit or loss on the sale of property, plant & equipment is outlined in GRAP 17. The following is a summary of the relevant aspects:

Profits and losses, which are disclosed in total in the financial statements, are *calculated by use of the following formula:* -

<i>Proceeds</i>	Sales value, trade-in value or proceeds received from insurance if the asset was damaged or stolen.
<i>Less: Carrying value</i>	Cost, or if valued, revaluation amount, less accumulated depreciation up to the date of sale or when asset can no longer be used for its intended purpose.
<i>Equals PROFIT or</i>	If proceeds greater than carrying value, or
<i>Equals LOSS</i>	If proceeds less than carrying value.

12. INTERNAL CONTROL OVER ASSETS

- Establishment and Management of the Financial Asset Register:

The Chief Financial Officer will establish and maintain the Asset Register containing key financial data on each item of Property, Plant or Equipment that satisfies the criterion for recognition as per the accounting standards.

Each Asset Manager is responsible to ensure that sufficient controls exist to substantiate the quantity, value, location and condition of all assets in the asset register.

Each Asset Manager must appoint an Asset Champion in each Directorate/Section which will be responsible to ensure that the asset listings are verified and kept up to date in collaboration with the Directorate: Finance Services.

- Contents of the Fixed Asset Register

The fixed asset register shall be maintained in the format determined by the Director: Financial Services, which format shall comply with the requirements of generally recognized accounting practice (GRAP) and any other accounting requirements which may be prescribe Directors under whose control any fixed asset falls shall promptly provide Director: Financial

Services in writing with any information required to compile the fixed asset change which may occur in respect of such information. Contents of the Financial Asset Register:

The details included in the Asset Register will include:

- The depreciation methods used
- The useful live
- Depreciation charge
- The carrying amount
- The accumulated depreciation
- Additions
- Disposals and transfers
- Date of acquisition
- Date of disposal (if relevant)
- Asset description
- Historical cost of the asset
- Asset classification
- Asset ID
- Residual value

Internal Controls over the Financial Asset Registers

- Controls around their asset register should be sufficient to provide an accurate, reliable and up to date account of assets under their control to the standards specified by the Chief Financial Officer and required by the Auditor-General.
- Controls around the asset registers should be sufficient to provide Directors with an accurate, reliable and up to date account of assets under their control to the standards specified by the Director: Finance and required by relevant legislation.

These controls will include the physical management and recording of all acquisition, assignments, transfers, losses and disposals of assigned assets as well as regular asset counts and systems audits to confirm the adequacy of controls.

Identification of fixed assets:

The Municipal Manager shall ensure that the municipality maintains a fixed asset identification system which shall be operated in conjunction with its computerized fixed asset register.

Transfers, Reallocation or Reassignment of Property, Plant or Equipment

- a) An Asset Manager retains management accountability and control for a particular asset until another Asset Manager in writing does accept responsibility for that asset, and the Chief Financial Officer endorses the transfer.
- b) The Asset Manager must advise the Chief Financial Officer on the prescribed form whenever an asset is permanently or temporarily reallocated or reassigned from one location to another.
- c) The form must be completed and signed by both the sender and receiver
- d) The Director: Financial Services will appropriately amend the Asset Register with all approved transfers.
- e) Assets must solely and exclusively be used for the purpose of the
- f) Council's business.

Verification of fixed assets

- a) Financial Services Directorate: Asset Management Section shall at least once during every financial year undertake a comprehensive verification of all fixed assets controlled or used by the directorate concerned.
- b) Finance Directorate: Asset Management Section shall promptly and fully report in writing to the Director: Financial Services in the format determined by the Director: Financial Services, all relevant results of such fixed asset verification, provided that each such asset verification shall be undertaken and completed as closely as possible to the end of each financial year, and that the resultant report shall be submitted to the Director: Financial Services not later than 30 June of the year in question.

Asset listings

- a) The Chief Financial Officer must submit within six months after each financial year, asset listings of capitalised assets to all Asset Managers.
- b) At all times these asset listings should indicate the assets in particular location and should be easily accessible.
- c) When employees get appointed or resign from any specific post the relevant asset listings must be verified and accordingly endorsed by the Asset Champion for the specific workplace.
- d) All changes on asset listing sheets must be reported in writing to the Director: Financial Services within 7 days of when change took place.

13. FINANCIAL DISCLOSURE

Assets must be disclosed in respect of each class of property, plant and equipment, in accordance with Generally Recognized Accounting Practice.

14. CLASSIFICATION OF ASSETS

Any asset recognized as an asset under this policy will be classified according to categories as per the Fixed Asset Register. All fixed assets should be classified under the following headings in the Asset Register:

Property, plant and equipment:

Other Assets

Other Assets shall be recorded under the following main categories;

- Bins and Containers;
- Emergency Equipment;
- Furniture and Fittings;
- Motor Vehicles;
- Office Equipment;
- Plant and Equipment;
- Specialised Vehicles;
- Watercraft; and
- Other Assets.

Heritage Assets

A Heritage Asset is an asset that has historical, cultural or national importance and needs to be preserved. The following is a list of some typical heritage assets encountered in the municipal environment:

- Archaeological sites;
- Conservation areas;
- Historical buildings or other historical structures (such as war memorials);
- Historical sites (for example, historical battle site or site of a historical settlement);
- Museum exhibits;
- Public statues; and

- Works of art (which will include paintings and sculptures).

Intangibles Assets

- Computer Software
- Databases

Community Assets

Community Assets shall be recorded under the following main categories;

- Recreational Facilities;
- Sporting Facilities; and
- Other Facilities.

Land and Buildings

Land and buildings shall be treated using the cost model.

Land shall be accounted for at cost, and shall not be depreciated. Land on which infrastructure and community assets are located shall be identified as land and buildings and not disclosed together with the infrastructure and community assets. Land not registered in the name of the municipality but controlled by the municipality by virtue of owner-occupied buildings thereon, shall be recognised at cost.

Buildings shall be accounted at cost, less any accumulated depreciation and any accumulated impairment losses.

Investment property

The classification of an investment property is based on management's judgement; the following criteria will be applied to distinguish investment properties from owner-occupied property or property held for resale:

Investment property	PPE	Non-current assets held for sale
the asset generates its own cash flows in the form of rentals (on a commercial basis)	rental income earned is below market value, and the asset is held for service delivery rather than to generate a commercial return	land and other properties held for sale within the next 12 months, if the criteria in GRAP 100 are met
the asset is held for capital appreciation	the asset is held to achieve service delivery objectives rather than to earn rental or for capital appreciation	
investment property that is being redeveloped for continued use as an investment property	property that is being constructed or developed for future use as investment property (until the asset meets the definition of investment property it is accounted for as PPE)	
Land held for an undetermined use	owner occupied-property such as office buildings and residential buildings occupied by staff members (assets used by employees, irrespective of whether or not the employees pay rent at market rates, are owner-occupied)	

The judgement of the Management of Stellenbosch Municipality is that the following classes of Municipal Property will be classified as Investment Property:

- Land held for long-term capital appreciation rather than for short-term sale in

the ordinary course of operations which council intends to sell at a beneficial time in the future.

- Land held for a currently undetermined future use.
- A building owned by the municipality (or held by the municipality under a finance lease) and leased out under one or more operating leases on a commercial basis.
- A building that is currently vacant but is held to be leased out under one or more operating leases on a commercial basis to external parties.

ANNUAL REVIEW ON THE POLICY

This policy will be reviewed and updated annually or whenever legislative or accounting standards amendments significantly change the requirements pertaining to asset management in general and the administration of property, plant and equipment at a sooner event.

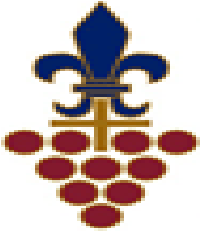
GENERAL

This policy does not overrule the requirement to comply with other policies like supply chain management, tendering or budget policies. The Chief Financial Officer will provide guidance or recommend an amendment to this policy to comply with the essence and understanding of the policies, regulations or legislation being conflicted.

COMMENCEMENT

01 July 2015

Asset Transfer form



STELLENBOSCH MUNICIPALITY

ANNEXURE "A"

ASSET MOVEMENT / WRITE OFF FORM

GENERAL INFORMATION

Type of asset movement to be recorded (indicate with X)

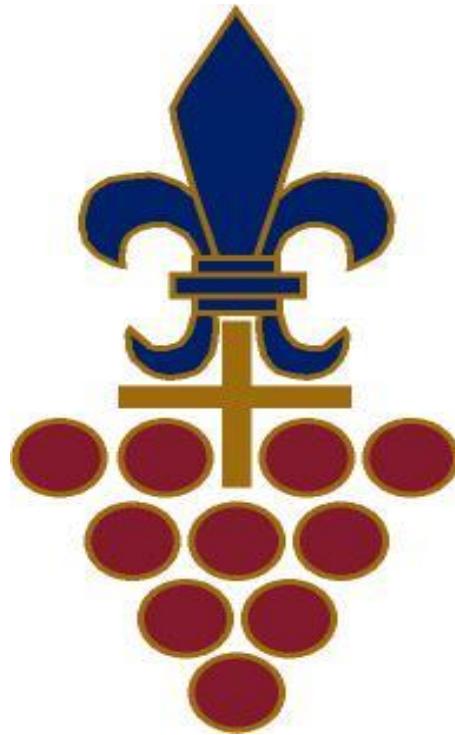
Asset Transfer: Interdepartmental				Asset Obsolete/Damaged/Written-Off			
Asset Transfer: Unused Asset to Stores				Asset Written-Off due to Loss (Burglary/Theft)			
Basic Asset Data				Asset Description		SERIAL NUMBER	
Asset Bar Code	Location Bar Code	No. from	Location Bar Code				

AUTHORISATION OF TRANSACTION – LINE MANAGER		
Signature	Name & Surname (Print)	Title

Recipient Confirmation		
Condition of Asset when received	Received By	Date

Remarks:
 Good

STELLENBOSCH MUNICIPALITY



**BUDGET IMPLEMENTATION AND
MONITORING POLICY**

2019/2020



STELLENBOSCH MUNICIPALITY

BUDGET IMPLEMENTATION AND MONITORING POLICY

TABLE OF CONTENTS

	PAGE
1. PREAMBLE.....	1
2. DEFINITIONS	2
3. OBJECTIVES OF POLICY	7
4. BUDGET PREPARATION PROCESS	8
5. BUDGET PRINCIPLES	15
6. ADJUSTMENTS BUDGETS	21
6.1 Formats of adjustments budgets.....	22
6.2 Funding of the adjustments budgets	22
6.3 Timeframes for tabling of adjustments budgets	22
6.4 Submission of tabled adjustments budgets	23
6.5 Approval of adjustment budget	24
6.6 Publications of approved adjustment budget.....	24
6.7 Submission of approved adjustments budget and other documents	24
7. BUDGET IMPLEMENTATION.....	26
8. REVIEW OF POLICY	27

1. PREAMBLE

In the spirit of the Municipal Finance Management Act, (No.56 of 2003) “ to modernize budget and financial management practices by placing local government finances on a sustainable footing in order to maximize the capacity of municipalities to deliver services to all residents customers, users and investors” and,

Whereas chapter 4 of the Municipal Finance Management Act, (No 56 of 2003) determines that a municipality may, except where otherwise provided in the Act, incur expenditure only in terms of an approved budget; and within the limits of the amounts appropriated for the different votes in an approved budget,

In terms of the Budget and Reporting Regulations the municipality has to adopt a policy which includes the following:

1. a policy dealing with the shifting of funds within votes
2. a policy dealing with the introduction of adjustment budgets
3. policies dealing with unforeseen and unavoidable expenditure
4. policies dealing with management and oversight

Therefore the Stellenbosch Municipality revised its Budget Policy to give effect to the Budget and Reporting Regulations as set out in this policy.

2. DEFINITIONS

"Accounting officer" means a person appointed in terms of section 82(l) (a) or (b) of the Municipal Structures Act;

"Allocation", means-

- (a) a municipality's share of the local government's equitable share referred to in section 214(l) (a) of the Constitution;
- (b) an allocation of money to a municipality in terms of section 214(1) (c) of the Constitution;
- (c) an allocation of money to a municipality in terms of a provincial budget; or
- (d) any other allocation of money to a municipality by an organ of state, including by another municipality, otherwise than in compliance with a commercial or other business transaction;

"Annual Division of Revenue Act" means the Act of Parliament, which must be enacted annually in terms of section 214 (1) of the Constitution;

"Approved budget," means an annual budget-

- (a) approved by a municipal council, or
- (b) includes such an annual budget as revised by an adjustments budget in terms of section 28 of the MFMA;

"Basic Municipal Service" means a municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety or the environment;

"Budget-related Policy" means a policy of a municipality affecting or affected by the annual budget of the municipality, including-

- (a) the tariff policy, which the municipality must adopt in terms of section 74 of the Municipal Systems Act;
- (b) the rates policy which the municipality must adopt in terms of legislation regulating municipal property rates; or
- (c) the credit control and debt collection policy, which the municipality must adopt in terms of section 96 of the Municipal Systems Act;

"Budget transfer" means transfer of funding within a function / vote subject to limitations.

"Budget Year" means the financial year of the municipality for which an annual budget is to be approved in terms of section 16(1) of the MFMA;

"Chief Financial Officer" means a person designated in terms of section 80(2) (a) of the MFMA;

"councillor" means a member of a municipal council;

"current year" means the financial year, which has already commenced, but not yet ended;

"delegation", in relation to a duty, includes an instruction or request to perform or to assist in performing the duty;

"executive mayor" means the councillor elected as the executive mayor of the municipality in terms of section 55 of the Municipal Structures Act;

"financial recovery plan" means a plan prepared in terms of section 141 of the MFMA

"financial year" means a twelve months period commencing on 1 July and ending on 30 June each year

"financing agreement" includes any loan agreement, lease, and instalment purchase contract or hire purchase arrangement under which a municipality undertakes to repay a long-term debt over a period of time;

"fruitless and wasteful expenditure" means expenditure that was made in vain and would have been avoided had reasonable care been exercised;

"irregular expenditure", means-

- (a) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the MFMA , and which has not been condoned by Council (b) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the Municipal Systems Act, and which has not been condoned in terms of that Act;
- (b) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998); or

(c) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality or entity or any of the municipality's by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law, but excludes expenditure by a municipality which falls within the definition of "unauthorised expenditure";

"investment/s", in relation to funds of a municipality, means-

- (a) the placing on deposit of funds of a municipality with a financial institution; or
- (b) the acquisition of assets with funds of a municipality not immediately required, with the primary aim of preserving those funds;

"local community" has the meaning assigned to it in section 1 of the Municipal Systems Act;

"Municipal Structures Act" means the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998);

"Municipal Systems Act" means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000);

"long-term debt" means debt repayable over a period exceeding one year;

"municipal council" or "council" means the council of a municipality referred to in section 18 of the Municipal Structures Act;

"municipality"-

- (a) when referred to as a corporate body, means a municipality as described in section 2 of the Municipal Systems Act; or
- (b) when referred to as a geographic area, means a municipal area determined in terms of the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998);

"municipal service" has the meaning assigned to it in section 1 of the Municipal Systems Act (refer to the MSA for definition);

"municipal tariff" means a tariff for services which a municipality may set for the provision of a service to the local community, and includes a surcharge on such tariff;

"National Treasury" means the National Treasury established by section 5 of the Public Finance Management Act;

"official", means-

- (a) an employee of a municipality or municipal entity;
- (b) a person seconded to a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity; or
- (c) a person contracted by a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity otherwise than as an employee;

"overspending"-

- (a) means causing the operational or capital expenditure incurred by the municipality during a financial year to exceed the total amount appropriated in that year's budget for its operational or capital expenditure, as the case may be;
- (b) in relation to a vote, means causing expenditure under the vote to exceed the amount appropriated for that vote; or
- (c) in relation to expenditure under section 26 of the MFMA, means causing expenditure under that section to exceed the limits allowed in subsection (5) of this section;

"quarter" means any of the following periods in a financial year:

- (a) 1 July to 30 September;
- (b) 1 October to 31 December;
- (c) 1 January to 31 March; or
- (d) 1 April to 30 June;

"service delivery and budget implementation plan" means a detailed plan approved by the executive mayor of a municipality in terms of section 53(l)(c)(ii) of the MFMA for implementing the municipality's delivery of municipal services and its annual budget, and which must indicate-

- (a) projections for each month of-
 - (i) revenue to be collected, by source; and
 - (ii) operational and capital expenditure, by vote;
- (b) service delivery targets and performance indicators for each quarter; and
- (c) any other matters that may be prescribed, and includes any revisions of such plan by the executive mayor in terms of section 54(l) (c) of the MFMA;

"unauthorised expenditure", means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3) of the MFMA, and includes-

- (a) overspending of the total amount appropriated in the municipality's approved budget;
- (b) overspending of the total amount appropriated for a vote in the approved budget;
- (c) expenditure from a vote unrelated to the department or functional area covered by the vote;
- (d) expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;
- (e) spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or
- (f) a grant by the municipality otherwise than in accordance with the MFMA;

"virement" refer to the definition of budget transfer

"vote" means-

- (a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the
- (b) municipality; and
- (c) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

3. OBJECTIVES OF POLICY

The objective of the budget policy is to:

- a) Set out the principles which the municipality will follow in preparing each medium term revenue and expenditure framework budget
- b) Outline the responsibilities of the executive mayor, the accounting officer, the chief financial officer and other senior managers in compiling the budget
- c) Establish and maintain procedures to ensure adherence to Stellenbosch Municipality's Integrated Development Plan (IDP) review and budget processes
- d) Give effect to the requirements and stipulations of the Municipal Finance Management Act and Municipal Budget and Reporting Framework in terms of the planning, preparation and approval of the annual and adjustments budgets

The policy shall apply to all staff and councillors of the Stellenbosch Municipality that are involved in budget implementation.

4. BUDGET PREPARATION PROCESS

4.1 Budget Steering Committee

- a) The mayor of a municipality must establish a budget steering committee to provide technical assistance to the mayor in discharging the responsibilities set out in section 53 of the Act.
- b) The steering committee must consist of at least the following persons:
- I. the councilor responsible for financial matters;
 - II. the municipal manager;
 - III. the chief financial officer;
 - IV. the senior managers responsible for at least the three largest votes in the municipality;
 - V. the manager responsible for budgeting;
 - VI. the manager responsible for planning; and
 - VII. any technical experts on infrastructure.

4.2 Roles and responsibilities

4.2.1 Executive Mayor

- a) As provided in Section 21(1) of the MFMA, the Mayor is responsible for:
- I. Co-ordinating the process for preparing the annual budget and for reviewing the Integrated Development Plan (“IDP”) and budget related-policies;
 - II. Tabling in the council a time schedule outlining key deadlines.
- b) In addition, as provided in Section 21(2) of the MFMA, for purposes of preparing the budget, the Mayor is required to:
- I. Take into account the Municipality’s IDP;
 - II. Take all reasonable steps to ensure that the Municipality revises the IDP;
 - III. Take into account the national budget, the provincial budget, the national government’s fiscal and macro-economic policy, the Annual Division of Revenue Act and any agreements reached in the budget forum;

- IV. Consult the relevant district municipality, if applicable, and local municipalities within the district, the provincial treasury, and when requested, the national treasury, and any national organs of state as may be prescribed;
- V. Provide on request information to the National Treasury and other organs of state and other municipalities affected by the budget.

c) Pursuant to Section 52 of the MFMA the mayor must:

- I. provide general political guidance over the fiscal and financial affairs of the municipality;
- II. in providing such general political guidance. may monitor and. to the extent provided in
- III. the MFMA, oversee the exercise of responsibilities assigned in terms of the MFMA to the accounting officer and the chief financial officer, but may not interfere in the exercise of those responsibilities;
- IV. must take all reasonable steps to ensure that the municipality performs its constitutional and statutory functions within the limits of the municipality's approved budget;
- V. must within 30 days of the end of each quarter. submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality; and
- VI. must exercise the other powers and perform the other duties assigned to the mayor in terms of the MFMA or delegated by the council to the mayor.

d) As Required by Section 53 of the MFMA, the mayor must:

- I. provide general political guidance over the budget process and the priorities that must guide the preparation of a budget;
- II. co-ordinate the annual revision of the integrated development plan in terms of section 34 of the Municipal Systems Act and the preparation of the annual budget, and determine how the integrated development plan is to be taken into account or revised for the purposes of the budget; and
- III. take all reasonable steps to ensure that:
 - a. the municipality approves its annual budget before the start of the budget year;
 - b. the municipality's service delivery and budget implementation plan is approved by the mayor within 28 days after the approval of the budget; and

- c. the annual performance agreements as required in terms of section 57(1)(6) of the Municipal Systems Act, for the municipal manager and all senior managers comply with the MFMA and in particular, the provisions of Section 53(1)(c)(iii) of the MFMA;
- iv. promptly report to the municipal council and the MEC for finance in the province any delay in the tabling of an annual budget, the approval of the service delivery and budget implementation plan or the signing of the annual performance agreements referred to above; and
- v. ensure-
 - a. that the revenue and expenditure projections for each month and the service delivery targets and performance indicators for each quarter. as set out in the service delivery and budget implementation plan, are made public no later than 14 days after the approval of the service delivery and budget implementation plan: and
 - b. that the performance agreements of the municipal manager, senior managers and any other categories of officials as may be prescribed are made public no later than 14 days after the approval of the municipality's service delivery and budget implementation plan. Copies of such performance agreements must be submitted to the council and the MEC for local government in the province.

4.2.2 Accounting Officer

- a. The Accounting Officer shall provide technical and administrative support to the Executive Mayor in the preparation and approval of the annual and adjustment budgets, as well as the consultative process and the furnishing of information.
- b. The Accounting Officer shall ensure that all heads of departments provide the inputs required by the Chief Financial Officer for the purpose of preparing the budget.
- c. The Accounting Officer shall delegate to the Chief Financial Officer all such powers as may be necessary for the Chief Financial Officer to prepare the budgets.

4.2.3 Chief Financial Officer

- a. The Chief Financial Officer shall provide technical and administrative support to the Executive

Mayor in the preparation and approval of the annual and adjustment budgets, as well as the consultative process and the furnishing of information.

- b. The Chief Financial Officer shall be responsible for preparing the budgets, as delegated by the Accounting Officer.
- c. The Chief Financial Officer shall ensure that the annual and adjustments budgets comply with the requirements of the National Treasury, reflect the budget priorities determine by the mayor, are aligned with the IDP, and comply with all budget-related policies, and shall make recommendations to the mayor on the revision of the IDP and the budget-related policies where these are indicated.

4.2.4 Directors directly accountable to the Accounting Officer

- a. Directors shall provide technical and administrative support to the Executive Mayor in the preparation and approval of the annual and adjustment budgets, as well as the consultative process and the furnishing of information.

4.3 Public participation process

a) Immediately after the draft resolutions of the annual budget is tabled in a municipal council, the Accounting Officer of the municipality must— in accordance with Chapter 4 of the Municipal Systems Act-

- I. make public the annual budget and the documents referred to in section 17(3); and
- II. invite the local community to submit representations in connection with the budget; and
- III. submit the annual budget—(draft budget)
- IV. in both printed and electronic formats to the National Treasury and the relevant provincial treasury as prescribed by National Treasury ; and
- V. in either format to any prescribed national or provincial organs of state and to other municipalities affected by the budget.

b) When the annual budget has been tabled, the municipal council must consider any views of-

- I. the local community; and
- II. the National Treasury, the relevant provincial treasury and any provincial or national organs of state or municipalities which made submissions on the budget.

c) The Municipal Manager must also make public any information that the municipal council considers appropriate to facilitate the budget consultation process, including:

- i. Summaries of the annual budget and supporting documents in alternate language predominant in the community; and
- ii. Information relevant to each ward in the municipality
- iii. All the information contemplated in sub-regulation (c) must cover
- iv. The relevant financial and service delivery implications of the annual budget; and
- v. At least the previous year's actual outcome, the current year's forecast outcome, the budget year, and the following two years.

d) When submitting the annual budget to the National Treasury and the relevant provincial treasury, the municipal manager must also submit to National Treasury and the relevant provincial treasury, both in printed and electronic form –

- I. The supporting budget documentation as tabled in the municipal council;
- II. The draft Service Delivery and Budget Implementation Plan (SDBIP); and
- III. Any other information as may be required by National Treasury.

e) The Municipal Manager must send copies of the annual budget and supporting documentation as tabled in the municipal council, in both printed and electronic form to:

- I. Any other municipality affected by the annual budget within ten working days of the annual budget being tabled in the municipal council; and
- II. Any organ of state on receipt of a request from the organ of state.

f) After considering all budget submissions, the council must give the Executive Mayor an opportunity-

- I. to respond to the submissions; and
- II. if necessary, to revise the budget and table amendments for consideration by the council.

g) Within consideration of the approval of the Annual Budget and thirty (30) days before the start of the budget year the Executive Mayor must table the following documents in the Council in consideration of the annual budget approval

- I. A report summarizing the local community's views on the annual budget;

- II. Any comments on the annual budget received from National Treasury and Provincial Treasury;
- III. Any comments on the annual budget received from any organ of state, including any affected municipality; and
- IV. Any comments on the annual budget received from any other stakeholders.

h) The Municipal Manager must assist the Executive Mayor in the preparation of the documents referred to in sub-regulation (g) and 23 (2) of the Act.

4.4 Approval of the budget

- (a) Council shall consider the medium term revenue and expenditure framework budget (MTREF) for approval not later than 31 May (30 days before the start of the budget year).
- (b) The council resolution must contain budget policies and the performance measures to be adopted.
- (c) The council must consider the full implications, financial or otherwise, of the annual budget and supporting documentation before approving the annual budget.
- (d) When approving the annual budget, the council must consider and adopt separate resolutions dealing with each of the matters contemplated.
- (e) Should the municipality fail to approve the budget before the start of the budget year, the executive mayor must inform the MEC for Finance that the budget has not been approved.
- (f) The budget tabled to Council for approval shall include the following supporting documents:
 - I. draft resolutions approving the budget and levying property rates, other taxes and
 - II. tariffs for the financial year concerned;
 - III. measurable performance objectives for each budget vote, taking into account the
 - IV. municipality's IDP;
 - V. the projected cash flows for the financial year by revenue sources and expenditure
 - VI. votes;
 - VII. any proposed amendments to the IDP;
 - VIII. any proposed amendments to the budget-related policies;
 - IX. particulars of any proposed allocations or grants to other municipalities, municipal
 - X. entities, external mechanisms assisting the municipality in service delivery, other

- XI. organs of state, and organizations such as non- governmental organizations,
- XII. welfare institutions and so on;
- XIII. particulars of the municipality's investments;
- XIV. particulars of any proposed service delivery agreements, including material
- XV. amendments to existing service delivery agreements;
- XVI. the proposed cost to the municipality for the budget year of the salary, allowances
- XVII. and benefits of-

- (i) each political office-bearer of the municipality;
- (ii) councillors of the municipality; and
- (iii) the municipal manager, the chief financial officer, each senior manager of the municipality and any other official of the municipality having a remuneration package greater than or equal to that of a senior manager;

4.5 Service Delivery and Budget Implementation Plan (SDBIP)

a) The Executive Mayor must approve the Service Delivery and Budget Implementation Plan not later than 28 days after the approval of the Budget by Council, and within ten days (10) after the Executive Mayor has approved the Plan it has to be made public.

b) The SDBIP shall include the following components:

- I. Projections for each month of Revenue to be collected, by source, and Operational and capital expenditure, by vote;
- II. Service delivery targets and performance indicators for each quarter;
- III. Monthly projections of revenue to be collected for each source;
- IV. Monthly projections of expenditure (operating and capital) and revenue for each vote;
- V. Quarterly projections of service delivery targets and performance indicators for each vote;
- VI. Information for expenditure and delivery; and
- VII. Detailed capital works plan.

5. BUDGET PRINCIPLES

- a) The municipality shall ensure that revenue projections in the budget are realistic taking into account actual collection levels. The expenses may only be incurred in terms of the approved annual budget (or adjustments budget) and within the limits of the amounts appropriated for each vote in the approved budget.
- b) Stellenbosch Municipality shall prepare a three-year budget (medium term revenue and expenditure framework (MTREF)) which will be reviewed annually and will be approved by Council. The MTREF budget will at all times be within the framework of the Municipal Integrated Development Plan (IDP).
- c) The annual budget will consist of a Capital and Operating Budget which will be discussed below:

5.1 Capital Budgets

- a) The capital budget refers to the allocations made to specific infrastructural projects and the purchase of equipment and other forms of assets having a lifespan of more than one year.

5.1.1 Basis of Calculation

- a) The zero based method is used in preparing the annual capital budget, except in cases where a contractual commitment has been made that would span over more than one financial year.
- b) The annual capital budget shall be based on realistically anticipated revenue (capital loans to be taken up will be deemed to be part of this), which should be equal to the anticipated capital expenditure in order to result in a balanced budget.
- c) The impact of the capital budget on the current and future operating budgets in terms of finance charges to be incurred on external loans, depreciation of fixed assets, maintenance of fixed assets and any other operating expenditure to be incurred resulting directly from the capital expenditure, should be carefully analyzed when the annual capital budget is being compiled.
- d) In addition, the council shall consider the likely impact of such operational expenses- net of any revenues expected to be generated by such item- on future property rates and service tariffs.

5.1.2 Financing

1. Own Financing Sources

The Council shall establish a Capital Replacement Reserve (CRR) for the purpose of financing capital projects and the acquisition of capital assets. Such reserve shall be established from the following:

- a) unappropriated cash-backed surpluses to the extent that such surpluses are not required for operational purposes;
- b) further amounts appropriated as contributions in each annual or adjustments budget; and
- c) net gains on the sale of fixed assets in terms of the fixed asset management and accounting policy.

2. Other Finance Sources

The Ad- Hoc capital budget shall be financed from external sources such as the following:

- a) Grants and subsidies as allocated in the annual Division of Revenue of Act;
- b) Grants and subsidies as allocated by Provincial Government;
- c) External Loans;
- d) Private Contributions;
- e) Contributions from the Capital Development Fund (developer's contributions); and
- f) Any other financing source secured by the local authority.

5.1.3 Implementation

- a) After the budget has been approved, the service delivery and budget implementation plan (SDBIP) should be compiled.
- b) The SDBIP must be tabled to the Mayor within 28 days after aforementioned approval.
- c) Each director has to indicate the intended spending patterns of both their capital and operating budgets. (Cash flows)
- d) These listed cash flows are consolidated into the Service Delivery and Budget Implementation Plan of the organisation.

- e) The SDBIP will be monitored on a monthly basis where actual spending will be compared with the planned spending as indicated by the directors at the beginning of the year.
- f) Each directorate can use their respective vote numbers as indicated on the capital budget

5.2 Operational Budget

The operational budget refers to the funds that would be raised in the delivery of basic services, grants & subsidies and any other municipal services rendered. These funds are in turn used to cover the expenses incurred in the day to day running of the organization.

5.2.1 Basis of Calculation

- a) A zero based approach is used in preparing the annual operating budget.
- b) The annual operating budget shall be based on realistically anticipated revenue.
- c) An income based approach shall be used whereby realistically anticipated income is determined first and the level of operating expenditure would be based on the determined income flows.

5.2.2 Financing

The operating budget shall be financed from the following sources:

- a) Service Charges
 - (i) Electricity Charges
 - (ii) Water Sales
 - (iii) Refuse Removal Fees
 - (iv) Sewerage Fees

Increases in tariffs should be cost reflective.

- b) Property rates

Increases in rates will as far as possible be limited to inflation.

c) Grants & Subsidies

Grants and subsidies shall be based on all the gazetted grants and subsidies plus all other subsidies received by the organization.

d) Interest on Investments

The budget for interest and investment shall be in accordance with the Cash Management and Investment policy of the organization.

e) Rental Fees

Income from rental property will be budgeted for based on the percentage growth rate as determined by Financial Services for a particular budget year.

f) Fines

Income from fines will be budgeted for based on the actual income received in the preceding year (calculated on the basis of actual receipts until end of February of each year, extrapolated over 12 months) and the percentage growth rate as determined by Financial Services for a particular budget year.

g) Other Income

All other income items will be budgeted for based on the actual income received in the preceding year (calculated on the basis of actual receipts until end of February of each year, extrapolated over 12 months) and the percentage growth rate as determined by Financial Services for a particular budget year.

5.2.3 Implementation

- a) After the budget has been approved, the service delivery and budget implementation plan (SDBIP) is compiled.
- b) The SDBIP must be tabled to the Mayor within 28 days after aforementioned approval.

- c) Each director has to indicate the intended spending patterns of both their capital and operating budgets. (Cash flows)
- d) These listed cash flows are consolidated into the Service Delivery and Budget Implementation Plan of the organisation.
- e) The SDBIP will be monitored on a monthly basis where actual spending will be compared with the planned spending as indicated by the directors at the beginning of the year.
- f) Each directorate can use their respective vote numbers as indicated on the capital budget.

5.3 Contents of the Budget

- a) The budget must comply with the provisions of Section 17(1) of the MFMA, and in particular:
 - i. The budget must be in the format prescribed by the regulations;
 - ii. The budget must reflect the realistically expected revenues by major source for the budget year concerned;
 - iii. The expenses reflected in the budget must be divided into the votes of the various departments of the municipality;
 - iv. The budget must also contain:
 - 1. the foregoing information for the two years immediately succeeding the financial year to which the budget relates;
 - 2. the actual revenues and expenses for the previous financial year , and
 - 3. the estimated revenues and expenses for the current year.
- b) The budget must be accompanied by all of the documents referred to in Section 17(3) of the MFMA.
- c) For the purposes of Section 17(3) (k) of the MFMA, the salary, allowances and benefits of each group referred to therein must be stated individually.

5.4 Components of the Budget

- a) The annual budget and adjustments budget shall, as required by Section 17(2) of the MFMA consist of:
- I. the capital component, and
 - II. the operating component.
- b) The operating component shall duly reflect the impact of the capital component on:
- I. Compensation of employees & Remuneration of Councilors
 - II. Bulk Service Expenses
 - III. Depreciation charges;
 - IV. Repairs and maintenance expenses;
 - V. Interest payable on external borrowings; and
 - VI. Other operating expenses.
- c) Before approving the capital budget component of the annual or adjustments budget, the council shall consider the impact of the capital component on the present and future operating budgets of the municipality in relation to the items referred to:
- I. The projected cost covering all financial years until the project is operational;
 - II. The future operational costs and revenue on the project, including municipal tax and tariff implications.
 - III. All capital projects have an effect on future operating budgets. The following cost factors must therefore be considered before approval:
 - 1) Additional personnel cost to staff new facilities once operational;
 - 2) Additional contracted services, such as security, cleaning etc.
 - 3) Additional general expenditure, such as services cost, stationery, telephones, material etc.
 - 4) Additional other capital requirements to operate the facility, such as vehicles, plant and equipment, furniture and office equipment etc.
 - 5) Additional costs to maintain the assets;
 - 6) Additional interest and redemption in the case of borrowings;
 - 7) Additional depreciation charges;
 - 8) Additional revenue generation. The impact of expenditure items must be offset by additional revenue generated to determine the real impact on tariffs.

6. ADJUSTMENTS BUDGETS

- (a) Each adjustments budget shall reflect realistic excess, however nominal, of current revenues over expenses.
- (b) The chief financial officer shall ensure that the adjustments budgets comply with the requirements of the National Treasury, reflect the budget priorities determined by the executive mayor, are aligned with the IDP, and comply with all budget-related policies, and shall make recommendations to the executive mayor on the revision of the IDP and the budget-related policies where these are indicated.
- (c) Council may revise its annual budget by means of an adjustments budget as regulated.
- (d) The Accounting Officer must promptly adjust its budgeted revenues and expenses if a material under-collection of revenues arises or is apparent.
- (e) The Accounting Officer shall appropriate additional revenues, which have become available but only to revise or accelerate spending programmes already budgeted for or any areas of critical importance identified by Council in compliance with Item 2 of Section 10.
- (f) The Council shall in such adjustments budget, and within the prescribed framework, confirm unforeseen and unavoidable expenses on the recommendation of the Executive Mayor.
- (g) Only the Executive mayor shall table an adjustment budget. Adjustments budget shall be done once as part of the mid-year budget performance assessment.
- (h) An adjustments budget must contain all of the following:
 - I. an explanation of how the adjustments affect the approved annual budget
 - II. appropriate motivations for material adjustments; and
 - III. an explanation of the impact of any increased spending on the current and future annual budgets.
- (i) Any unappropriated surplus from previous financial years, even if fully cash-backed, may not be used to balance any adjustments budget, but may be appropriated to the municipality's capital replacement reserve.

- (j) Municipal taxes and tariffs may not be increased during a financial year except if required in terms of a financial recovery plan and or per National Treasury Regulations.
- (k) Unauthorised expenses may be authorised in an adjustments budget.

6.1 Formats of adjustments budgets

- (a) An adjustment budget and supporting documentation of a municipality must be in the format specified by National Treasury and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act.

6.2 Funding of the adjustments budgets

- (a) An adjustments budget of a municipality must be appropriately funded.
- (b) The supporting documentation to accompany an adjustments budget in terms of section 28(5) of the Act must contain an explanation of how the adjustments budget is funded.

6.3 Timeframes for tabling of adjustments budgets

- (a) An adjustments budget referred to in section 28(2)(b), (d) and (f) of the Act may be tabled in the municipal council at any time during the mid-year budget and performance assessment has been tabled in the council, but not later than 28 February of the current year.
- (b) Only one adjustments budget referred to in subregulation (1) may be tabled in the municipal council during a financial year, except when the additional revenues contemplated in section 28(2)(b) of the Act are allocations to a municipality in a national or provincial adjustments budget, in which case subregulation (3) applies.
- (c) If a national or provincial adjustments budget allocates or transfers additional revenues to a municipality, the mayor of the municipality must, at the next available council meeting, but within 60 days of the approval of the relevant national or provincial adjustments budget, table an adjustments budget referred to in section 28(2)(b) of the Act in the municipal council to appropriate these additional revenues.

- (d) An adjustments budget referred to in section 28(2)(c) of the Act must be tabled in the municipal council at the first available opportunity after the unforeseeable and unavoidable expenditure contemplated in that section was incurred within the period set in section 29(3) of the Act.
- (e) An adjustments budget referred to in section 28(2)(e) of the Act may only be tabled after the end of the financial year to which the roll-overs relate, and must be approved by the municipal council by 25 August of the financial year following the financial year to which the roll-overs relate.
- (f) An adjustments budget contemplated in section 28(2)(G) of the Act may only authorise unauthorised expenditure as anticipated by section 32(2)(a)(i) of the Act, and must be –
- (g) dealt with as part of the adjustments budget contemplated in subregulation (1); and
- (h) a special adjustments budget tabled in the municipal council when the mayor tables the annual report in terms of section 127(2) of the Act, which may only deal with unauthorised expenditure from the previous financial year which the council is being requested to authorise in terms of section 32(2)(a)(i) of the Act.

6.4 Submission of tabled adjustments budgets

- (a) The municipal manager must comply with section 28(7) of the Act, read together with section 22(b)(i) of the Act, within ten working days after the mayor has tabled an adjustments budget in the municipal council.
- (b) When submitting the tabled adjustments budget to the National Treasury and the relevant provincial treasury in terms of section 28(7) of the Act, read together with section 22(b)(i) of the Act, the municipal manager must submit in both printed and electronic form
 - i. the supporting documentation referred to in section 28(5) of the Act within ten working days of the adjustments budget being tabled in the municipal council; and
 - ii. any other information as may be required by National Treasury.
- (b) The municipal manager must send copies of an adjustments budget and supporting documentation, in both printed and electronic form to –
 - i. any other municipality affected by that adjustments budget within ten working days of the adjustments budget being tabled in the municipal council; and

- II. any other organ of state on receipt of a request from that organ of state.

6.5 Approval of adjustment budget

- (i) A municipal council must consider the full implications, financial or otherwise, of the adjustments budget and supporting documentation referred to in section (1) (a) before approving the adjustments budget.
- (j) When approving the adjustment budget, a municipal council must consider and adopt separate resolutions dealing with each of the matters listed in item 4 of Schedule B.

6.6 Publications of approved adjustment budget

- (a) Within ten 10 working days after the municipal council has approved an adjustment budget, the municipal manager must in accordance with section 21A of the Municipal Systems Act make public the approved adjustments budget and supporting documentation, as well as the resolutions referred to in section 5 (a).
- (b) When making public an adjustment budget and supporting documentation, the municipal Manager must make public awareness of the adjustment budget, including –
- (c) Summaries of the adjustment budget and supporting documentation in alternate languages predominant in the community;
- (d) Information relevant to each ward in the municipality, if that ward is affected by the adjustments budget; and
- (e) Any consequential amendment of the service delivery and budget implementation plan that is necessitated by the adjustments budget.

6.7 Submission of approved adjustments budget and other documents

- (a) The municipal Manger must comply with section 28(7) of the Act read together with section 24(3) of the Act within ten working days after the municipal council has approved and adjustments budget.

- b) When submitting an adjustments budget to National Treasury and other relevant provincial treasury in terms of section 28(7) of the Act read together with section 24(3) of the Act, the municipal manager must also submit to National Treasury and the relevant provincial treasury, in both printed and electronic form –
- i. The supporting documentation within ten working days after the municipal council has approved the adjustments budget;
 - ii. The amended service delivery and budget implementation plan, within ten working days after the council has approved the amended plan in terms of the section 54(1)(c) of the Act; and
 - iii. Any other information as may be required by the National Treasury.
- (c) The municipal manager must send copies of an adjustments budget and supporting documentation, in both electronic and printed form to –
- i. Any other municipality affected by that adjustments budget within ten (10) working days of the adjustments budget being tabled in the municipal council; and
 - ii. Any other organ of state on receipt of a request from that organ of state.

7. BUDGET IMPLEMENTATION

7.1 Monitoring (Section 71 of MFMA)

- (a) The Accounting Officer with the assistance of the Chief Financial Officer and other senior managers is responsible for the implementation of the budget, and must take all reasonable steps to ensure that:
- I. funds are spent in accordance with the budget;
 - II. expenses are reduced if expected revenues are less than projected; and
 - III. revenues and expenses are properly monitored.

7.2 Reporting

7.2.1 Monthly budget statements (Section 71 of the MFMA)

- (b) Accounting Officer with the assistance of the Chief Financial Officer must, not later than ten working days after the end of each calendar month, submit to the Executive Mayor and Provincial and National Treasury a report in the prescribed format on the state of the municipality's budget for such calendar month, as well as on the state of the budget cumulatively for the financial year to date.
- (c) This report must reflect the following:
- i. actual revenues per source, compared with budgeted revenues;
 - ii. actual expenses per vote, compared with budgeted expenses;
 - iii. actual capital expenditure per vote, compared with budgeted expenses;
 - iv. actual borrowings, compared with the borrowings envisaged to fund the capital budget;
 - v. the amount of allocations received, compared with the budgeted amount;
 - vi. actual expenses against allocations, but excluding expenses in respect of the equitable share;
 - vii. explanations of any material variances between the actual revenues and expenses as indicated above and the projected revenues by source and expenses by vote as set out in the service delivery and budget implementation plan;

- viii. the remedial or corrective steps to be taken to ensure that the relevant projections remain within the approved or revised budget; and
- ix. projections of the revenues and expenses for the remainder of the financial year, together with an indication of how and where the original projections have been revised.

7.2.2 Quarterly Reports (Section 52 of MFMA)

- (a) The Executive Mayor must submit to Council within thirty days of the end of each quarter a report on the implementation of the budget and the financial state of affairs of the municipality. The report submitted to National and Provincial Treasury must be both in electronic format and in a signed written document.

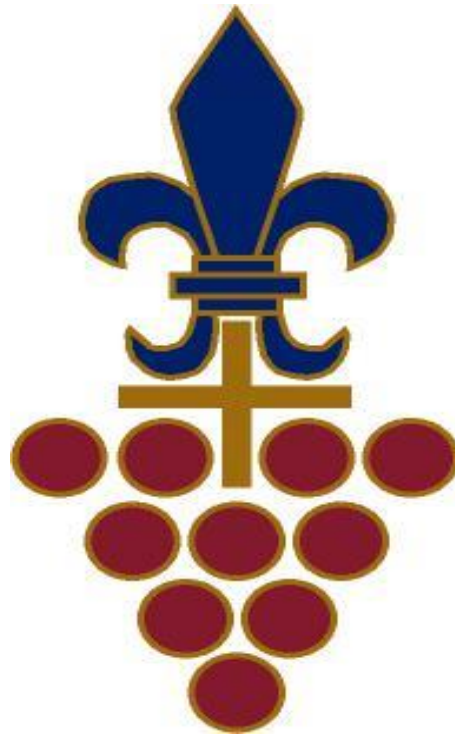
7.2.3 Mid-year budget and performance assessment (Section 72 and 88 of MFMA)

- (a) The Accounting Officer must assess the budgetary performance of the municipality for the first half of the financial year, taking into account all the monthly budget reports for the first six months, the service delivery performance of the municipality as against the service delivery targets and performance indicators which were set in the service delivery and budget implementation plan.
- (b) The Accounting officer must then submit a report on such assessment to the Executive Mayor by 25 January each year and to Council, Provincial Treasury and National Treasury by 31 January each year.
- (c) The Accounting Officer may in such report make recommendations after considering the recommendation of the Chief Financial Officer for adjusting the annual budget and for revising the projections of revenues and expenses set out in the service delivery and budget implementation plan.

8. REVIEW OF POLICY

- (a) This shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives, good governance, prudent expenditure management and with relevant legislation.

STELLENBOSCH MUNICIPALITY



**BORROWING, FUNDS AND
RESERVES POLICY**

2019/2020



STELLENBOSCH MUNICIPALITY

BORROWING, FUNDS AND RESERVES POLICY

TABLE OF CONTENTS

	PAGE
1. INTRODUCTION	2
2. BACKGROUND AND APPROACH	2
3. LEGISLATIVE REQUIREMENTS	2
4. FUNDING POLICY	3
4.1. OPERATING BUDGET	4
4.2. CAPITAL BUDGET	5
5. RESERVES POLICY	7
6. BORROWING POLICY	8
7. CORPORATE GOVERNANCE (OVERSIGHT)	11
8. TRANSITIONAL ARRANGEMENT	11
9. POLICY MANAGEMENT	11

1. INTRODUCTION

The documented **Borrowing, Funds and Reserves Policy**, sets out the framework for the prudent use of Borrowing, Funds and Reserves available to the Municipality.

This Policy should be implemented in conjunction with the approved **Liquidity Policy**. The Liquidity Policy sets out the prudent level of cash to be maintained by the Municipality as one of several factors to ensure long term financial sustainability. It is however of equal importance to protect, maintain and extend the infrastructure of the Municipality to ensure the continued provision of services at an acceptable standard.

This policy is implemented to provide guidance on the appropriation of capital funding resources on a sustainable basis in the longer term.

2. BACKGROUND AND APPROACH

With reference to the applicable legislation as referred to in paragraph 3 below. Legislation exists and prescribes the framework of a Borrowing as well as Funds and Reserves Policy and these factors will all be addressed in this Policy.

Although legislation provides guidance as to the broader framework to ensure financial management of resources to ensure the Council meets all of its obligations timeously, it is not prescriptive with regards to quantifying not only the prudent level of Borrowing, Funds and Reserves but more so the optimal level hereof.

Therefore in this Policy cognisance has been taken of the legislative guidelines whilst more prescriptive guidelines are set for the optimal management and monitoring of resources to the Municipality's avail based on sound financial practices.

3. LEGISLATIVE REQUIREMENTS

The legislative framework governing borrowings, funds and reserves are:

- 1.1. Local Government Municipal Finance Management Act, Act 56 of 2003 (MFMA) must be complied with; and

- 1.1.1. MFMA Circular 71 stipulates the following guidelines regarding borrowing:

Capital Cost (Interest Paid and Redemption) as a % of Total Operating Expenditure

(Capital Cost (Interest Paid and Redemption) / Total Operating Expenditure) x100

Criteria: 6% - 8%

Debt (Total Borrowings) / Revenue

(Overdraft + Current Finance Lease Obligation + Non Finance Lease Obligation + Short Term Borrowings + Long Term Borrowings) / Total Operating Revenue

Criteria: Maximum 45%

1.2. Local Government Municipal Budget and Reporting Regulation, Regulation 393, published under Government Gazette 32141, 17 April 2009.

4. FUNDING POLICY

The Local Government Municipal Budget and Reporting Regulation, Regulation 393, published under Government Gazette 32141, 17 April 2009 stipulates:

8. (1) *Each municipality must have a funding and reserves policy which must set out the assumptions and methodology for estimating –*

- (a) *projected billings, collections and all direct revenues;*
- (b) *the provision for revenue that will not be collected;*
- (c) *the funds the municipality can expect to receive from investments;*
- (d) *the dividends the municipality can expect to receive from municipal entities;*
- (e) *the proceeds the municipality can expect to receive from transfer or disposal of assets;*
- (f) *the municipality's borrowing requirements;*
- (g) *the funds to be set aside in reserves.*

In terms of Section 18 and 19 of the MFMA an **annual budget** may only be funded from:

Cash backed accumulated funds from previous years' surpluses not committed for other purposes:

Transfers from the accumulated surplus to fund operating expenditure will only be allowed for specific once-off projects with no recurring operating expenditure resulting thereof.

Borrowed funds, but only for capital projects:

Actual capital expenditure may only be incurred on a capital project if the funding for the project has been appropriated in the Capital Budget, but has also been secured from the financial source that is not committed for another purpose.

Realistically anticipated revenues to be collected:

Realistic anticipated revenue projections must take into account projected revenue for the current year based on actual collection levels in previous financial years.

4.1. OPERATING BUDGET

The Operating Budget should be cash funded. The Operating Budget is funded from the following main sources of revenue:

- a) Property Rates;
- b) Surplus generated from Service Charges;
- c) Government Grants and Subsidies;
- d) Other revenue, fines, interest received etc.;

The following guiding principles apply when compiling the Operating Budget:

- a) Growth parameters must be realistic taking into account the current economic conditions;
- b) Tariff adjustments must be in line with the following approved policies: ***Tariff Policy and Indigent Policy***;
- c) Revenue from Government Grants and Subsidies must be in line with allocations gazette in the Division of Revenue Act and provincial gazettes. Transfers of a conditional nature must be appropriated only as prescribed and should not be used to fund the Operating Budget;
- d) Revenue from public contributions, donations or any other grants may only be included in the Budget if there is acceptable documentation that guarantees the funds and if the transfers are unconditional of nature;

- e) Provision for revenue that will not be collected is made against the expenditure item bad debt and based on actual collection levels for the previous financial year and the reasonably projected annual non-payment rate;
- f) Interest received from actual Long-term and or Short-term Investments are based on the amount reasonably expected to be earned on cash amounts available during the year according to the expected interest rate trends. The actual amount allocated for interest on investments is contributed to the Capital Replacement Reserve;
- g) A detailed salary budget is compiled on an annual basis. All funded positions are budgeted for in total as well as new and/or funded vacant positions. As a guiding principle the salary budget should not constitute more than 35% of annual Operating Expenditure;
- h) Depreciation charges are fully budgeted for according to the Asset Register.
- i) The annual cash flow requirement for the repayment of borrowings must fully be taken into consideration with the setting of tariffs;
- j) Sufficient provision must be made for the maintenance of existing infrastructure based on affordable levels. The maintenance budgets are normally lower than the recommended levels. As a guiding principle repair and maintenance should constitute between 5% and 8% of total operating expenditure and should annually be increased incrementally until the required targets are achieved;
- k) Individual expenditure line items are to be revised each year when compiling the budget to ensure proper control over expenditure.

4.2. CAPITAL BUDGET

The capital budget provides funding for the municipality's capital programme based on the needs and objectives as identified by the community through the Integrated Development Plan and provides for the eradication of infrastructural backlogs, renewal and upgrading of existing infrastructure, new developments and enlargement of bulk infrastructure.

The capital budget is limited by the availability and access to the following main sources of funding:

- a) Accumulated cash backed internal reserves such as the Capital Replacement Reserve;
- b) External borrowings;
- c) Government Grants and Subsidies;
- d) Public Donations and Contributions.

The following guiding principles apply when considering sources of funding for the capital budget:

a) Government Grants and Subsidies:

- a. Only Government Gazetted allocations or transfers as reflected in the Division of Revenue Act or allocations as per Provincial Gazettes may be used to fund projects;
- b. The conditions of the specific grant must be taken into consideration when allocated to a specific project.

b) Public Donations and Contributions:

- a. In the case of public contributions, donations and/or other grants, such capital projects may only be included in the annual budget if the funding has been received by the municipality already.

c) External Borrowing:

- a. The borrowing requirements as contained in the **Borrowing Policy** in paragraph 6 are used as a basis to determine the affordability of external loans over the Medium Term Income and Expenditure Framework. The ratios to be considered to take up additional borrowings are as follows, unless in contravention with any loan covenants:
 - i. Estimated long-term credit rating of BBB and higher;
 - ii. Interest Paid to Total Expenditure not to exceed 5%;
 - iii. Total Long-term Debt to Total Operating Revenue (excluding conditional grants and transfers) not to exceed 35%;
 - iv. Operating Cash Surplus generated before loan repayments are made covers the Total Annual Repayment at least 1 time;
 - v. Percentages of Total Annual Repayment (Capital and Interest) to Operating Expenditure to be less than 10%.

d) Cash backed Reserves

- a. Allocations to capital projects from cash backed internal reserves will be based on the available funding for each ring-fenced reserve according to the conditions of each reserve. With reference to Paragraph 5, **Reserves Policy**.

All capital projects have an effect on future operating budget therefore the following additional cost factors should be considered before approval:

- a) Personnel cost to staff new facilities once operational;
- b) Contracted services, that is, security, cleaning etc.;
- c) General expenditure such as services cost, stationery, telephones, material etc.;
- d) Other capital requirements to the operate facility such as vehicles, plant and equipment, furniture and office equipment etc.;
- e) Costs to maintain the assets;
- f) Interest and redemption in the case of borrowings;
- g) Depreciation charges;
- h) Revenue generation as the additional expenses incurred may be offset by additional revenue generated to determine the real impact on tariffs.

5. RESERVES POLICY

All reserves are “ring fenced” as internal reserves within the accumulated surplus, except for provisions as allowed by the General Recognized Accounting Practices (GRAP):

- a) Housing Development Fund;
- b) Revaluation Reserve

The municipality endeavours to effectively utilise and maintain the **Capital Replacement Reserve** for the funding of capital replacement and renewal for future financial years. This reserve needs to be cash backed. This will provide the Municipality with a more balanced capital funding approach in the longer term thereby reducing the risk of reaching its maximum gearing ability or depleting its free cash.

This Reserve can be generated as follows from the Operating Budget; the following methodology needs to be read in conjunction with the **Liquidity Policy**:

a) Cash generated from Operating Activities:

- a. The Municipality has maintained a strong ability to generate surplus operational cash flow which it has used to fund most of its capital spending in the past;

- b. In the past depreciation charges could be considered sufficiently cash backed based on the cash surplus generated prior to capital spending. However going forward should capital spending increase sharply it will result simultaneously with Depreciation charges increasing sharply which may therefore in future not be fully supported by cash;
- c. Depreciation is a method to generate future cash. Therefore it is prudent to annually measure the cash coverage for depreciation charges until it is fully funded from cash through tariff setting;
- d. As at year end it is to be determined whether the Municipality meets its **Minimum Liquidity Criteria** as stipulated in the **Liquidity Policy**, excess cash in addition to this prescribed level is to be calculated and appropriated to the Capital Replacement Reserve and no more than 80% of the balance of the Capital Replacement Reserve as at year end should be allocated to the following year's capital budget unless sufficient recommendations are made to Council to substantiate such a decision.

b) Interest received on the investment made for the Capital Replacement Reserve

6. BORROWING POLICY

It is required that the Municipality comply with the guidelines of Chapter 6 of the MFMA with regards to Debt Disclosure as detailed in Sections 46, 47, 48 and 49. This section should be read in conjunction with point c) under paragraph 4.2. on page 6. External borrowings may only be incurred for approved capital programmes and may under no circumstances be allocated to fund the Operating Budget.

Municipal infrastructure has a long-term economic life and it is appropriate to fund assets of this nature with long term external borrowing. The economic life of assets should be equal to or longer than the tenure of the external borrowing.

The following needs to be taken into consideration when accessing external borrowing:

a) Types of loan financing

- a. Annuity Loans enable the Municipality to provide for the redemption of loans on an amortising basis which is generally the most cost effective method of financing often referred to as vanilla funding;

- b. Bullet Redemption Loans are attractive as interest on the loan is serviced with the capital redemption only taking place at the end of the tenure of the loan. However, this method is more costly as interest is paid on the full debt throughout the term as the Capital does not reduce. This type of loan also requires an annual contribution to a sinking fund, which in essence then mimics the traits of an annuity loan although at a higher cost. The use of such structure warrants a detailed motivation based on the benefits to the implementation of the capital project;
- c. Sculpted Repayment Loans offer a combination of the above two types, as loans are sculpted according to the potential cash flows to be generated from the capital project in future. For example the following can be included in a sculpted loan:
 - i. A capital grace period in the first years of the development of the capital project;
 - ii. An incremental annual increase in the repayment in relation to the projected growth in revenue from the project.

b) Interest Rate Risk Management

- a. The impact of interest and capital redemption payments on both the current and forecasted property rates and service charges through tariffs taking into consideration the current and future capacity of the consumer to pay therefore;
- b. Likely movement in interest rates for variable rate borrowings. There are benefits to be yielded from borrowing on a variable rate if rates are projected to decrease in future, however it is prudent for the Municipality to enter into fixed interest rate loans to accurately budget for expenses incurred.

c) Tenure of Borrowing

- a. The tenure of external borrowings should where possible match the economic useful life of the asset.

d) Security

- a. Unless sufficient motivation is provided and other than for the provision of a sinking fund for the redemption of a bullet loan, the provision of any security

against external borrowings, should be specifically motivated by the CFO for approval.

e) Loan Covenants

- a. The Municipality is to maintain a Loan Covenants Register detailing the covenants entered into with each active loan agreement until date of maturity thereof;
- b. Compliance with all loan covenants are to be monitored and reported on semi-annually to ensure that the Municipality does not breach any covenants;
- c. Should a default be triggered based on non-compliance with loan covenants, the Municipality is to alert Council and send the related Financial Institutions a written commitment to address the matter within a reasonable timeframe.

f) Level of gearing

- a. As stipulated in point c) under paragraph 4.2. on page 6, gearing is not only limited by the level of debt against the Total Operating Income (excluding conditional grants) but also limited by other operational factors including compliance with the stipulations of the approved **Liquidity Policy**.

7. CORPORATE GOVERNANCE (OVERSIGHT)

Compliance with the various stipulations as documented in this Borrowing, Funds and Reserves Policy need to be monitored by the Chief Financial Officer and reported on to the Municipal Manager on a monthly basis and to the Finance/Audit Committee on a quarterly basis.

Where compliance has been breached the Chief Financial Officer must present an action plan to correct the non-compliance. The Finance Committee must monitor the successful implementation of the corrective action plans and report progress to Council.

8. TRANSITIONAL ARRANGEMENT

Upon adoption of this policy by the Council, the Municipal Manager in conjunction with the Chief Financial Officer must determine the current performance levels of the Municipality against this Policy and present a plan of action towards achieving and maintaining the stipulation as set out in this policy thereby utilising a more blended funding mix for capital infrastructure investment.

The Council must approve an appropriate timeframe within which the Municipality must achieve the approved stipulations as set out in this Policy. The period between the date of the policy adoption by Council and the target date for compliance shall be known as the Transitional Period.

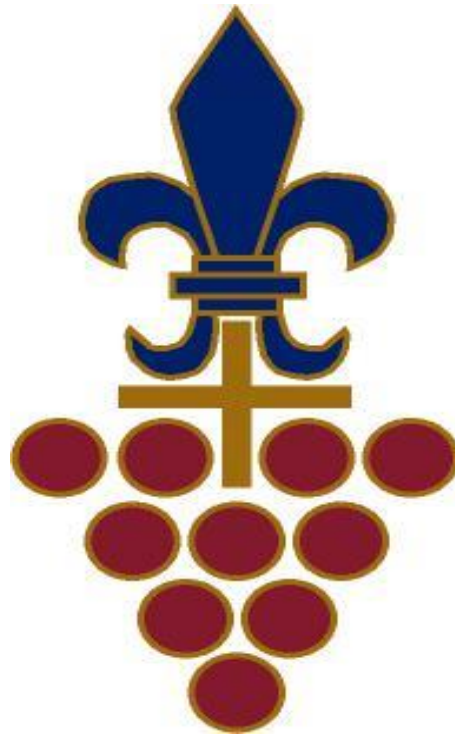
The Finance Committee must report progress during the approved Transitional Period to the Council.

9. POLICY MANAGEMENT

The Borrowing, Funds and Reserves Policy forms part of the Municipality's overall financial objectives and therefore forms part of approved Budget Policies. The policy must be reviewed at least annually during the budget revision and presented to Council for approval.

The Policy is effective from the date it is approved by Council.

STELLENBOSCH MUNICIPALITY



**FINANCING OF EXTERNAL
BODIES PERFORMING MUNICIPAL
FUNCTIONS POLICY**

2019/2020



STELLENBOSCH MUNICIPALITY

FINANCING OF EXTERNAL BODIES PERFORMING MUNICIPAL FUNCTIONS POLICY

Table of Contents

Page

1. DEFINITIONS.....	3
1. PURPOSE, AIMS AND OBJECTIVES	4
2. LEGAL FRAMEWORK.....	4
3. PUBLIC ADVERTISEMENT AND APPLICATION PROCEDURE.....	5
4. OBLIGATIONS OF THE ORGANISATION/BODY	6
5. RIGHTS OF THE MUNICIPALITY, CONTROL AND MONITORING	6
6. GRANT COMMITTEE.....	7
7. Funding acknowledgement of the Municipality	8
8. COMMENCEMENT	8

1. DEFINITIONS

1.1 In this policy unless the context indicates otherwise:

- 1.1.1 **“Accounting Officer”** means the Municipal Manager as referred to in section 60 of the Local Government: Municipal Finance Management Act, 56 of 2003 (“MFMA”);
- 1.1.2 **“Approved Budget”** means the Municipality’s annual budget approved by the Council in terms of section 24 of the MFMA and include an adjustment budget in terms of Section 28 of the MFMA;
- 1.1.3 **“Community”** means the residents within the Stellenbosch WCO24 area;
- 1.1.4 **“Constitution”** means the Constitution of the Republic of South Africa, 1996;
- 1.1.5 **“Director”** means a person appointed in terms of section 56 of the Systems Act who is directly accountable to the Municipal Manager;
- 1.1.6 **“Executive Mayor”** means the councillor elected as the Executive Mayor in terms of section 55 of the Local Government: Municipal Structures Act, 32 of 2000 (“the Structures Act”);
- 1.1.7 **“Chief Financial Officer”** or "CFO" means an official as envisaged in section 80(2)(a) of the Local Government: Municipal Finance Management Act, 56 of 2003 (“MFMA”);
- 1.1.8 **“Grant”** means a grant or allocation, as referred to in section 17(3)(j(ii) and 17(3)(j(iv) of the MFMA, made by the Municipality to any organisation or body referred to in section 67(1) and to be utilised to assist the Municipality in fulfilling its constitutional mandates including local tourism, municipal health services and such other municipal functions contemplated in Part B of Schedules 4 and 5 of the Constitution;
- 1.1.9 **“Grant Committee”** means the Committee established in terms of clause 7 of this policy;
- 1.1.10 **“official”** means an employee in the service of the Municipality;
- 1.1.11 **“organisation or body”** means those organisations or bodies outside any sphere of government making application for Grants in terms of this Policy, Which include associations, non-profit organisations or companies or trusts;
- 1.1.12 **“the Systems Act”** means the Local Government: Municipal Systems Act, 32 of 2000;
- 1.1.13 **“the Structures Act”** means the Local Government: Municipal Structures Act, 117 of 1998;
- 1.1.14 **“the MFMA”** means the Local Government: Municipal Finance Management Act, 56 of 2003;
- 1.1.15 **“the Municipality”** means the Stellenbosch Municipality and reference to Council has a similar meaning;

- 1.1.16 **“the Policy”** means the Financing of External Organisation/Bodies Performing Municipal Function Policy as set out in this document.
- 1.1.17 **"service delivery agreement"** or "MOA" means the agreement entered into between the Municipality and any organisation or body which received a Grant in terms of this Policy.

1. PURPOSE, AIMS AND OBJECTIVES

- 1.1 The purpose of this Policy is to provide a framework for financial assistance by Stellenbosch Municipality (“the Municipality”) to external organisations / bodies performing local government functions to the extent as set out in section 155(6)(a) and (7) of the Constitution as listed in Part B of Schedule 4 and 5.
- 1.2 The purpose of this Policy is to ensure the efficient performance of the municipal function entrusted to that external organisation/body in a manner which gives effect to the goals and objectives of the Municipality’s Integrated Development Plan ("IDP") by establishing partnerships between the municipality and the organisations and bodies performing the functions on behalf of the Municipality.
- 1.3 The Municipality will favour grants for achievement of outcomes aligned to the IDP. The objective of the funding of external bodies performing municipal functions is primarily to ensure the achievement of agreed outcomes to improve the health and well-being of the citizens and not to cover administrative costs and salaries.

2. LEGAL FRAMEWORK

- 2.1 In terms of section 156 of the Constitution, the Municipality has executive authority in respect of and the right to administer –
- 2.1.1 the local government matters listed in Part B of Schedule 4 and 5; and
- 2.1.2 any other matters assigned to it by national and provincial legislation.
- 2.2 Section 16(2) of the MFMA provides that the Mayor of the Municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year. Section 17(3)(j)(ii) and 17(3)(j)(iv) provides that when an annual budget is tabled in terms of section 16(2) it must include particulars of any proposed allocation or grants by the municipality to any municipal entities and other external mechanism assisting the municipality in the exercise of its functions or power and any organisation or bodies referred to in section 67(1).
- 2.3 Immediately after the tabling of the annual budget the accounting officer must make public the annual budget and invite the local community to submit representations in connection with the budget before the budget is approved by Council in terms of section 24 of the MFMA.
- 2.4 Section 67 of the MFMA provides that the Municipality implement and sustain proper and effective controls and procedures when transferring funds of the

- Municipality to an organisation or body outside any sphere of government.
- 2.5 Section 67(1) provides that the accounting officer must be satisfied that the organisation or body has the capacity and agreed to comply with any agreement with the Municipality including all reporting, financial management and auditing requirements as may be stipulated in the agreement, to report at least monthly to the accounting officer on actual expenditure against such transfer and to submit audited financial statements for its financial year to the accounting officer promptly. The organization must implement effective, efficient and transparent financial management and internal control systems to guard against fraud, theft and financial mismanagement and has the obligation to prove in terms of previous similar transfers that it has complied with all the requirements. The accounting officer must through contractual and other appropriate mechanism enforce compliance with this policy.
- 2.6 All transfer of funds in terms of this Policy shall comply with the Constitution, the Systems Act, the Structures Act, the MFMA and any other applicable legislation, regulations and policies that may govern the transfer of municipal funds and that are not in contradiction to the aforementioned legislation.

3. PUBLIC ADVERTISEMENT AND APPLICATION PROCEDURE

- 3.1 Applications for funding of external bodies performing municipal functions shall be considered where organisations or bodies have responded to advertisements published in the local newspapers distributed in the Stellenbosch Municipal Area calling upon organisations or bodies to submit proposals in the prescribed form, as set out 4.3 below, to perform a specific municipal function for a period up to 3 years. Such advertisements may be published quarterly by the accounting officer.
- 3.2 Advertisements should clearly specify the categories for which requests are called, the closing date for applications, who they should be addressed to, and where and how to obtain the relevant documentation pertaining to such applications, including the prescribed forms. Only applications made on the prescribed form (see Annexure A) may be considered.
- 3.3 The organisation/body must submit a detailed business plan with its application, confirming the envisaged outcomes their past achievements in the field and their commitment to performing that particular municipal function effectively and in line with Council's goals as set out in the IDP. Applications must be accompanied by a covering letter on the organisation/body letterhead, signed by the head of the organisation/body and must include the following information:
- 3.3.1 the organisation/body's legal name and a brief description of the organisation/body's business;
 - 3.3.2 the organisation/body's registration number, if any;
 - 3.3.3 the date of establishment, details of the organisation/body's members, founding documents, including constitution and certificates of incorporation;
 - 3.3.4 the contact name of the person signing the application, full street address, telephone number and email address of the organisation;
 - 3.3.5 if funding is required for a specific project, a brief description of the project and what it aims to achieve, as well as the detailed budget

- for and the duration of the project together with a written confirmation by the relevant municipal Director that the project is part of the IDP projects or programs;
- 3.3.6 references, independent of the organisation/body and the head of the organisation/body;
- 3.3.7 most recent audited financial statements not older than 24 months;
- 3.3.8 a summary of its past achievements; and
- 3.3.9 a declaration by the head of the organisation/body to the satisfaction of the Municipal Manager that the organisation/body implements effective, efficient and transparent financial management and internal control mechanism to guard against fraud, theft and financial mismanagement and has in the past complied with requirements for similar transfers of funds.
- 3.4 Individuals will not be considered or appointed as an organisation/body to provide a municipal function as contemplated in this Policy.
- 3.5 Organisations or bodies whose directors, managers, major shareholders or trustees are in service of the state will not be considered or appointed as an organisation/body to provide a municipal function as contemplated in this Policy.
- 3.6 The appointment of a particular organisation/body to perform a municipal function for a period of three (3) years does not guarantee financial support by the Municipality, which will be determined annually when the municipal budget is approved by the Municipal Council.
- 3.7 No late applications received, in response to an advertisement as contemplated in clause 3.1 and 3.2 above will be considered and processed by the Grant Committee.

4. OBLIGATIONS OF THE ORGANISATION/BODY

- 4.1 The head of the organisation/body must acknowledge in writing to the Municipal Manager that the money allocated was received in its bank account and that the money will be utilised in accordance with the completed and signed MOA, the submitted application and this Policy within 30 days of transfer of funds / payment, failing which no future grants may be considered.
- 4.2 The organisation / body shall submit monthly reports on actual expenditure against such transfer, the ward within which activities are conducted as well as the number of people benefiting from the activity to the Municipal Manager.
- 4.3 The relevant municipal Director must co-sign each monthly report to confirm monthly management and oversight of the activities.

5. RIGHTS OF THE MUNICIPALITY, CONTROL AND MONITORING

- 5.1 The relevant municipal Director shall be entitled, at any reasonable time from time to time, to verify and inspect the existence and activities of the organisation/body. The relevant municipal Director or his delegate has the right to physically visit the premises where the organisation/body or funded project is based, to peruse the budgets and any progress report related to the project.

- 5.2 The relevant municipal Director shall manage the service delivery agreement entered into between the Municipality and the organisation / body by inter alia receiving and considering monthly reports, inspecting financial records including audited financial statement.
- 5.3 If the organisation / body fails to comply with the terms and conditions of its service delivery agreement with the Municipality, the accounting officer may in consultation with the relevant municipal Director terminate the agreement with reasonable notice or grant the organization / body an opportunity to rectify the breach within an agreed period of not more than 90 days, failing which the accounting officer may terminate the agreement with reasonable notice.
- 5.4 The Municipality has the right not to give a Grant to any or all organisations/bodies applying for such Grants or to give proportional or partial grants to give. Having been awarded a Grant previously does not give an organisation/body the right to receive a Grant again.
- 5.5 The relevant municipal Director shall ensure that those organisations or bodies, who have received Grants in terms of this Policy:-
- 5.5.1 comply with all the provisions of the completed and signed MOA;
 - 5.5.2 comply with all reporting, financial management and auditing requirements as stipulated in the MOA;
 - 5.5.3 report at least monthly to the Municipality on actual expenditure against such transfer;
 - 5.5.4 promptly, or no longer than 4 months after the end of their financial year, submit their audited financial statements; and
 - 5.5.5 utilise the grant funding strictly in accordance with the approved business plan and approved budget.
- 5.6 The requirements in paragraphs 5.5.1 to 5.5.4 above shall not apply to organisations where the transfer does not exceed R200 000,00 (two hundred thousand rand), provided the Accounting Officer takes all reasonable steps to ensure that the targeted beneficiaries, as identified by the organisation or body in its application, receive the benefit of such grants and it certifies that compliance by that organisation or body with 5.5.1 to 5.5.4 above is uneconomical or unreasonable.

6. GRANT COMMITTEE

- 6.1 A Grant Committee consisting of at least the Municipal Manager, the Chief Financial Officer and one director of the Municipality, as well as any other official whom the Municipal Manager may include, shall evaluate all applications received in response to the local advertisement.
- 6.2 The Grant Committee will have the power to make recommendations to Council for final appointments and financial allocations.
- 6.3 The Grant Committee must submit a report on its decisions to the Council for final approval.
- 6.4 The Grant Committee shall, in terms of the Systems Act, establish a programme for community consultation and information dissemination regarding the appointment of any organisation/body and the availability of the service delivery agreement for perusal will be communicated to the local community through the media prior to any service delivery agreement being entered into between the Municipality and the organisation or body.

- 6.5 No payments in terms of the allocation will be made to any organisation / body until a service delivery agreement in the form approved by the accounting officer has been signed by the respective parties.
- 6.6 No payment can be made to an organisation/body until it has submitted its audited financial statements as contemplated in this Policy and a statement certified by its auditor that it has fully complied with its agreement with the Municipality.
- 6.7 Payments may be allocated as a once off amount or in tranches as determined by the CFO in consultation with the relevant municipal Director.

7. Funding acknowledgement of the Municipality

Successful applicants will be required to acknowledge the Municipality as the provider of Grant funding in their funding record as well as any public record in respect of Grants received in order to confirm that these transfers of funds are also part of the Municipality's endeavours to meet its strategic objectives and to assist it in carrying out its constitutional powers and functions.

8. COMMENCEMENT

This Policy called the **FINANCING OF EXTERNAL BODIES PERFORMING MUNICIPAL FUNCTIONS POLICY** takes effect on the date on which it is adopted by the Council.



STELLENBOSCH

STELLENBOSCH . PNIEL . FRANSCHHOEK

Municipality • Umasipala • Munisipaliteit

APPLICATION : FUNDING OF EXTERNAL BODIES PERFORMING A MUNICIPAL FUNCTION

NOTE: ONLY APPLICATIONS ON THIS PRESCRIBED FORM WILL BE CONSIDERED

PLEASE COMPLETE THE FOLLOWING:

A	<p>Registered name of organisation:</p> <p>.....</p>		
B	<p>Date and year in which the organisation was founded or incorporated (include brief description of business or activities of organisation):</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p>		
C	<p>Address:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <p>(i) Street</p> <p>.....</p> <p>.....</p> <p>.....</p> </td> <td style="width: 50%; vertical-align: top;"> <p>(ii) Postal</p> <p>.....</p> <p>.....</p> <p>.....</p> </td> </tr> </table> <p>Contact details:</p> <p>Name and Surname:</p> <p>Title/Position held:</p> <p>Tel: E-mail:</p>	<p>(i) Street</p> <p>.....</p> <p>.....</p> <p>.....</p>	<p>(ii) Postal</p> <p>.....</p> <p>.....</p> <p>.....</p>
<p>(i) Street</p> <p>.....</p> <p>.....</p> <p>.....</p>	<p>(ii) Postal</p> <p>.....</p> <p>.....</p> <p>.....</p>		
D	<p>List <u>ALL</u> the directors / board / committee members / shareholders / trustees of the organization (use additional pages if necessary):</p> <p>Name and Surname:</p> <p>Position:</p> <p>Contact Address and tel. no:</p> <p>Name and Surname:</p>		

Contact Address and tel. no:

Name and Surname:

Position:

Contact Address and tel. no:

Name and Surname:

Position:

Contact Address and tel. no:

Name and Surname:

Position:

Contact Address and tel. no:

Name and Surname:

Position:

Contact Address and tel. no:

D Indicate in which ward the organisation is active:

Ward: _____

Is the organisation a non-profit company? Yes No

If yes, provide company registration number: _____ -

Is the organisation a non-profit organisation as contemplated in section 13 of the Non-Profit Organisation Act, 1997? Yes No

If yes, provide registration number: _____ -

Is the organisation a public benefit organisation as contemplated in terms of the Income Tax Act, 1962? Yes No

If yes, provide registration number: _____ -

Is funding required for a specific project? Yes No

If yes, attach details separately.

Budget amount of projects:

Duration of project:

Is funding required for general support? Yes No

If yes, attach a copy of the organisation's overall budget and business plan.

<p>E</p>	<p>Category:</p> <p>Please categorise your application (mark with x):</p> <p>Tourism Destination Marketing & Visitors Information</p> <p>Tourism Development</p> <p>Animal Welfare</p> <p>Note: For more detail, see attached Funding of External Bodies Performing a Municipal Function Policy.(general guidelines and categories)</p> <p>Please indicate the specific type of project/programme, as per the Funding of External Bodies Performing a Municipal Function Policy</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p>
<p>F</p>	<p>The following <u>MUST</u> accompany this application:</p> <ol style="list-style-type: none"> 1. A copy of the latest, audited financial statements. 2. A copy of the Organisation’s Constitution or Memorandum of Incorporation as well as the resolutions/minutes adopting the Constitution or Memorandum of Incorporation. 3. A copy of a project/programme description and/or a business plan for the ensuing financial year. Including the following: <ul style="list-style-type: none"> • Full details of the proposal or project including its objectives, the number of people who will benefit and how the project will contribute or enhance the strategic objectives of Stellenbosch Municipality. • Commencement and completion dates of the project. • Information on the total cost of the project budget, including a breakdown of costs and an outline of any contribution by fundraising and/or own contribution. • A list of all other sources of funding together with the assessments. • A summary of past achievements. • References independent of the applicant and its executive. 4. An original copy of a correctly completed creditors control form of Stellenbosch Municipality. 5. If the Organisation received funding from Stellenbosch Municipality in the preceding financial year, you need to account for the expenditure of the funding received with your new application. 6. If the Organisation received funding from other bodies, please identify and list the amounts received;

	<ol style="list-style-type: none"> 7. If the Organisation is a non-profit company as defined in the section 1 of the Companies Act, 2008, a certificate/letter issued by the Companies and Intellectual Property Commission (CIPC) confirming registration must be attached; 8. If the Organisation has been registered as a “non-profit” organisation in terms of the Non-Profit Organisation Act, 1997, a certificate/letter issued by the Department of Social Development confirming registration as a non-profit organisation must be attached; 9. If the Organisation has been registered as a “Public Benefit Organisation” in terms of the Income Tax Act, 1962, a certificate/letter issued by SARS confirming the Organisation's tax exemption status must be attached; and 10. Valid Tax Clearance Certificate issued by SARS.
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<p>G</p>	<p>The following shall apply:</p> <ol style="list-style-type: none"> 1. The allocation of funds will only be considered if the application document has been fully completed and signed and is accompanied by the required and supporting documentation referred to therein. Applicants must in their submission clearly indicate / specify and motivate what the funding will be utilised for. 2. The funding must be exclusively utilised for the purpose defined and the successful applicant must submit the necessary undertaking to this effect. 3. Applicants must in their submission satisfy the Council of their ability to execute the project successfully. 4. Organisations who have already received financial or other assistance from the Council during the previous financial year <u>must</u> specify same in their application. 5. No funding will be considered for political groupings, church/sectarian bodies or ratepayers organisations. 6. No funding will be considered where only an individual will benefit or where a member of Council or an official of Stellenbosch Municipality will receive any financial or other gain. 7. Projects outside the boundaries of the Council will not be considered. 8. Subsequent requests from applicants to cover overspending on projects will not be considered. 9. Council will not pay any funds to anyone who has already procured against the perception that they will receive any municipal funds. 10. Successful applicants must at all times comply with the provisions of Section 67(1) of the Municipal Finance Management Act No. 56 of 2003 which <i>inter alia</i> stipulates that the organisation or body has to:- <ul style="list-style-type: none"> • Enter into and comply with a Memorandum of Agreement with the Municipality as well as with all reporting, financial management and auditing requirements as may be contained in such agreement. This memorandum of agreement will bind the successful applicant to deliver on what the application speaks to, but also to commit to become involved with municipal programmes of the community where it functions. The Memorandum of Agreement will be made available to successful applicants for completion. • Report monthly on the actual expenditure of the amount allocated.
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11. The Council reserves the right not to give funding to any or all organisations applying.
12. Having been awarded funding previously does not give an applicant the right to receive a grant/funding again.
13. Funding will not be considered where a project or organisation is already receiving funds from Council in terms of Council's functions. Applicants are required to disclose other sources of funding, failing which such applicant will be disqualified.
14. Funding will not be considered where in Council's opinion, an organisation received sufficient funds from other sources to sustain its activities or the project applied for. For this purpose, organisations must submit financial statements and budget for the ensuing financial year.
15. Organisations having received funding from Stellenbosch Municipality during the previous financial year, are required to attached to any new application, a copy of the financial statements relating to the year in which the funding was received from Council, as required in terms of section 67(1) of the Municipal Finance Management Act, 2003 (MFMA).

(The Funding of External Bodies Performing a Municipal Function Policy must be consulted for the sake of completeness)

H Undertaking:

I/We hereby verify that the information provided in this application is true and correct and that the conditions applicable to the allocation of funds as set out above have been read, understood and will be complied with.

I/We also declare that the organisation implements effective, efficient and transparent financial management and internal control mechanisms to guard against fraud, theft and financial mismanagement and has in the past complied with requirements for similar transfer(s) of funds.

This completed and signed at Stellenbosch on this.....day of.....20....

Chairperson / Authorised Representative

Secretary / Duly Authorised Signatory

I Please take note:

(i) That completed application forms together with all the required documentation must be delivered to:

**Director: Planning and Economic Development
P O Box 17
Stellenbosch
7599**

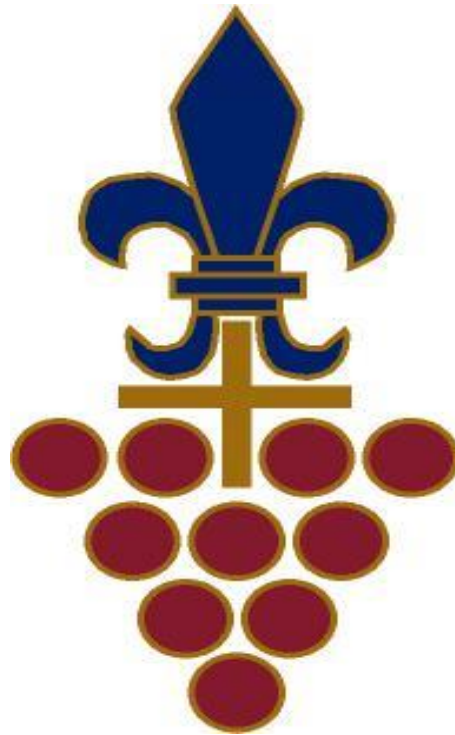
Or delivered to:

**58 Andringa Street
Stellenbosch
7600**

(ii) That the closing date for the submission of applications is: at
.....

(iii) That **neither late nor incomplete applications** shall be considered.

STELLENBOSCH MUNICIPALITY



LIQUIDITY POLICY

2019/2020



STELLENBOSCH MUNICIPALITY

LIQUIDITY POLICY

TABLE OF CONTENTS

	PAGE
1. INTRODUCTION	3
2. BACKGROUND AND APPROACH	3
3. LEGISLATIVE REQUIREMENTS	3
4. LIQUIDITY POLICY	4
4.1. KEY COMPONENTS OF MINIMUM LIQUIDITY REQUIRED:	4
4.2. CALCULATION OF AVAILABLE LIQUIDITY	5
4.3. IMPLEMENTATION AND MONITORING OF COMPLIANCE WITH LIQUIDITY POLICY:	6
5. CORPORATE GOVERNANCE (OVERSIGHT)	7
6. POLICY MANAGEMENT	7
ANNEXURE 1	8

1. INTRODUCTION

The documented Liquidity Policy sets out the minimum risk management measures that Stellenbosch Municipality has to implement and adhere to in order to ensure that its current and future liquidity position is managed in a prudent manner.

Liquidity is the amount of cash and / or “near cash” (which refers to assets or security that can easily and quickly be converted to cash), available to be utilized to meet obligations and / or pay commitments. The marketability or ability to buy or sell an asset without incurring unacceptable large losses thus determines the liquidity of an asset or defines it as near cash.

This Policy is implemented to provide guidance on the minimum liquidity level that Stellenbosch Municipality has to maintain in order to comply with required legislative and / or National Treasury directives and within the overall financial management objectives as approved/reviewed by the Council from time to time.

2. BACKGROUND AND APPROACH

Various policies and procedures exist that direct the way in which the business of Stellenbosch Municipality is or should be conducted in a prudent manner. Generally these policies and procedures flow from the prescription made in Legislation i.e. the Municipal Finance Management Act (“MFMA”) and/or directives issued by a national department such as National Treasury.

Guidelines provided by National Treasury indicate that an acceptable level of cash resources needs to be available for working capital requirements (see below).

It is for this reason that the need to have an official Liquidity Policy was identified.

3. LEGISLATIVE REQUIREMENTS

3.1. The MFMA circular 71 stipulates the following two prescribed ratios to manage liquidity:

Cash/Cost Coverage Ratio (Excluding Unspent Conditional Grants) is calculated as:

$$\frac{((\text{Cash and Cash Equivalents} - \text{Unspent Conditional Grants} - \text{Overdraft}) + \text{Short Term Investment})}{\text{Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)}}$$

Criteria: 1 – 3 times

Current Ratio Current Assets / Current Liabilities

Criteria: 1.5 - 2:1

The above guidelines are noted but the proposed policy is more conservative to ensure that the municipality secures its strong financial position thereby providing comfort to investors.

4. LIQUIDITY POLICY

This policy provides guidance on the determination of the minimum liquidity requirement and the calculation of the liquidity available of Stellenbosch Municipality from time to time (see **Annexure 1**).

Notwithstanding the requirements as reflected in this policy, Stellenbosch Municipality should ensure that its Current Assets (excluding debtors older than 90 days) cover all of its Current Liabilities at least two times.

The policy encapsulates certain key aspects and considerations which have been outlined below:

4.1. KEY COMPONENTS OF MINIMUM LIQUIDITY REQUIRED:

The following constitutes the key elements to take into consideration when determining the liquidity requirement of Stellenbosch Municipality:

- 4.1.1. To comply with statutory requirements it is proposed that the following funds, reserves and provisions be fully covered by unencumbered cash and investments:
 - 4.1.1.1. *All earmarked or conditional grant transfers from spheres of Government or from Public Contributions made to Stellenbosch Municipality that have not yet been utilized;*
 - 4.1.1.2. *All commitments resulting from the legally entrenched rights and benefits employees have, with specific reference to the Council's short term commitment to staff retirement benefits and medical fund claims payable;*
 - 4.1.1.3. *All funds not yet been utilized in relation to agency services provided on behalf of Provincial or National Government should also be treated as earmarked funds;*
 - 4.1.1.4. *All reserves stated by Stellenbosch Municipality on its Statement of Financial Position that have been established for the purposes of making provisions for a defined purpose.*

- 4.1.2. Cognisance also needs to be taken of the external loan commitments and the servicing of capital and interest on these loans. Therefore provision should be made that Stellenbosch Municipality can meet its external loan/financial commitments together with the normal operational expenditure, as well as its liabilities to staff.
- 4.1.3. All investments ceded as security against long term loans need to be excluded from total cash and investment balances for calculation of the minimum liquidity level required.
- 4.1.4. In addition, a level of cash available for normal operational expenditure needs to be held in cash to ensure that, notwithstanding fluctuations in the monthly income levels of Stellenbosch Municipality, Stellenbosch Municipality will be in a position to meet its financial requirements. In this respect, the average monthly operational expenditure needs to be used as a guide of the minimum buffer required. One month's operational expenditure excluding debt impairments, depreciation and other non-cash expenses should be available for liquidity cover.
- 4.1.5. The "golden rule" should be to ensure that Stellenbosch Local Municipality will have adequate liquid assets (those that can be made into cash within 24 hours, weekly or monthly as the requirement might be) to meet its short term financial commitments.

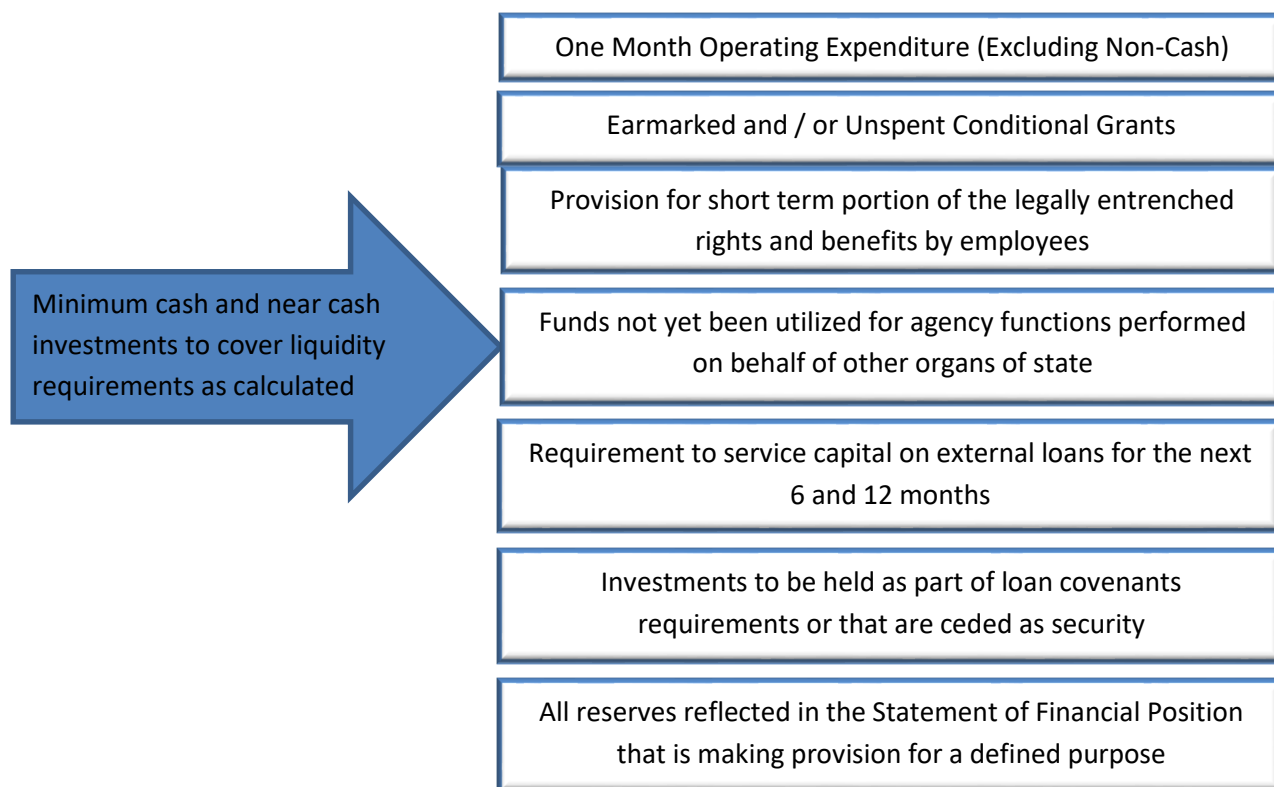
4.2. CALCULATION OF AVAILABLE LIQUIDITY

The amount of liquidity available should be determined from time-to-time. The following, should be regarded as cash and or near cash in calculating the available liquidity:

- 4.2.1. *All cash held in a bank account or invested with a money market fund;*
- 4.2.2. *95% of the value of all NCD's or other tradable instruments issued by a bank that are not already ceded;*
- 4.2.3. *90% of the market value of all listed bonds on the JSE in which Stellenbosch Municipality is allowed to invest in;*
- 4.2.4. *Consumer debtors aged current to 60 days;*
- 4.2.5. *Amount of unspent conditional grants and public contributions excluded from own funds held in bank accounts;*
- 4.2.6. *Funds provided to Council for expenditure on activities executed on behalf of other spheres of Government (Provincial and / or National) as part of an agency function, excluded from own funds held in bank accounts;*
- 4.2.7. *Funds ring-fenced for cash backed reserves that are excluded from own funds held in bank accounts;*
- 4.2.8. *Cash amounts that need to be held by Council resulting from loan covenants' that are part of the conditions of loans extended, but not ceded outright to lenders;*

4.2.9. *The undrawn portion of unconditional bank overdraft facility or liquidity facility available to Stellenbosch Municipality.*

The aforementioned in paragraphs 4.1. and 4.2. can schematically be reflected as follows:



4.3. IMPLEMENTATION AND MONITORING OF COMPLIANCE WITH LIQUIDITY POLICY:

Once the policy is approved, the CFO is to be tasked to ensure that the required cash has to be maintained to continue meeting the requirements as set out in this policy.

Firstly, the minimum required liquidity level should be calculated based on audited annual financial statements. This level of liquidity required needs to be specifically budgeted for and on a quarterly basis be reported to the Finance Committee and / or other Committees as might be stipulated by Council as well as to Council.

Notwithstanding National Treasury's three months operational expenditure guideline and the one month operational expenditure buffer proposed as a minimum by the liquidity policy, it is recommended that Council set a target of one month's operational expenditure liquidity buffer to be achieved at the end of the transitional period (reference paragraph 6).

The cash provisions made to repay external loan commitments, if specifically earmarked, should also be added to this minimum working capital liquidity, to prevent fluctuations in the working capital reserve that could put the minimum level of liquidity levels under pressure.

5. CORPORATE GOVERNANCE (OVERSIGHT)

Compliance with this policy will be monitored by the Chief Financial Officer. The Chief Financial Officer must present the liquidity compliance reports to the Finance Committee and the Audit Committee of the municipality.

Where compliance has been breached the Chief Financial Officer must present an action plan to correct the non-compliance. The Finance Committee must monitor the successful implementation of the corrective action plans and report progress to Council.

6. POLICY MANAGEMENT

The Liquidity Policy forms part of Stellenbosch Municipality overall financial objectives and therefore forms part of approved Budget Policies. The policy must be reviewed at least annually during the budget revision and presented to Council for approval.

The policy is effective from the date it is approved by Council.

ANNEXURE 1

Liquidity Requirement as per Liquidity Policy

Financial Year End: _____

Liquidity Requirement Calculation [as stipulated in Paragraph 4.1.]

All earmarked and/or conditional grants received but not yet utilised	
Value of legally entrenched short term rights and benefits of employees related to Medical benefits & Retirement benefits	
Funds held for agency services not yet performed	
Reserve funds reflected in Statement of Financial Position that are assumed to be held in cash	
Capital redemption and interest payments on external loans not reflected as part of normal operational expenditure	
Onemonth operational expenditure excluding non-cash items	
Commitments resulting from contracts concluded as part of Capex Programme, not reflected in operational budget	
TOTAL LIQUIDITY REQUIREMENT	

Actual available liquidity held [reference paragraph 4.2.]

Bank Balance at e.g.:	
- ABSA, FNB, Standard Bank, Nedbank, Investec, Money Market	
Bank balance sub total	
95% of all other term investments with Banks	
90% of Market value of all Bonds on the JSE that are held	
Consumer debtors (current – 60 days)	
Other reserves held in cash not reflected in bank balances mentioned above for e.g.:	
- Unspent conditional grants	
- Payments received for agency functions not yet performed	
- The cash value of reserves held	
- Cash deposits held as part of loan covenants or ceded	
- Undrawn bank overdraft facility or committed liquidity lines available	
TOTAL LIQUIDITY AVAILABLE	

LIQUIDITY SURPLUS (SHORT FALL)

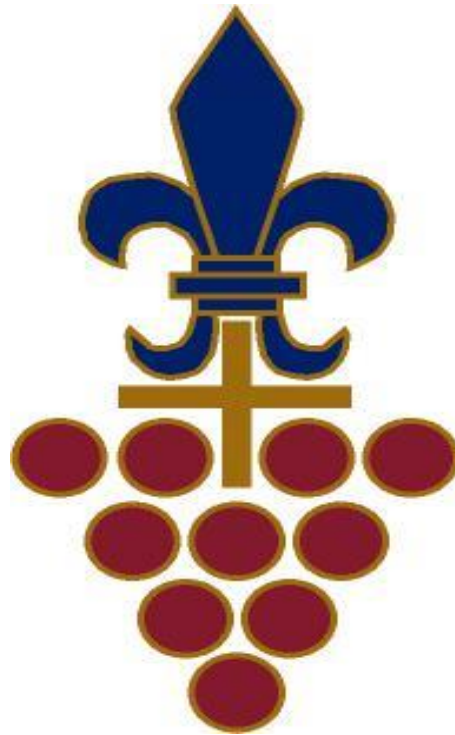
SURPLUS TO BE APPROPRIATED TO CAPITAL REPLACEMENT RESERVE

(See Borrowing, Funds and Reserves Policy)

Liquidity ratio:

Current Asset/Current Liabilities

STELLENBOSCH MUNICIPALITY



**INVENTORY MANAGEMENT
POLICY**

2019/2020



STELLENBOSCH MUNICIPALITY

INVENTORY MANAGEMENT POLICY

TABLE OF CONTENTS

	PAGE
1. DEFINITIONS	3
2. OBJECTIVE OF THE POLICY	5
3. SCOPE	5
4. LEGAL FRAMEWORK.....	5
5. INVENTORY PROCEDURES	6
5.2 APPOINTMENT OF RESPONSIBLE OFFICIALS	7
5.3 ORDERING OF INVENTORY	7
5.4 RECEIPT OF INVENTORY	7
5.5 STORAGE OF INVENTORY	7
5.6 ISSUE OF INVENTORY	8
5.7 OBSOLETE INVENTORY	9
5.8 INVENTORY COUNT	9
6. INVENTORY RECORDS	10
7. REPORTING.....	10
8. CLASSIFICATION OF INVENTORY	12
9. POLICY ADOPTION.....	12

1. DEFINITIONS

1.1 In this Policy, unless the context indicates otherwise, the following definitions are applied:

- “Accounting Officer”** means the Municipal Manager for the Municipality as contemplated in section 60 of the Local Government: Municipal Finance Management Act, 56 of 2003
- “CFO”** means the Chief Financial Officer designated in terms of section 80(2) (a) of the Local Government: Municipal Finance Management Act, 56 of 2003
- “Cost”** shall comprise costs of purchase, costs conversion and other costs incurred in bringing the inventories to their present location and condition
- “Delegated authority”** means the official who is given the authority for relevant functions in terms of the municipality’s written delegations;
- “Good received note”** means a document which is used to acknowledge the receipt of goods in good condition and correct quantities
- “Inventories”** are assets:
In the form of material or supplies to be consumed in the production process,
In the form of materials or supplies to be consumed or distributed in the rendering of services
Held for sale or distribution in the ordinary course of operations,
or
In the process of production for sale or distribution
- “Municipality”** shall mean the Stellenbosch Municipality;
- “Net Realisable”** Is the estimated selling price in the ordinary course of operations less the estimated costs of completion and estimated costs necessary to make the sale exchange or distribution.

<i>“Obsolete inventory”</i>	means items that have expired, are redundant or damaged;
<i>“Re-order level”</i>	means the level of inventory at which inventory is re-ordered;
<i>“Requisition form”</i>	means a written request to supply specified inventory;
<i>“Store”</i>	means a place where inventory is stored and reserved for future use, or a source from which supplies may be drawn;
<i>“Inventory Controller”</i>	means an official responsible for the requisition, receipt, issue, recording, safeguarding of inventory and cost-effective and efficient management of inventory.
<i>“Stock Issue Register”</i>	means a document which is used to authorize the removal or issue of stock items from stores.

2. OBJECTIVE OF THE POLICY

- 2.1 The policy aims to achieve the following objectives which are to:-
- a) Provide guidelines that employees of the Municipality must follow in the management and control of inventory, including safeguarding and disposal of inventory.
 - b) Procure inventory in line with the established procurement principles contained in the Municipality's Supply Chain Management Policy.
 - c) Eliminate any potential misuse of inventory and possible theft.

3. SCOPE

- 3.1 This policy applies to Stellenbosch Municipality's inventory received by the Inventory Controller and issued to users.
- 3.2 This policy specifically excludes:
- a) Pharmaceutical inventory, livestock and face value forms; and
 - b) Equipment and other assets not defined as inventory;

4. LEGAL FRAMEWORK

- 4.1 In terms of the MFMA, the Accounting Officer for a municipality must:
- a) Be responsible for the effective, efficient, economical and transparent use of the resources of the municipality as per section 62 (1)(a);
 - b) Take all reasonable steps to prevent unauthorised, irregular and fruitless and wasteful expenditure and other losses as per section 62(1)(d);
 - c) Be responsible for the management, including the safeguarding and the maintenance of the assets, and for the management of the liabilities, of the municipality as per section 63 (1)(a) and (b).

4.2 In terms of GRAP 12:

- 4.2.1 Inventories shall be recognized as an asset if, and only if,
- a) it is probable that future economic benefits or service potential associated with the item will flow to the entity ,and
 - b) the cost of the inventories can be measured reliably.

4.3 MEASUREMENT AT RECOGNITION

- 4.3.1 Inventories that qualify for recognition as assets shall initially be measured at cost,

4.3.2 Where inventories are acquired at no cost, or for nominal consideration, their costs shall be their fair value as at the date of acquisition.

4.4 MEASUREMENT AFTER RECOGNITION

4.4.1 Inventories shall be measured at the lower of cost and net realization value, except where paragraph .18 of GRAP 12 applies.

4.4.2 Inventories shall be measured at the lower of cost and current replacement cost where they are held for:

- a) distribution at no charge or for a nominal charge ,or
- b) consumption in the production process of goods to be distributed at no charge or for a nominal charge.

4.5 RECOGNITION AS AN EXPENSE

4.5.1 When inventories are sold, exchanged or distributed, the carrying amount of those inventories shall be recognized as an expense in the period in which the related revenue is recognized. If there is no related revenue, the expense is recognized when the goods are distributed, or related service is rendered. The amount of any write-down of inventories to net realizable value and all losses of inventories shall be recognized as an expense in the period the write-down or loss occurs. The amount of any reversal of any writes –down of inventories arising from an increase in net realizable value, shall be recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

4.5.2 Some inventories may be allocated to other assets accounts, for example, inventory used as a component of self-constructed property, plant or equipment. Inventories allocated to other assets in this way are recognized as an expense during the useful life of that asset.

5. INVENTORY PROCEDURES

5.1 The procedures for inventory must be followed to ensure that:

- a) Inventory is safeguarded at all times;
- b) There are accurate records of quantities on hand at all times;
- c) Optimum inventory levels are maintained to meet the needs of users;
- d) Only authorised issues of inventory are made to users; and
- e) Items placed in store are secured and only used for the purpose for which they were purchased.

5.2 APPOINTMENT OF RESPONSIBLE OFFICIALS

- 5.2.1 The CFO must appoint, in writing, officials to perform the duties of an Inventory Controller in terms of this Policy.
- 5.2.2 Adequate segregation of duties between the requisition, receipt, recording, storage and safekeeping of inventory and the management and control thereof must be maintained to avoid the potential occurrence of errors and fraud.

5.3 ORDERING OF INVENTORY

Standard Supply Chain Management procedures as per approved Supply Chain Management policy are to be implemented.

5.4 RECEIPT OF INVENTORY

All inventory must be received by the completion of a goods received note and processed on the financial management system.

5.5 STORAGE OF INVENTORY

- 5.5.1 Inventory must be stored in a secured, exclusive use area, under lock and key, furthermore the inventory must be insured in terms of the Risk Management Policy of the municipality.
- 5.5.2 The area must be used exclusively for the storage of inventory, with limited authorised access only.
- 5.5.3 Inventory must be positioned to facilitate efficient handling and checking.
- 5.5.4 All items must be stored separately, with proper segregation.
- 5.5.5 Inventory must be clearly labeled for easy identification. Inventory tag/bin cards or inventory labels may be used to identify each item and to aid in the physical verification of the items.
- 5.5.6 Where practically possible, all items of the same type and reference must be stored together as per the description on the inventory records.
- 5.5.7 Items with limited shelf life must be rotated on a first in first out basis, in accordance with paragraph .35 of GRAP, to reduce the occurrence of expired or obsolete stocks.
- 5.5.8 Due diligence and care must be exercised to prevent damage of, or deterioration of inventory.

- 5.5.9 Due regard must be given to any safety standards which may apply to the storage of certain inventories.
- 5.5.10 Steps must be taken to ensure safe custody of items, including precautions against loss or theft.
- 5.5.11 The Inventory Controller or Delegated Official responsible for the custody and care of inventory must ensure that in his/her absence such items, where applicable, are securely stored.
- 5.5.12 The responsibility for the custody of the storeroom keys must be allocated by the delegated authority to an official who is accountable for its use.
- 5.5.13 No unauthorised persons/officials shall obtain entry to premises, buildings or containers where inventory is kept, unless accompanied by the responsible official.
- 5.5.14 Whenever a change in the Inventory Controller occurs, an inventory count must be conducted.
- 5.5.15 An independent official shall be nominated in writing by the delegated authority to assist the official handing and taking over with the checking of the inventory and any discrepancies.
- 5.5.16 Should the above not be complied with, the official taking over shall be liable for any discrepancies.
- 5.5.17 A handing-over certificate as prescribed by the CFO, must be completed by the handing and taking over officials and a copy retained for record purposes.
- 5.5.18 The following fire protection precautions must be adhered to:
- a) Inventories of an inflammable or dangerous nature shall be stored and handled in such a manner that persons or property are not endangered and in compliance with the requirements of any local authority;
 - b) The area must be clearly signposted; and
 - c) Fire extinguishing equipment must be placed in the area where inventories are held and must be serviced regularly.

5.6 ISSUE OF INVENTORY

- 5.6.1 Only the Inventory Controller is authorised to issue inventory from the storeroom.

- 5.6.2 Inventory must only be issued in terms of the approved requisition form of the Municipality.
- 5.6.3 All requisition forms must be ruled off immediately below the last item to prevent items being added once the requisition is authorised by the responsibility manager.
- 5.6.4 The Inventory Controller must prepare the Stock Issue Register once stock items to be issued have been picked up from the shelves
- 5.6.5 The official receiving the inventory must acknowledge the receipt of stock items requested, by signing the Stock Issue Register prepared by the Inventory Controller.
- 5.6.6 Inventories must be issued and used for official purposes only.

5.7 OBSOLETE INVENTORY

- 5.7.1 The preparatory work for the disposal of obsolete inventory must be undertaken by the Inventory Controller and verified by the Assets Accountant.
- 5.7.2 The Accounting Officer or delegated authority must convene a Disposal Committee for the disposal of obsolete inventory.
- 5.7.3 The Disposal Committee should consist of at least three officials, one of whom must act as the chairperson.
- 5.7.4 The delegated authority may approve the write-off of inventory, if satisfied that: -
 - a) The inventory has expired and is redundant;
 - b) The inventory is of a specialised nature and has become outdated due to the introduction of upgraded and more effective products;
 - c) The inventory cannot be used for the purpose for which it was originally intended; or
 - d) The inventory has been damaged and is rendered useless.
- 5.7.5 All disposed of items must be updated in the inventory records/register/database for the purposes of proper management and control.

5.8 INVENTORY COUNT

- 5.8.1 Items may be subject to an inventory count on a quarterly basis.
- 5.8.2 Where the quantity of inventory is too large for the count to be completed on a single occasion, inventory counts may be carried out on a rotational basis with a full inventory count at the end of each financial year.

- 5.8.3 All approved Municipal procedures and processes must be complied with during the inventory count.
- 5.8.4 The Inventory Controller must submit a report to the CFO after investigating any discrepancies between the inventory records/register/database, bin/tag cards or inventory labels and the physical inventory.
- 5.8.5 The CFO must submit a report with the findings to the Accounting Officer, in order to have the matter reported to the Council of the Municipality for the write-off of any inventories losses, or the write –up of surpluses.
- 5.8.6 The appropriate disciplinary action must be instituted when applicable.
- 5.8.7 The inventory record, register, database or system must be updated accordingly.

6. INVENTORY RECORDS

- 6.1. An inventory record/register/database must be maintained for all inventory items, either manually and / or electronically.
- 6.2 All relevant information must be included for the proper management and control of all inventory items. It is recommended that details include but are not limited to:
 - a) Order number/date;
 - b) Item description;
 - c) Quantity and value of stock on hand;
 - d) Quantity and value of stock received;
 - e) Quantity and value of stock issued;
 - f) Re-order level;
 - g) Optimum inventory level;
 - h) Quantity and value of obsolete stock; and
 - i) Opening/closing balance.
- 6.3 An inventory register/database must be printed monthly and the hard copy filed in a chronological order to maintain a proper audit trail.

7. REPORTING

- 7.1 A report must be submitted at least quarterly to the Chief Financial Officer and/or the Assets Manager detailing the following:
 - a) Any inventory shortages or surpluses and the reasons for such;

- b) Any inventory deficits proposed to be written-off; and
- c) Any obsolete inventory items.

7.2 Inventories purchased during the financial year must be disclosed at cost or net realizable value in the disclosure notes of the Financial Statements of the Municipality.

7.3 In terms of GRAP the financial statements shall disclose:

- a) the accounting policies adopted in measuring inventories, including the cost formula used,
- b) the total carrying amount of inventories and the carrying amount in classifications appropriate to the entity,
- c) the carrying amount of inventories carried at fair value less costs to sell,
- d) the amount of inventories recognized as an expense during the period,
- e) the amount of any write-down of inventories recognized as an expense in the period in accordance with paragraph .43,
- f) the amount of any reversal of any write-down that is recognized as a reduction in the amount of inventories recognized as an expense in the period in accordance with paragraph .43,
- g) the circumstances or events that led to the reversal of a write-down of inventories in accordance with paragraph .43, and
- h) the carrying amount of inventories pledged as security for liabilities.

8. CLASSIFICATION OF INVENTORY

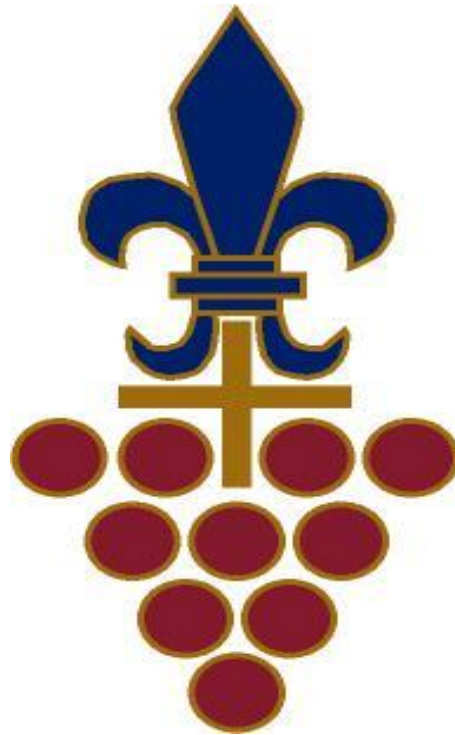
As per National Treasury Standard Chart of Accounts, inventory shall be classified as follows:

Inventory Categories	Consumable Categories
Ammunition & Security Supplies	Consumable Supplies (level 4)
Clothing Material & Accessories	Agricultural Supplies (level 5)
Farming & Gardening Supplies	Gifts & Awards
Fuel, Oil & Gas	Fuel Supplies
Crockery & Linen	Media Collections
Learning & Teaching Support Material	Building & Construction
Assets for Distribution	Contraceptives
Materials & Supplies	First Aid Kit
Medical Supplies	Laboratories
Medicines	Security Accessories
Military Stores	Bags & Accessories
Laboratory Chemicals & Supplies	Stationary

9. POLICY ADOPTION

This policy has been reviewed and approved by the Council of Stellenbosch Municipality and is applicable with effect from 1 July 2019.

STELLENBOSCH MUNICIPALITY



**INVENTORY MANAGEMENT
POLICY**

2019/2020



STELLENBOSCH MUNICIPALITY PREFERENTIAL PROCUREMENT POLICY

TABLE OF CONTENTS

PAGE

1. PREAMBLE	3
2. FOREWORD	4
3. PURPOSE AND OBJECTIVES.....	4
4. LEGISLATIVE FRAMEWORK	5
5. PRINCIPLES	6
6. POLICY STATEMENTS	7
7. PREFERENCE TARGETS IDENTIFIED	9
8. IMPLEMENTATION	11
9. DEFINITIONS.....	11

1. PREAMBLE

- 1.1 The Constitution of the Republic of South Africa, 1996 in section 217 requires an organ of state to contract for goods or services in accordance with a procurement system which is fair, equitable, transparent, competitive and cost effective and to grant preferences within a framework prescribed by National Legislation.
- 1.2 A National Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000)- [PPPFA] was promulgated in response to the Constitutional provision and allow for an organ of state to develop a preferential procurement policy and to implement such policy within the PPPFA framework.

From the preamble from the Constitution:

*We therefore, through our freely elected representatives, adopt this Constitution as **the supreme law of the Republic** so as to*

- *Heal the divisions of the past and establish a society based on democratic values, social justice and fundamental human rights;*
- ***Lay the foundations for a democratic and open society in which government is based on the will of the people and every citizen is equally protected by law;***
- ***Improve the quality of life of all citizens and free the potential of each person; and***
- *Build a united and democratic South Africa able to take its rightful place as a sovereign state in the family of nations.*

From Chapter 7 of the Constitution:

152. Objects of local government

1. The objects of local government are -

- a. *to provide democratic and accountable government for local communities;*
- b. *to ensure the provision of services to communities in a sustainable manner;*
- c. *to promote social and economic development;*
- d. *to promote a safe and healthy environment; and*
- e. *to encourage the involvement of communities and community organisations in the matters of local government.*

2. A municipality must strive, within its financial and administrative capacity, to achieve the objects set out in subsection (1).

153. Developmental duties of municipalities

A municipality must

- a. *structure and manage its administration, and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community; and*
- b. *participate in national and provincial development programmes.*

2. FOREWORD

The policy of Stellenbosch Municipality – in respect of Preferential Procurement is that:

- 2.1 State expenditure is recognised as an instrument of government policy to achieve economic, socio-economic and development objectives.
- 2.2 Procurement can be applied as an instrument of secondary redistribution to alter primary income distribution and as a means to address historic imbalances by means of creating employment and business opportunities for historically disadvantaged groups in the South African society.
- 2.3 Preferential Procurement is recognised as a valid instrument for such social reform.
- 2.4 It is recognised that preferential procurement cannot be applied without cost and that such cost should be subject to the Municipal Budget and the prioritisation processes applicable to all Municipal expenditure.
- 2.5 Ultimately, preferential procurement could go some way to providing a springboard to encourage redistribution and reducing economic concentration, which in turn would foster competition and promote effective and appropriate resource allocation.
- 2.6 The Stellenbosch Municipality Preferential Procurement Policy will be reviewed regularly.
- 2.7 This Policy marks the beginning of a long term path the Stellenbosch Municipality intends to walk with the citizens of Stellenbosch and that this Policy represents the first phase of implementation. With the increase in maturity of the Stellenbosch Municipality as well as its suppliers, it is further accepted that this Policy will also mature to the extent that visible socio- and economic benefits can be experienced by all citizens living in Stellenbosch.

3. PURPOSE AND OBJECTIVES

The broad purpose of the Preferential Procurement Policy is to:

- 3.1 Validate Stellenbosch Municipality's commitment to Preferential Procurement.
- 3.2 Ensure effective and efficient application of resources.
- 3.3 Promote accountability, transparency and fairness.
- 3.4 Create opportunities for local small, medium and micro enterprises.

- 3.5 Enhance quality of services.
- 3.6 Stimulate socio-economic development.
- 3.7 Eliminate and counter corruption.
- 3.8 Contribute towards reduction of unemployment, especially within the Stellenbosch Municipal Area.
- 3.9 Broadening the tax base within the Stellenbosch Municipal Area.
- 3.10 Encourage linkages between small and large enterprises.
- 3.11 Promote skills transfer and training of the historically disadvantaged.
- 3.12 Protect local industry against unfair competition.

4. LEGISLATIVE FRAMEWORK

Constitution, 1996 (Act 108 of 1996)

- 4.1 Section 217(1) of the Constitution, 1996 (Act 108 of 1996) provides that when contracting for goods and services, organs of state must do so in accordance with a system that is fair, equitable, transparent, competitive and cost effective.
- 4.2 Section 217(2) and (3) of the Constitution allows organs of state to grant preferences when procuring for goods and services within a Framework prescribed by National legislation.

Local Government Municipal Finance Management Act, 2003 (Act 56 of 2003) – [MFMA] and related SCM Treasury Regulations, 2005 [SCM TR]

- 4.3 The MFMA aims to regulate financial management and Supply Chain Management [SCM] of local government to ensure that all revenue, expenditure, assets and liabilities are managed efficiently and effectively.
- 4.4 Sections 110 – 119 of the MFMA deals with SCM requirements and must be read together with the SCM TR's 1 – 52 issued in terms of section 168 of the MFMA through GG 27636 effective from 30 May 2005. Both these sets of prescripts supports the application of the PPPFA.

Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000) – [PPPFA]

- 4.5 The PPPFA, 2000 took effect on 3 February 2000. The main thrust of the PPPFA, 2000 is that an organ of state must determine its preferential procurement policy and implement such within the preferential procurement framework, the latter which is commonly called the '80/20 or 90/10 principle'.
- 4.6 The National Treasury, in consultation with the Department of Trade and Industry, reviewed the Regulations issued in terms of the PPPFA, in 2001, and issued new Regulations that become effective on 01 April 2017

5. PRINCIPLES

- 5.1. The principles that underpin this policy are as follows:
- 5.1.1 Sound commercial principles will underlie all transactions. There will be no compromise on quality, service delivery or any other commercial aspects related to the delivery of business objectives.
- 5.1.2 All preferential procurement processes will be transparent and subjected to audit in accordance with sound business principles and practices.
- 5.1.3 Stellenbosch Municipality will only conduct business with service providers that comply with legal requirements (registered with SARS; municipal taxes are not in arrears for more than three months; not on the restricted suppliers or tender defaulters lists; suppliers not deemed as in the service of the State, etc.)
- 5.2. The Policy is founded upon the following core principles:

5.2.1. Value for money

Price alone is often not a reliable indicator and will not necessarily obtain the best value for money by accepting the lowest price offer that meets mandatory requirements. Best value for money means the best available outcome when all relevant costs and benefits over the procurement cycle are considered.

5.2.2. Open and effective competition

All procurement laws, policies, practices and procedures must be readily accessible to all parties involved in the procurement process. The procurement process must be open and transparent and reasons must be provided for decisions in terms of current legislation.

5.2.3. Ethics and fair dealing

All procurement officials must comply with the municipal ethical standards to promote mutual trust and respect and an environment where business can be conducted in a fair and reasonable manner. The following is regarded as an acceptable ethical behaviour:

- Open, honest and co-operative business relations.
- Confidentiality of commercial information.
- Avoidance of conflict of interest or a perception of bias.
- Disclosure of conflict of interest as soon as they arise.
- Fair dealing and impartiality in the conduct of tender evaluations.
- Avoidance of combative or collusive practices.

5.2.4. Accountability and reporting

Procurement officials and other officials involved in SCM must be answerable for their decisions and actions to the public.

5.2.5. Equity

Stellenbosch Municipality will at all times strive to enhance the development of SMME's and B-BBEE enterprises' to allow them to contribute meaningfully in the economy of the Stellenbosch Municipal Area.

6. POLICY STATEMENTS

6.1 Application

6.1.1. This Policy will apply to all active industry sectors in the Stellenbosch Municipal Area. It is accepted that through the population of reliable data, trends will be evident which will continuously require a review of the Policy to ensure its relevance of all active industry sectors.

6.1.2. This Policy must be read with the Stellenbosch Municipality's SCM Policy

6.1.3. Construction tenders will also have to adhere to the requirements of the CIDBA.

6.2 Targeting

6.2.1. Targeting will be regarded as a specific goal identified by Stellenbosch Municipality and will be reflected in Part 7 to this Policy.

6.2.2. These targets will be determined prior to the invitation of tenders and reflected as special conditions.

6.3 Payment cycles

6.3.1. The payment of invoices is dependent on timely invoicing, approval of invoices and on the payment administration. Responsible officials must process approved invoices within 30 days of receiving the invoice, unless otherwise provided for in the contract.

6.3.2. Reasons for not approving an invoice must be communicated to the tenderer prior to the lapsing of the said 30 days.

6.3.3. Officials must endeavour to, where feasible, process invoices of SMME's within 7-15 days in order to promote their cash flow position.

7. PREFERENCE TARGETS IDENTIFIED

7.1 Considering all the data available this Policy for the 2019/20 financial years will strive to achieve the following targets linked to its identified opportunities listed in paragraph 7.1 above:

POLICY OBJECTIVE	TARGET
Improve the local economic market	➤ Make 10% appointments to local businesses through Formal Quotations for appointments below R200,000
Improve the local economic market	➤ Obtain 30% quotations from local businesses for appointments below R30,000
Employment of local semi-& unskilled workers	➤ Identify 10% of SCM tenders that are labour intensive to include specific conditions of a practical content of local semi-& unskilled workers from LED database / Indigent list.

Methodology to achieve targets in the short term is to include specific conditions in the SCM documents for Formal Quotations and Bids similar to the following two examples:

Example No 1:

“SPECIFIC CONDITIONS: TOTAL MAINTENANCE OF PARKS AND P.O.S WITH MANUAL MACHINES AS WELL AS ALL FLOWERBEDS AND YOUNG TREES IN THE MUNICIPAL AREA:

The intention of the municipality is to promote development of all enterprises. Suitably qualified contractors will be expected to spend at least **80%** of the value of the work on local people to ensure that local economic development is promoted. For this purpose the municipal area is divided into 5 smaller areas. For each area the service provider will be required to appoint a supervisor, and a team of at least **6** people.”

Monitoring will be based on the following methods by the End user dept.

1. Local Municipal accounts / Affidavits with ID numbers certified
2. Training and skills development certificates issued

Example No 2:

TENDER DATA: SPECIAL CONDITIONS RELEVANT TO PROJECT.

The following Conditions shall be adopted as per the Municipal PPPFA Policy

SPECIAL CONDITIONS OF TENDER		
	Comply Y/N	Ref in proposal
A. CONDITIONS APPLICABLE TO THE PROMOTION OF MUNICIPAL LOCAL AND SOCIO-ECONOMIC DEVELOPMENT		
The full portion budgeted for unskilled labour will be executed by unskilled, unemployed labourers who are beneficiaries of this project. The service provider must provide evidence of the identity and addresses of these labourers within 14 days after award of the contract. Minimum prescribed wages must be paid. In the event that this condition cannot be adhered to the contractor must obtain prior approval from the Municipality.		
All materials procured for this project MUST be sourced from local suppliers In the event that this condition cannot be adhered to the contractor must obtain prior approval from the Municipality.		
Use a local EME sub-contractor in for all manual labour in regards to excavations, filling and compaction of cable trenches, pole holes road crossings etc. Suppliers must submit sub-contracting agreement with the tender proposal, together with an indication of the payment arrangements. In the event that this condition cannot be adhered to the contractor must obtain prior approval from the Municipality.		
Suppliers must submit sub-contracting agreement with the tender proposal, together with an indication of the payment arrangements		
B. CONDITIONS APPLICABLE AFTER CLOSING OF TENDER BUT BEFORE A SELECTED SERVICE PROVIDER IS ANNOUNCED		
Any additional information upon request must be submitted in writing within 48 hours of receipt.		
C. CONDITIONS APPLICABLE AFTER AWARDING OF THE TENDER		
The service provider must provide the Municipality with a completed list of local labourers to be used, within 14 days after final award of the tender for approval by the Municipality.		
The aforesaid list must be updated and submitted together with the service providers progress report and invoice, inclusive of the following details: a) Salary / wages spent on local employees versus total wages / salary budget at site b) Number of local employees employed versus per total workforce at site c) Payments made to the subcontractor and his performance		

<p>Any amendments prior approval from the Municipality. The service provider must provide local labourers with basic on-the-job training and provide them with a reference letter after completion of their services.</p>		
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8. IMPLEMENTATION

- 8.1 This Policy is effective from 1 July 2019.
- 8.2 It is the responsibility of the Office of the CFO and various Line Department Managers to bring the content of this Policy to the attention of all parties concerned.
- 8.3 This Policy marks the beginning of a long term path the Stellenbosch Municipality intends to walk with the citizens of Stellenbosch and that this Policy represents the first phase of implementation. With the increase in maturity of the Stellenbosch Municipality as well as its suppliers, it is further accepted that this Policy will also mature to the extent that visible socio- and economic benefits can be experienced by all citizens living in Stellenbosch.
- 8.4 In order to achieve the above, the following immediate implementation steps are required:

By 30 September 2019:

- a. Increased capacity in the SCM Unit.
- b. Identification and appointment of a PPPFA Champion.

9. DEFINITIONS

The words in this policy shall bear a meaning as prescribed and/or ascribed by applicable legislation, and in the event of a conflict, the meaning attached thereto by National Legislation shall prevail.

- 9.1 **“Act”** means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000);
- 9.2 **“Black people”** as defined in the Broad-Based Black Economic Empowerment Act, 2003 (Act No 53 of 2003), is a generic term which means Africans, Coloured and Indians.
- 9.3 **“B-BBEE”** means broad-based black economic empowerment defined as the economic empowerment of all black people including women, workers, youth, people with

disabilities and people living in rural areas through diverse but integrated socio-economic strategies that include, but are not limited to:

- Increasing the number of black people that manage, own and control enterprises and productive assets;
- Facilitating ownership and management of enterprises and productive assets by communities, workers cooperatives and other collective enterprises;
- Human resource and skills development;
- Achieving equitable representation in all occupational categories and levels in the workforce;
- Preferential procurement; and
- Investment in enterprises that are owned or managed by black people.

9.4 **“B-BBEE status level of contributor”** means the B-BBEE status received by a measured entity based on its overall performance using the relevant scorecard contained in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act.

9.5 **“Broad-Based Black Economic Empowerment Act”** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No 53 of 2003);

9.6 **“Collusion”** means an intentional and unlawful agreement by two or more companies/firms which is intended or calculated to misrepresent facts or defraud with the sole purpose of influencing the procurement process thereby prejudicing the interests of the service provider;

9.7 **“Companies and Shares”** shall be read so as to include Close Corporations and members interests mutatis mutandis;

9.8 **“Comparative price”** means the price after the factors of a non-firm price and all unconditional discounts that can be utilised have been taken into consideration;

9.9 **“Consortium or Joint Venture”** means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract;

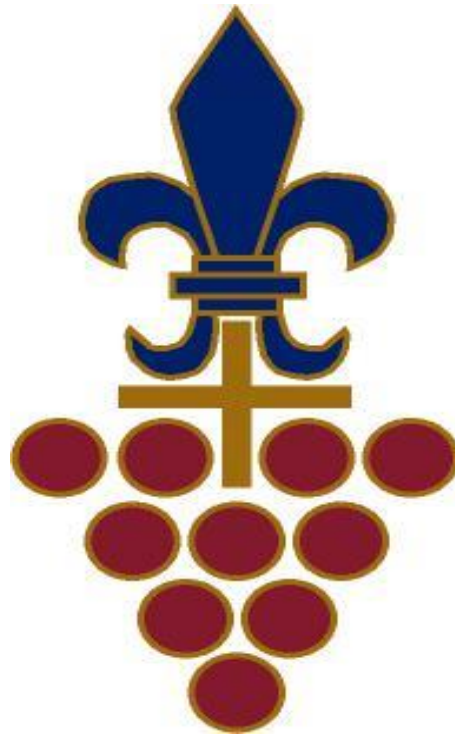
9.10 **“Contract”** means the agreement that results from the acceptance of a tender by an organ of state;

9.11 **“CFO”** means Chief Financial Officer

- 9.12 “**Disability**” means, in respect of a person, a permanent impairment of a physical, intellectual, or sensory function, which results in restricted, or lack of, ability to perform an activity in the manner, or within the range, considered normal for a human being;
- 9.13 “**Executive Management Committee**” shall mean a committee comprising the Agency’s Heads of Divisions and any other Manager so invited.
- 9.14 “**Firm price**” is the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of customs or excise duty and any other duty, ‘levy, or tax, which, in terms of a law or regulation, is binding on the contractor and demonstrably has an influence on the price of any supplies, or the rendering costs of any service, for the execution of the contract;
- 9.15 “**Individual**” an individual shall mean a natural person;
- 9.16 “**Indigent**” any person who appears on the Municipality’s indigent register as of 1 July of the year under consideration;
- 9.17 “**Local Labour**” means South African residents who permanently resides in the Stellenbosch Municipal area;
- 9.18 “**Local Business**” means an enterprise which has its sole office or head office located within the Stellenbosch Municipal area;
- 9.19 “**Local Content**” means local manufacturing as contemplated in PPPFA Regulations 2011, Regulation 1;
- 9.20 “**Local economic development**” means local and socio-economic development as contemplated in section 152 of the Constitution, 1998;
- 9.21 “**Management**” in relation to an enterprise or business, means an activity inclusive of control and performed on a daily basis, by any person who is a principal executive officer of the company, by whatever name that person may be designated, and whether or not that person is a director;
- 9.22 “**Non-firm prices**” means all prices other than “firm” prices;
- 9.23 “**Person**” includes reference to a juristic person;
- 9.24 “**Rand value**” means the total estimated value of a contract in Rand denomination which is calculated at the time of tender invitations and includes all applicable taxes and excise duties;

- 9.25 “**Sub-Contracting**” means the primary contractor’s assigning or leasing or making out work to, or employing another person to support such primary contractor in the execution of part of a project in terms of the contract;
- 9.26 “**Nominated Sub-contractor**” means contractors accredited on the Municipal database for construction related work as contemplated in the CIDBA.
- 9.27 “**Tender**” means a written offer or bid in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of services or goods;
- 9.28 “**Tender format/strategy**” means the special conditions describing the tender strategy approach in order to achieve identified targets.
- 9.29 “**Trust**” means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person; and
- 9.30 “**Trustee**” means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person.

STELLENBOSCH MUNICIPALITY



**GRANTS-IN-AID
POLICY**

2019/2020



STELLENBOSCH MUNICIPALITY

GRANT-IN-AID POLICY

TABLE OF CONTENTS

Contents

1. DEFINITIONS.....	3
2. PURPOSE, AIMS AND OBJECTIVES	4
3. LEGAL FRAMEWORK	4
4. RESTRICTIONS.....	4
5. PUBLIC ADVERTISEMENT	6
6. GENERAL GUIDELINES AND CATEGORIES	6
7. APPLICATION PROCEDURE	10
8. OBLIGATIONS OF THE APPLICANT	11
9. RIGHTS OF THE MUNICIPALITY	12
10. AGREEMENT	12
11. DEVIATION	12
12. COMMENCEMENT	12

1. DEFINITIONS

“**Appendix A**” means the application for Grant-in-Aid, detailed more fully below, and provided for in clause 5.2.

“**Appendix B**” refers to the memorandum of agreement (MOA), detailed more fully below, and provided for in clause 10.

“**Capacity building**” Capacity building refers to a process which enables human beings to realize their potential, build self-confidence and lead lives of dignity and fulfillment. These Capacity Building programs have to align to the basket of services of the Directorate: Social Development and Early Childhood Development i.e. Early Childhood Development, Youth Development, Substance Abuse, Poverty Alleviation, Vulnerable Groups and Street People.

“**Community Based Organization (CBO)**” are nonprofit groups that work at a local level to improve life for residents. The focus is to build equality across society in all streams – health care, environment, quality of education, access to technology, access to spaces and information.

“**Early Childhood Development (“ECD”) Facility**” means any place, building or premises, including a private residence, maintained or used partly or exclusively, for the reception, protection and temporary or partial care of more than six children that shall be registered, managed and maintained in terms of the Children’s Amendment Act, 41 of 2007.

“**Grant-in-aid**” means a grant-in-aid or allocation, as referred to in Section 12, 17 (3) (j) (iv) of the MFMA, made by the municipality to any organisation or body referred to in Section 67(1) and to be utilised to assist the municipality in fulfilling the Constitutional mandates including social developmental and arts and culture programmes as set out therein.

“**Local Agenda 21**” means the international program, adopted by South Africa to put sustainable development into practice.

“**Memorandum of agreement (MOA)**” means the agreement entered into between the municipality and any organisation or body which receives a Grant-in-Aid in terms of this Policy and **Appendix A**.

“**Non-governmental organisation (NGO)**” means a non-governmental organisation (NGO) that is a legally constituted non-profit organisation that operates independently from any form of government.

“**Non-profit company (NPC)**” means a company whose Memorandum of Incorporation must set out at least one object of the company and each such object must be either a public benefit object or object relating to one or more cultural or social activities, or communal or group interests as required by Item 1(1) of Schedule 1 of the Companies Act, 71 of 2008.

“**Non-profit organisation (NPO)**” means a non-profit organisation registered in terms of Section 13 of the NPO Act, 71 of 1997, established for public purpose and which income and

property thereof is not distributable to its members or office-bearers, except as reasonable compensation for services rendered.

“Stellenbosch Environmental Management Framework (SEMF)” means legal and moral obligations of Stellenbosch Municipality as it relates to the environment, and provides a dynamic vision, goals and objectives, and spatial and strategic directives towards giving effect to such obligations.

2. PURPOSE, AIMS AND OBJECTIVES

- 2.1. This policy aims to provide a framework for Grant-in-Aid to non-governmental organisations (NGOs), community-based organisations (CBOs), non-profit organisations (NPOs) or non-profit companies (NPC) and bodies that are used by government as an agency to serve the poor, marginalised or otherwise vulnerable as envisaged by Sections 12, 17 and 67 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003).
- 2.2. The purpose of the Grant-in-Aid Policy is to complement the goals, objectives, programmes and actions of the Stellenbosch Municipality’s Integrated Development Plan (IDP), in order to create a sustainable, credible and caring municipality by empowering and building communities and enhancing growth and sharing through partnerships. Priority ward needs as identified through Council’s IDP MUST be the guiding factor in developing these partnerships.
- 2.3. Grant-in-Aid should not duplicate services already provided for by Council or which falls within the geographical jurisdiction in which Council operates, being WC024.
- 2.4. Grant-in-Aid should improve the opportunity for Council to elicit the support of external organisations to deliver those services to communities which fall within the Council’s area of responsibility in a way that allows the Stellenbosch community and town to create an enabling environment for community development.

3. LEGAL FRAMEWORK

All transfers of funds in terms of this policy shall comply with the: Constitution of the Republic of South Africa, 1996 as amended (Constitution); Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) as amended (MSA); Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA); and any other applicable legislation, regulations and policies that may govern the transfer of municipal funds and that are not in contradiction to the above.

4. RESTRICTIONS

- 4.1. The Policy applies to all transfers of grants made by the Municipality towards support of services for the poor, marginalized or otherwise vulnerable people. Individuals may not apply for Grant-in-Aid and no payment may be made under this policy to individuals. Council may however set aside a specific amount from which the Municipal Manager, after consultation with the Executive Mayor, may,

at his/her discretion, make donations to support individual, meritorious cases in order to assist and/or recognise individual excellence in whichever field. Bursaries to individuals are treated according to the Council's Bursary Policy.

- 4.2. The total expenditure on grants may not exceed 1% of the operational budget of the Municipality.
- 4.3. Grants will only be made for services rendered in the WCO24.
- 4.4. Transfers made to categories A and B
 - 4.4.1. Transfers provided for those listed in Category A below may be made to a maximum of R40 000-00 per organisation or body per annum.
 - 4.4.2. Transfers in Category B may exceed this amount where funding relates to night shelters or addresses specific ward priorities identified and specified in the IDP and upon proper motivation contained in a business plan to address said issue. Consideration for grants larger than R 40 000, 00 requires audited financial statements, schedule of estimated annual costs and a business plan as provided for in 6 below. The decision to grant an amount more than R 40 000,00 is solely at the discretion of council and subject to available funds.
- 4.5. Grant-in-Aid transfers/payments shall be restricted to deserving organisation and bodies serving, especially those working with the poor/aged/youth/disabled/women, as per the eligible categories in 6.2, provided that such organisations or bodies:
 - 4.5.1. Operate as a separate legal entity and are recognised as such by South African legislation;
 - 4.5.2. Are governed by their constitutions, have regular meetings with their membership and subscribe to sound accounting practices; and
 - 4.5.3. Are located and serve communities and individuals who are most in need within the jurisdiction of the Municipality.
- 4.6. No Grant-in-Aid may be made to any political body, rate payers association or for any religious purposes.
- 4.7. No grant will be allocated, under this policy, to organisations or bodies in cases where a member of Council, an official of Stellenbosch Municipality or close relatives of said individuals receive any financial or other gain.
- 4.8. Funds may only be transferred to an organisation or body if provision has been made for the expenditure on the budget or appropriations budget.
- 4.9. An organisation or body is only entitled to one allocation per financial year, but disbursements can be made more often.

5. PUBLIC ADVERTISEMENT

- 5.1. The advertisements must meet the following requirements:
 - 5.1.1. The Municipal Manager must, place a public advert in local newspapers distributed in the Stellenbosch Municipal area, calling for proposals.
 - 5.1.2. This advert must be placed in time to complete all relevant processes prior to the approval of the annual draft budget or any adjustment budget in order to invite public comment on the proposed donations prior to the approval of the final or adjustment budget.
 - 5.1.3. Advertisements should clearly specify the categories for which proposals are called, the closing date for applications, who the proposal should be addressed to, and where and how to obtain the relevant documentation pertaining to such applications/proposals, including the prescribed forms.
 - 5.1.4. Advertisements should also clearly reflect the Municipality's right not to make an award, as well as the fact that awards will not be made to organisations that have received funds in the previous year but have not submitted a final report on the projects or previous expenditure.
 - 5.1.5. The advertisement should also clearly state that final approval is reliant on the approval of the budget and that **no late submissions will be considered.**
- 5.2. Only applications made on the prescribed form, being **Appendix A**, may be considered.
- 5.3. Funds may not be transferred to any organisation or body that has not submitted a proposal in response to a public advertisement and after the attendance of a compulsory briefing session and that have not signed a Memorandum of Agreement with the Municipality.

6. GENERAL GUIDELINES AND CATEGORIES

6.1. General Guidelines

Funding of applications shall proceed on the basis listed below in response to an advertisement issued after the expiry of the relevant period associated with the specific category and after a compulsory workshop explaining the policy, application process and the required documentation has been attended by the applicants. Subject to the MOA provided for in clause 10, all funding is unrequited, provided there is compliance with said MOA. Funding of application in –

- 6.1.1. Category A will be considered on an annual basis ; and
- 6.1.2. Category B shall be considered on a three year basis subject to a monthly review at the discretion of the Municipality which may result in early termination for unsatisfactory and reckless expenditure.

- 6.1.3. Council in 6.1.1 and 6.1.2 reserve the right not to fund an organisation for two periods in succession and to cancel said funding in accordance with the MOA concluded.
- 6.1.4. Funding however will not be considered in the following instances:
- (i) Where a project or organisation is already receiving funds from Council in terms of Council's functions. Applicants are required to disclose other sources of funding;
 - (ii) Where in Council's opinion, an organisation receives sufficient funds from other sources to sustain its activities or the project applied for. For this purpose, organisations must submit financial statements and a budget for the ensuing financial year;
 - (iii) Where only an individual will benefit;
 - (iv) For political or ratepayers organisations/groupings;
 - (v) Projects outside the boundaries of the Municipality;
 - (vi) Where expenses have already been incurred, and
 - (vii) Where applications were received after the due date and time for submissions.
- 6.1.5. Funding of projects and to organisations shall exclude travel costs, subsistence, accommodation, food or entertainment expenses of any kind, staff salaries, bursaries, payments in lieu of rates or other municipal charges except for where the transport and nutrition is intended for beneficiaries/participants in the projects in question. The Municipality may also exercise their discretion to allow funding to extend to the above costs on a needs basis for the organisation or body clearly motivated for in the application.
- 6.1.6. Subsequent requests from applicants to cover overspending on projects will not be considered.

6.2. Categories Eligible for Grant-in-Aid

The following categories currently apply. Cognisance should be taken that these categories are not exhaustive. Other than the general guidelines and conditions set out above, categories now indicated may require specific criteria applicable to its projects/programmes:

Category A

6.2.1. **Health**

Projects/programmes include the following but are not limited to:

- (i) Public Health interventions inclusive of TB, STDs and HIV/Aids;
- (ii) Preventable lifestyle diseases e.g. drug/alcohol abuse, tobacco related illnesses; and
- (iii) Promotive and preventative services to infants, children and women.

6.2.2. Environment

Purpose: To stimulate the development of sustainable leisure, aesthetic and environmental projects within the municipal area; to increase the awareness of the environment by promoting “Greening of the City”; to promote swimming skills and water safety.

Projects/programmes include the following but are not limited to:

- (i) Voluntary rescue organisations;
- (ii) Lifesaving clubs and swimming organisations;
- (iii) Environmental groups/organisations; and
- (iv) Organisations promoting community involvement as a means of sustaining leisure, aesthetic or environmental projects.
- (v) Projects which further the Council’s aims and the strategies of SEMF (Strategic Environmental Management Framework) and including but not limited to the sustainable management of:
 - o Riverine corridors;
 - o Biodiversity;
 - o Natural and built environment;
 - o Heritage resources;
 - o Quality urban spaces;
 - o Ecological conservation areas;
 - o Urban agricultural complexes;
 - o Bioregional planning;
 - o Nature area management;
 - o Wetlands;
 - o Local Agenda 21 projects

6.2.3. Solid Waste (Cleansing)

Purpose: Waste Reduction and awareness.

Projects/programmes include the following but are not limited to:

- (i) Waste reduction and awareness;
- (ii) Educational programmes/projects addressing litter and waste handling; and
- (iii) Waste minimisation solutions.

6.2.4. Social Development

Purpose: The promotion of projects/programmes which stimulates the Stellenbosch Municipality’s Integrated Development Plan (IDP) focusing especially on the needs of the most marginalised sectors in the greater Stellenbosch as identified in the ward priorities.

Projects/programmes include the following but are not limited to:

- (i) Poverty alleviation;
- (ii) Urban renewal;
- (iii) Capacity building of communities;
- (iv) Youth development;
- (v) Women and gender development;
- (vi) Early childhood development;
- (vii) Street people programmes;

- (viii) Arts and culture programmes
- (ix) Facilitation of public participation processes; arts and culture programmes
- (x) Development of disabled persons, and
- (xi) Development of elderly people

6.2.5. **Sports and Recreation**

Purpose: To stimulate the development of sustainable Sport and Recreation infrastructure and programmes within the municipal area especially targeting disadvantaged communities; encourage creativity and self-reliance on the part of grassroots sport and recreation bodies or groups; to increase participation in sport and recreation programmes and activities.

Projects/programmes include the following but are not limited to:

- (i) Local sport and recreation clubs;
- (ii) School sport teams
- (iii) Local sport and recreation councils or associations
- (iv) Informal sport and recreation groups; and
- (v) Community and non-government organisations.

Category B

6.2.6. **Night Shelters**

Purpose: Provision of shelter for vulnerable individuals living on the street, without homes, in the need of shelter at night. Shelter is provided on a temporary basis and residency should not be provided for on a permanent basis. The Municipality aims to reduce the number of people living on the streets of Stellenbosch and as such the organisation or body's goals should align with this vision. Further the Municipality aims to reduce the socio-economic effects of poverty on the community of Stellenbosch. The organisation or body must therefore present to Council a clear business plan with a comprehensive response to the prevention, reduction, outreach and stabilisation of street people. Organisations or bodies that provide a continuum of services and that collaborate with businesses, government departments and other organisations are preferred. Street people programmes listed in Category A shall fall under this category if provision is made for overnight stay.

Projects/programmes must include the following but are not limited to:

- (i) Provision of basic services (overnight facility, shower, morning and evening meals)
- (ii) Provision of social work services inclusive of referrals
- (iii) Family re-integration services
- (iv) Social support
- (v) Community work programme
- (vi) Facility maintenance (Infrastructure and operational equipment)

6.2.7. **Projects aligned to the strategic objectives of the municipality as described in the IDP**

Purpose: The promotion of projects/programmes which stimulates the Stellenbosch Municipality's Integrated Development Plan (IDP) focusing on the strategic objectives of the Municipality and identified ward priorities. The organisation must therefore present to Council not only a clear business plan detailing how they intend to address the specific issue but how they intend to partner with other organisations to achieve a unified approach to that particular challenge. Organisations or bodies that provide a continuum of services and that collaborate with businesses, government departments and other organisations are preferred.

Projects/programmes include the following strategic objectives but are not limited to:

Those listed in Category A that address specific ward priorities identified and specified in the IDP and upon proper motivation contained in a potential plan to address said issue.

- (i) Valley of Possibility
- (ii) Green and Sustainable Valley
- (iii) Dignified Living
- (iv) Safe Valley
- (v) Good Governance and Compliance

7. APPLICATION PROCEDURE

Applications and proposal for Grant-in-Aid must be on the prescribed form stated in 5.2 above, a copy of which is attached hereto as **Annexure A for Category A and B** . Applications must be accompanied by a covering letter on the letterhead of the organisation or body, signed by the head of the organisation or body and must include the following information. Should an applicant wish to submit a Category B application, but would want to be considered for a Category A application in the event that the Category B application is declined, this must be clearly stated in the covering letter and supporting documents **MUST** be submitted for both types of applications:

- 7.1. The applicant's legal name and a brief description of the applicant organisation's or body's business;
- 7.2. if the applicant claims to be a non-profit organisation, the registration number and the certificate;
- 7.3. the date of establishment, details of the applicant's member founding documents, including constitution and certificates of incorporation;
- 7.4. a contact name, full street address, telephone number and an e-mail address;
- 7.5. if funding is required for a specific project, a brief description of the project what it aims to achieve, as well as the detailed budget for and duration of the project;

- 7.6. a description on how the project aligns with the needs identified in the community through the IDP process and which ward priorities will be addressed through the project;
- 7.7. if the request is for general support, the organisation's or body's overall budget must be included;
- 7.8. references, independent of the applicant and its executive;
- 7.9. most recent audited financial statements (subject to MFMA, section 67(4)) statements; or at least statements signed off by the treasurer and chairperson of the organization in the case of small emerging organizations;
- 7.10. a summary of past achievements;
- 7.11. a declaration by the head of the organization to the satisfaction of the Municipal Manager, that the organisation or body implements effective, efficient and transparent financial management and internal control mechanisms to guard against fraud, theft and financial mismanagement and has in the past complied with requirements for similar transfers of funds; and
- 7.12. notwithstanding the above requirements, the CFO after considering the merits of an application not complying with the minimum application criteria and after consulting the Municipal Manager, may for the purpose of this policy approve a deviation from the norm;
- 7.13. Applications for Category B **must** include a schedule of annual costs for a three year period, business plan and audited financial statements.

8. OBLIGATIONS OF THE APPLICANT

- 8.1. The head of the organisation or body must acknowledge in writing to the Municipal Manager that the money was received in its bank account and that the amount is/will be utilised to the benefit and in accordance with the role of the organisation or body in society. The funds should be used as outlined in the application form.
- 8.2. The organisation or body shall regularly report, if and when required but at least once a year, to the Municipal Manager regarding the activities conducted, the ward within which activities are conducted, as well as the number of people benefiting from the activities.
- 8.3. If funding is required for a specific project, a brief description of the project and what it aims to achieve, as well as the detailed budget for and duration of the project.
- 8.4. The applicant must attend a compulsory workshop on the Grant-in-Aid policy and application procedure prior to submission of the application.

- 8.5. If successful with the application, the applicant must spend funds according to the approved Grant-in-Aid funding request. Should the need change over the funding period, written consent needs to be obtained from the municipality prior to spending the funds on alternative needs. Failure to spend funding on approved projects can result in the applicant being required to return the funding and/or the applicant being excluded from future applications for a period of 5 years.

9. RIGHTS OF THE MUNICIPALITY

- 9.1. The Municipality shall be entitled, from time-to-time, to verify and inspect the existence and activities of the organisation or body. The municipality will therefore have the right to physically visit the premises where the organisation, or the funded project, is based; to peruse the budgets and any progress reports related to the project (in contract).
- 9.2. The Municipality shall manage contracts entered into with organisations or bodies by receiving reports and doing the necessary site visits and inspections to ensure that this policy and contract are being complied with.
- 9.3. The Municipality has the right not to give a Grant-in-Aid to any or all organisations applying for grants. Having been awarded a grant previously does not give an applicant the right to receive a grant again.
- 9.4. The Municipality will run proposed donations through a public participation process before final awards are made.

10. AGREEMENT

Before any funds are transferred to an organisation an agreement (**Annexure B**) must be concluded by the Municipal Manager with the beneficiary to protect the interest of the Municipality.

11. DEVIATION

This policy constitutes the entire framework for Grant-in-Aid and no deviation will be entertained.

12. COMMENCEMENT

This Policy takes effect on the date on which it is adopted by the Council of Stellenbosch Municipality.



APPLICATION FOR GRANT-IN-AID: 2018/19

NOTE: ATTENDANCE OF THE GRANT-IN-AID WORKSHOP IS COMPULSORY

PLEASE COMPLETE THE FOLLOWING			
A	REGISTERED NAME OF ORGANISATION		
B	DATE AND YEAR IN WHICH THE ORGANISATION WAS FOUNDED: (include a brief description of the business or activities of the organization)		
C	ADDRESS OF REGISTERED ORGANISATION		
	PHYSICAL ADDRESS	POSTAL ADDRESS	
	CODE:	CODE:	
D	CONTACT DETAILS (Details of the person to contact regarding this GIA application)		
	NAME & SURNAME:		
	POSITION:		
	TEL: ()	FAX: ()	
	MOBILE:	ALTERNATIVE:	
	EMAIL ADDRESS:		

E REGISTRATION:				
	Is the organization a NP/NG Organisation?	YES		NO
	If YES, please provide the Registration Number: (Attach a copy of the registration certificate or proof of other affiliation where applicable)			
F BOARD/COMMITTEE MEMBERS OF THE ORGANISATION: (List ALL Board/Committee Members of the Organisation) Insert a separate page if the space is not enough).				
1	NAME & SURNAME:			
	POSITION:			
	ADDRESS:			
	CONTACT NUMBER:			
2	NAME & SURNAME:			
	POSITION:			
	ADDRESS:			
	CONTACT NUMBER:			
3	NAME & SURNAME:			
	POSITION:			
	ADDRESS:			
	CONTACT NUMBER:			
4	NAME & SURNAME:			
	POSITION:			
	ADDRESS:			
	CONTACT NUMBER:			

5	NAME & SURNAME:	
	POSITION:	
	ADDRESS:	
	CONTACT NUMBER:	
6	NAME & SURNAME:	
	POSITION:	
	ADDRESS:	
	CONTACT NUMBER:	
7	NAME & SURNAME:	
	POSITION:	
	ADDRESS:	
	CONTACT NUMBER:	
8	NAME & SURNAME:	
	POSITION:	
	ADDRESS:	
	CONTACT NUMBER:	
9	NAME & SURNAME:	
	POSITION:	
	ADDRESS:	
	CONTACT NUMBER:	

10	NAME & SURNAME:				
	POSITION:				
	ADDRESS:				
	CONTACT NUMBER:				
G PREVIOUS FUNDING:					
Have you successfully applied and received Stellenbosch Municipal Grant-In-Aid funding previously?					
If yes for which financial year?					
What amount was received?					
Did you submit Financial Reports for the funds received?					
Do you receive any other sources of funding? (If YES please provide details)					
H CATEGORY A:					
For more information refer to the Grant-In-Aid Policy for general guidelines and categories (Please categorize your application by marking the appropriate category with X)					
HEALTH					
ENVIRONMENT					
SOLID WASTE					
SOCIAL DEVELOPMENT					
SPORTS & RECREATION					
CATEGORY B:					
For more information refer to the Grant-In-Aid Policy for general guidelines and categories (Please categorize your application by marking the appropriate category with X)					
NIGHT SHELTER					
OTHER (Please specify)					
I REQUEST FOR FUNDING:					
Is funding required for the ensuing year?		YES		NO	
Is funding required for a specific project? (If YES attach details separately)		YES		NO	
Is funding required for general support? (If YES, attach a copy of the Organisation's Overall Budget)		YES		NO	
Budgeted amount requested					
Duration of project?					

If Category B Application						
Total amount requested for 3 year period						
Annual amounts requested:	Year 1		Year 2		Year 3	
J SERVICE FOCUS						
Ward number/s in which services are delivered:						
Which Ward Priority/ies are addressed through the service: (Please provide details below)						
Which Municipal Strategic Goal/s is linked to the services: (Please mark with a X)						
Valley of Possibility						
Green and Sustainable Valley						
Dignified Living						
Safe Valley						
Good Governance and Compliance						
K THE FOLLOWING MUST BE ATTACHED TO THIS APPLICATION: (Category A and B applications) (Please use this form as a check-list, to ensure that you comply to the specified requirements)						
1	AUDITED FINANCIAL STATEMENTS (A copy of the latest audited financial statements. Should the organization be classified as an emerging organization, the financial statements MUST be dated and signed by the Treasurer and Chairperson and MUST include a monthly income and expense statement for the months that the organization has been in existence or for the last 12 months)					
2	ORGANISATIONAL CONSTITUTION (A signed and dated copy of the Organisation's Constitution, as well as a signed copy of the Minutes of the AGM/Special Meeting , to verify the acceptance of the Constitution.)					
3	PROJECT PROGRAMME/BUSINESS PLAN (A copy of the project/program description and/or a business plan for the ensuing financial year. Please ensure that the following is included in the project/program and or business plan, by using the below mentioned bullet points as a guide).					
	❖ Full details of the proposal/project/business plan including objectives;					
	❖ The number of people who will benefit and how the project/program will contribute or enhance the strategic objectives of Stellenbosch Municipality;					
	❖ The project/program commencement and completion dates;					
	❖ Information on the total costs of the project/program budget;					
	❖ A breakdown of costs and an outline of any contributions by fundraising and / or own contributions;					
	❖ A list of all other sources of funding together with the assessments;					
❖ A summary of past achievements;						
❖ Reference independent of the applicant and its executive/board or committee members.						
4	SIGNED AND STAMPED CREDITOR CONTROL FORM (An original signed copy of a correctly completed Creditors Control form of the Stellenbosch Municipality)					
5	ACCOUNT ON EXPENDITURE FOR PRECEDING FUNDING (If you have received funding from Stellenbosch Municipality in the preceding financial year, expenditure of the funds received needs to be accounted for with this new application). Please refer to Section M for the format.					
6	PROOF OF REGISTRATION/AFFILIATION (Attach a copy of the organisation's Registration Certificate of Affiliation)					

REQUIREMENTS CATEGORY B APPLICATIONS	
L	(Please note that Category B applications MUST adhere to the following requirements and those listed under section K, except where indicated otherwise.)
1	AUDITED FINANCIAL STATEMENTS A copy of the latest audited financial statements must be included in the application. Category B applications MUST submit their latest audited financial statements. Statements signed off by the treasurer, chairperson or other delegated party will not be accepted.
2	THREE YEAR BUSINESS PLAN See the requirements for the business plan as listed under section K as guideline. NOTE: Category B applications MUST provide a clear proposal for a period of three years. Each year must be indicated separately and be costed per annum indicating all expenditure against the projected measurable outcomes. Outcomes must be listed into how they will be reported on and measured on a monthly basis.
M	
FORMAT FOR FEEDBACK REPORT (Please ensure that your feedback of previous funding received, includes the following)	
1	Narrative report on the project including numbers reached, outcomes reached, evaluation of the project indicating successes and failures/lessons learned.
2	Pictures of the project/program.
3	Financial report on expenditure regarding previous donation separate from the annual financial statements. (Attach proof of expenditure).
N	
THE FOLLOWING SHALL APPLY:	
1	The allocation of Grant-In-Aid will only be considered if the application document has been fully completed and signed and is accompanied by the required and supporting documentation referred to therein.
2	An applicant who has been registered as a non-profit organization in terms of Section 13 of the Non-Profit Organisation Act, 1997, and the necessary proof thereof is submitted together with this application.
3	Applicants must in their submission clearly indicate/specify and motivate what the funds will be utilized for.
4	The Grant-In-Aid must be exclusively utilized for the purpose defined and the successful applicant must submit the necessary undertaking to this effect.
5	Applicants must in their submission satisfy the Council of their ability to execute the project successfully.
6	Organisations who have already received financial or other assistance from the Council during the previous financial year MUST specify same in their application.
7	No funding will be considered for political groupings, churches or ratepayers organisations.
8	No funding will be considered where only an individual will benefit or where a member of Council or an official of Stellenbosch Municipality will receive any financial or other gain.
9	Projects outside the boundaries of the Council will not be considered.
10	Expenditure that will not be funded includes: travel costs (unless it is for the transport of beneficiaries), subsistence, accommodation, food (unless intended for the beneficiaries) or entertainment expenses of any kind, staff salaries including bonuses, bursaries and payments in lieu of rates or other municipal charges.
11	Subsequent requests from the applicants to cover overspending on projects will not be considered.
12	Successful applicants must at all times comply with the provisions of Section 67(1) of the Municipal Finance Management Act no. 56 of 2003 which inter alia stipulates that the organization or body has to:-
	❖ Enter into and comply with a Memorandum of Agreement with the Municipality as well as with all reporting financial management and auditing requirements as may be contained in such an agreement. This memorandum of agreement will bind the successful applicant to deliver on what the application speaks to, but also to commit to become involved with municipal programs of the community where it functions. The Memorandum of Agreement will be made available to successful applicants for completion.
	❖ Report monthly on the actual expenditure of the amount allocated to it. Should monthly allocations be made.
13	The Council reserves the right not to give a Grant-In-Aid to any organization applying for grants. Having been awarded a grant previously does not give an applicant the right to receive a grant again.
14	Funding will not be considered where a project or organization is already receiving funds from Council in terms of Council's functions. Applicants are required to disclose other sources of funding, failing which such applicant will be disqualified.
15	Funding will not be considered where in Council's opinion, an organization received sufficient funds from other sources to sustain its activities or the project applied for. For this purpose, organisations must submit financial statements and budget for the ensuing financial year.
16	Organisations having received funding from Stellenbosch Municipality during the previous financial year, are required to attach to any new application, a copy of the financial statements relating to the year in which the funding was received from Council, as required in terms of Section 17 of the Non-profit Organisation Act, 1997 and Section 67(1) of the Municipal Finance Management Act, 2003 (MFMA).
17	Funding will not be considered where expenses have already been incurred on a project by the applicant. (The Council's Grant-In-Aid Policy must be consulted for the sake of completeness).

O DECLARATION OF INTEREST:

The beneficiary declares that the following municipal employees and/or councillors have a vested interest in the business of the beneficiary. However, they do not benefit directly from this donation and were not part of the decision making process in the allocation of the donations:

Name & Surname:

Designation:

Name & Surname:

Designation:

P UNDERTAKING:

I/We hereby verify that the information provided in this application is true and correct and that the conditions applicable to the allocation of a Grant-in-Aid as set out above and in the GIA Policy have been read and is understood and will be complied with.

I/We also declare that the organization implements effective, efficient and transparent financial management and internal control mechanisms to guard against fraud, theft and financial mismanagement and has in the past complied with requirements for similar transfer(s) of funds.

Thus completed and signed at Stellenbosch on this ____ day of _____
20____.

Chairperson/Authorised Representative

Secretary/Duly Authorised Signatory

Q PLEASE TAKE NOTE:

(Completed application forms, together with all the required supporting documentation must be posted to):

The Director: Planning & Economic Development
P O Box 17
Stellenbosch
7599

Or hand delivered to:

The Manager: Community Development
58 Andringa Street
Stellenbosch
7600

The submission of applications closes at 13H00 on the closing date as per the advertisement.

PLEASE NOTE: Neither LATE nor INCOMPLETE applications shall be considered.



STELLENBOSCH
STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

MEMORANDUM OF AGREEMENT

Entered into and between

STELLENBOSCH MUNICIPALITY

(hereafter called the "**MUNICIPALITY**")

Herein represented by **Geraldine Mettler**, in her capacity as **Municipal Manager**, being duly authorised

and

(hereafter called the "**BENEFICIARY**")

Herein represented by _____ in his/her capacity as _____,
being duly authorised.

WHEREAS Section 67(1) of the Local Government: Municipal Finance Management Act, Act 56 of 2003 (MFMA) oblige the Accounting Officer of a **MUNICIPALITY** to satisfy himself that, before transferring funds of the **MUNICIPALITY** to an organisation or body outside any sphere of government otherwise than in compliance with a commercial or other business transaction, that such organisation or body:-

- (a) has the capacity and has agreed-
 - (i) to comply with any agreement with the **MUNICIPALITY**;
 - (ii) for the period of the agreement to comply with all reporting, financial management and auditing requirements as may be stipulated in the agreement;
 - (iii) to report at least monthly to the Accounting Officer on actual expenditure against such transfer (should transfers be done on a monthly basis); and

- (b) implements effective, efficient and transparent financial management and internal control systems to guard against fraud, theft and financial mismanagement; and
- (c) has in respect of previous similar transfers complied with all the requirements as set out above; and
- (d) give permission to site visits done by the **MUNICIPALITY**.

WHEREAS the **MUNICIPALITY** has approved a Grants-in-Aid Policy, in terms whereof applications are considered;

WHEREAS the **BENEFICIARY** has applied for a grant-in-aid as per the official grant-in-aid application form; and

WHEREAS the **MUNICIPALITY** has approved such application, subject to certain conditions;

NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:

1. TRANSFER OF FUNDS

1.1 The **MUNICIPALITY** hereby undertakes to transfer an all-inclusive amount of

R..... (.....), being a donation for the period **01 July 20...** to **30 June 20...** to the **BENEFICIARY**.

1.2 Bank Account details: (The following are confirmed through a correctly completed Creditors Control Form.)

Account number	:	_____
Name of financial institution	:	_____
Name of account holder	:	_____
Branch code	:	_____
Type of account	:	_____

1.3 The all inclusive amount will be transferred in equal amounts on the following dates (if applicable):

2. OBLIGATIONS OF BENEFICIARY

- 2.1 The **BENEFICIARY** must acknowledge in writing to the Municipal Manager that the amount(s) was(were) received in it's bank account.
- 2.2 The **BENEFICIARY** hereby certifies that the money will be utilised in accordance with the role of the organisation or society, to the benefit of the community and in accordance with the project(s) / programme(s) as indicated in the application form.
- 2.3 The **BENEFICIARY** undertakes to regularly report on a monthly basis to the Municipal Manager regarding the activities conducted, actual expenditure against such transferred funds, as well as the number of people benefiting from the activities should monthly payments be made. If not, an annual report on the expenditure will be provided.
- 2.4 The **BENEFICIARY** further undertakes to submit an audited financial statement for its financial year to the Municipal Manager by not later than **30 April 20...**

3. SPECIFIC CONDITIONS

- 3.1 The parties specifically agree on the following:

That the organization will commit to active involvement in any programme run by the municipality in the area of operation of the organization when such a programme is active in the community.

Other conditions:

4. DECLARATION OF INTEREST

The beneficiary declares that the following municipal employees and/or councillors have a vested interest in the business of the beneficiary. However, they do not benefit directly from this donation and were not part of the decision making process in the allocation of the donations: (Name and designation)

5. ACQUISITION OF ASSETS

5.1 Should the **BENEFICIARY** wish to acquire any moveable or immovable assets with the money donated in terms of this Agreement, the **BENEFICIARY** hereby undertakes to:-

5.1.1 adhere to the principles as per the **MUNICIPALITY'S** Supply Chain Management Policy, and

5.1.2 take all reasonable steps to ensure that such assets are maintained and that a system of internal control of such assets is in place.

6. RIGHTS OF THE MUNICIPALITY

6.1 The **MUNICIPALITY** shall be entitled, from time to time, to verify the existence and to inspect the activities of the **BENEFICIARY**, having regards for its right to privacy as entrenched in terms of the Constitution of the Republic of South Africa..

6.2 The **MUNICIPALITY** shall further be entitled to peruse the budgets and any progress reports related to the project / programme as per this Agreement.

7. FAILURE TO COMPLY

7.1 Failure by the **BENEFICIARY** to comply with the obligations as set out in Clause 2 of this Agreement, may lead to the cancellation of this Agreement, in which case the **MUNICIPALITY** may demand that the organisation pays back any unspent funds as per this Agreement. The **MUNICIPALITY** may even, depending on the circumstances leading to the non-compliance by the **BENEFICIARY**, demand that the organisation pays back the full amount paid to the **BENEFICIARY**.

8. INDEMNIFICATION

8.1 The **BENEFICIARY** hereby acknowledges that it receives the grant voluntarily and that it shall keep the **MUNICIPALITY** indemnified at all times against any loss, cost, damage, injury or liability suffered by the **MUNICIPALITY** resulting from any action, proceeding or claim made by any person (including themselves) against the **MUNICIPALITY** caused directly or indirectly by the use/spending of the grant.

9. DISPUTE RESOLUTION

9.1 Any dispute arising from this Agreement shall be mediated between the Parties by a mutually agreed upon and suitably skilled mediator. Should the mediator be unsuccessful and the Parties fail to reach agreement, the dispute may be referred by the aggrieved Party to the arbitration of a single arbitrator, to be agreed upon between the Parties, or failing agreement, to be nominated on the application of any Party, by the President for the time being of the South African Association of Arbitrators. The decision of the single arbitrator shall be final and binding on the Parties.

10. NOTICES AND DOMICILIA

10.1 The parties choose as their *domicilia citandi et executandi* their respective addresses as set out in this clause for all purposes arising out of or in connection with the agreement at which addresses all processes and notices arising out of or in connection with this Agreement, its breach or termination, may validly be served upon or delivered to the Parties.

10.2 For purposes of this Agreement the Parties' respective addresses shall be:

10.2.1 The **MUNICIPALITY:**

Town House
Plein Street
Stellenbosch
7600
Fax: 021 – 808 8025

10.2.2 The **BENEFICIARY:**

email address: _____

or at such other address of which the Party concerned may notify the other(s) in writing provided that no street address mentioned in this sub-clause shall be changed to a post office box or poste restante.

10.3 Any notice given in terms of this Agreement shall be in writing and shall-

10.3.1 if delivered by hand be deemed to have been duly received by the addressee on the date of delivery;

10.3.2 if posted by prepaid registered post be deemed to have been received by the addressee on the 8th (eighth) day following the date of such posting;

10.3.3 if transmitted by facsimile be deemed to have been received by the addressee on the day following the date of despatch;

10.4 Notwithstanding anything to the contrary contained or implied in this Agreement, a written notice or communication actually received by one of the Parties from another, including by way of facsimile transmission, shall be adequate written notice or communication to such party.

11. ENTIRE AGREEMENT

This Agreement, including the **Grant-in-Aid policy and application form**, reflects the entire Agreement between the Parties and no variation, amendment or addendum shall be of any force and effect between the Parties unless contained in writing, signed and agreed on by both Parties.

Signed at Stellenbosch on this _____ day of _____ 20....

.....
for the **MUNICIPALITY**

WITNESS: 1.

2.

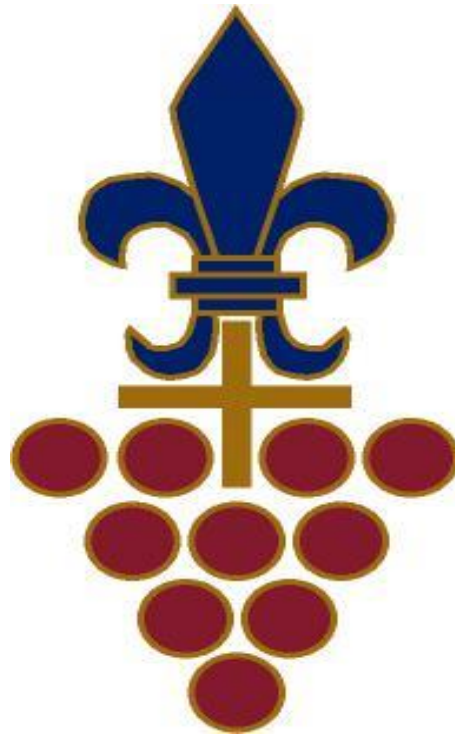
Signed at Stellenbosch on this _____ day of _____ 20....

.....
for the **BENEFICIARY**

WITNESS: 1.

2.

STELLENBOSCH MUNICIPALITY



MFMA Circular No.93

**MUNICIPAL BUDGET CIRCULAR FOR
THE 2019/2020 MTREF –
7 DECEMBER 2018**



Municipal Budget Circular for the 2019/20 MTREF

CONTENTS

1. THE SOUTH AFRICAN ECONOMY AT A CROSSROADS	2
2. KEY FOCUS AREAS FOR THE 2019/20 BUDGET PROCESS	4
2.1 LOCAL GOVERNMENT CONDITIONAL GRANTS AND ADDITIONAL ALLOCATIONS	4
2.2 TABLING OF FUNDED BUDGETS	6
2.3 ADDRESSING THE GROWING FINANCIAL CRISIS IN MUNICIPALITIES	6
2.4 MUNICIPAL STANDARD CHART OF ACCOUNTS (MSCOA)	7
3. THE REVENUE BUDGET	9
3.1 MAXIMISING THE REVENUE GENERATION OF THE MUNICIPAL REVENUE BASE.....	9
3.2 ESKOM BULK TARIFF INCREASES.....	10
3.3 WATER TARIFF INCREASES.....	10
4. FUNDING CHOICES AND BUDGETING ISSUES	10
4.1 EMPLOYEE RELATED COSTS	11
4.2 REMUNERATION OF COUNCILORS	11
4.3 BUDGETING FOR TRADE PAYABLES ON TABLE SA3	11
4.4 BUDGETING FOR INVENTORY: WATER.....	12
5. CONDITIONAL GRANT TRANSFERS TO MUNICIPALITIES	13
5.1 SUMMARY OF CHANGES IN THE DIVISION OF REVENUE AMENDMENT BILL, 2018.....	13
5.2 CONDITIONAL GRANT MONITORING SUPPORT AND NON-COMPLIANCE OF IN YEAR MONITORING	15
5.3 SUPPORT AFFORDED TO MUNICIPALITIES REFLECTING SIGNIFICANT UNDERSPENDING	15
5.4 2017/18 UNSPENT CONDITIONAL GRANT PROCESS.....	15
6. PREPARATION OF MUNICIPAL BUDGETS FOR 2019/20 MTREF	16
6.1 SCHEDULE A1 VERSION TO BE USED FOR THE 2019/20 MTREF	16
6.2 ASSISTANCE WITH THE COMPILATION OF BUDGETS	17
7. BUDGET PROCESS AND SUBMISSIONS FOR THE 2019/20 MTREF	18
7.1 SUBMITTING BUDGET DOCUMENTATION AND SCHEDULES FOR 2019/20 MTREF	18
7.2 RETIREMENT OF THE BUDGET REFORM RETURNS (APPENDIX B).....	19
7.3 BUDGET VERIFICATION PROCESS.....	20
7.4 PUBLICATION OF BUDGETS ON MUNICIPAL WEBSITES	20
ANNEXURE A – CHANGES TO MSCOA VERSION 6.3	21
ANNEXURE B – CHANGES TO SCHEDULE A1 – THE ‘EXCEL FORMATS’	22
ANNEXURE C – PARTICIPATION IN RT15-2016 VODACOM TRANSVERSAL CONTRACT	23
ANNEXURE D – MFMA CIRCULAR NO. 71 ALIGNED MSCOA DASHBOARD	24

Introduction

This circular comes at a time where National Treasury needed to respond to a call by the President of the Republic of South Africa for a stimulus package and the implementation of the recovery plan in order to stimulate the economy. The stimulus package call responds to amongst others the recent technical recession, the high percentage of unemployment that sits at 27 per cent, slow economic growth, weakening of the currency amidst rising global interest rates and the strengthening of the US dollar affecting most developing countries.

Local government has a vital role to play in turning around the economy. In many areas of the country, municipal finances are under pressure. This is the result of the rising cost of delivering basic services and weak financial planning and controls, with poor management decisions leading to underinvestment in and insufficient maintenance of infrastructure. In some cases, corrupt practices have taken root in local administrations. Over the period ahead, national transfers to local government will continue to support the delivery of basic services, while incentivising improved performance and the turnaround of troubled municipalities.

In the local space, fiscal prudence cannot be overemphasised, renewed attitude towards revenue management, improvement of governance and financial management to support service delivery including the adoption of funded budgets and implementation of the municipal standard chart of accounts and the long awaited plan to infuse consequence management for maladministration must be the primary way to respond to a stimulus package plan by the President.

The purpose of the annual MFMA budget circular is to guide municipalities with their compilation of the 2019/20 Medium Term Revenue and Expenditure Framework (MTREF), in particular to ensure that funded budgets are adopted by municipal Councils. This means that expenditure must be contained within realistic revenue projections.

In 2010 National Treasury introduced the local government budget and financial reform agenda and since then several projects to further this agenda have been introduced. The current implementation of the Municipal Standard Chart of Accounts (*mSCOA*) and the accompanying “game changers” signals a smarter way forward to strengthening local government finances.

Among the objectives of this budget circular is to demonstrate how municipalities should undertake annual budget preparation in accordance with the budget and financial reform agenda and associated “game changers”.

Municipalities are reminded to refer to the annual budget circulars of the previous years for guidance on budget preparation that is not covered in this circular.

1. The South African economy at a crossroads

South Africa finds itself at a crossroads. The Medium Term Budget Policy Statement (MTBPS) presented by the Minister of Finance, Mr Tito Mboweni highlights the difficult economic and fiscal choices confronting government over the next several years. In the 2018 MTBPS, the Minister of Finance stated that given *the current economic climate the country faces, the government is confronted by difficult economic and fiscal choices over the medium term*. The Minister further indicated that South Africa needs to choose a path that leads to faster and more inclusive economic growth and strengthens private and public sector investment. The path should also stabilise and reduce the national debt, as South Africa cannot afford to borrow at the rate we are currently borrowing at.

The 2018 Budget set out expectations of improved economic performance that proved premature. During the first half of this year, South Africa experienced a technical recession – that is, declining of the two consecutive quarters of Gross Domestic Product (GDP) – driven primarily by contractions in agriculture and mining.

A strengthening US dollar and rising global interest rates have triggered fiscal crises in several major developing countries. South Africa's inflation targeting regime, flexible exchange rate and prudent debt management strategy have protected the economy from some of the global fallout. However, these events have led to a sharp depreciation of the Rand and large increases in government bond yields. It is important to note that the 2018 projected GDP growth forecast has been revised down from 1.5 per cent to 0.7 per cent. Growth is expected to recover gradually to over 2 per cent in 2021 as confidence returns and investment gathers pace.

To promote a return to faster growth and job creation, the President announced an economic stimulus and recovery plan in September 2018. The initiative focuses on five interventions:

- Implementing growth-enhancing economic reforms;
- Reprioritising public spending to support economic growth and job creation;
- Establishing an infrastructure fund;
- Addressing urgent matters in education and health; and
- Investing in municipal social infrastructure improvement.

Increased investment in social and economic infrastructure will be a focus of economic recovery over the medium term. This requires an increased role for private sector and better implementation of government's existing plans.

Similar to the same period last year (2017), the country's tax collection targets have not been met, further reducing the funds available to allocate across the three spheres of government.

The following macro-economic forecasts must be considered when preparing the 2019/20 MTREF municipal budgets.

Table 1.1 Macroeconomic projections, 2017 – 2021

Calendar year	2017 Actual	2018 Estimate	2019	2020 Forecast	2021
<i>Percentage change unless otherwise indicated</i>					
Household consumption	2.2	1.6	1.9	2.3	2.6
Gross fixed-capital formation	0.4	0.9	1.5	2.1	2.9
Real GDP growth	1.3	0.7	1.7	2.1	2.3
GDP at current prices (R billion)	4,651.8	4,949.1	5,317.2	5,724.1	6,167.2
CPI inflation	5.3	4.9	5.6	5.4	5.4
Current account balance (% of GDP)	-2.4	-3.2	-3.2	-3.7	-3.9

Source: Reserve Bank and National Treasury

Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

2. Key focus areas for the 2019/20 budget process

2.1 Local government conditional grants and additional allocations

The proposed division of revenue continues to prioritise funding services for poor communities. Allocations to local government subsidise the cost of delivery of free basic services to low-income households, and the infrastructure needed to deliver those services.

The 2018 Medium Term Budget Policy Statement (MTBPS) indicates transfers to local government for the 2019 MTEF are R415.5 billion, of which R269.2 billion is in the form of unconditional allocations while the remainder is conditional grant funding. The allocations for local government over the medium term represent 8.9 per cent of non-interest expenditure and grows to 9.1 per cent during the same period, which constitutes an increase of 7.2 per cent. These are notable increases from 2018 MTEF, which require municipalities, despite the rising cost of providing basic services, find innovative, effective and efficient ways of making better use of the limited resources, given the current economic situation.

The equitable share and the allocation of the general fuel levy to local government constitute unconditional funding. Municipalities are reminded that this funding allocation is formula driven and designed to fund the provision of free basic services to disadvantaged communities.

Conditional grant funding must be utilised for the intended purpose within the stipulated timeframes, as specified in the annual Division of Revenue Act. Monies not spent must be returned to the fiscus and requests for roll-overs will only be considered where unforeseen and unavoidable circumstances led to underspending of conditional grants.

The annual Division of Revenue Bill will be tabled in February 2019 when the Minister of Finance delivers the budget speech. The grant allocations will be specified in this Bill and municipalities must reconcile their budgets to the numbers published therein.

Municipalities are advised to use the indicative numbers presented in the 2018 Division of Revenue Act to compile their 2019/20 MTREF. In terms of the outer year allocations (2021/22 financial year), it is proposed that municipalities conservatively limit funding allocations to the indicative numbers as proposed in the 2018 Division of Revenue Act for 2020/21. The DoRA is available at:

<http://www.treasury.gov.za/documents/national%20budget/2018/default.aspx>

Changes to local government allocations

- Over the MTEF period, R415.5 billion will be transferred to local government, including R146.3 billion in infrastructure conditional grants. The largest transfer to municipalities is the local government equitable share, which grows by 9.9 per cent in 2019/20, 9.7 per cent in 2020/21 and 8.6 per cent in 2021/22. These above-inflation increases are due to expected growth in household numbers, and higher bulk water and electricity costs.
- Government will strengthen municipal capacity to improve the use of these allocations. Although the rules have been changed to allow municipalities to use grant funds to refurbish infrastructure, develop water conservation projects and maintain roads if certain conditions are met – few municipalities have taken advantage of these provisions. The national departments that administer these grants are improving their capacity to support municipalities and to assess proposed projects.

- It should be emphasised that the widespread decline in the quality and performance of essential municipal infrastructure significantly constrains the potential for inclusive economic growth. Municipalities should prioritise the maintenance and where necessary the refurbishment of essential municipal infrastructure.
- In many areas of the country, municipal finances are under pressure. This is the result of the rising cost of delivering basic services and weak financial planning and controls, with poor management decisions leading to underinvestment in and insufficient maintenance of infrastructure. In some cases, corrupt practices have taken root in local administrations. Over the period ahead, national transfers to local government will continue to support the delivery of basic services, while incentivising improved performance and the turnaround of troubled municipalities.
- The Department of Cooperative Governance (DCoG) has managed the process to assess applications from municipalities to shift from the Municipal Infrastructure Grant to the new Integrated Urban Development Grant. This new grant has different planning requirements and incentives intended to more integrated developments and greater leveraging of non-grant finance. Several municipalities applied to join this grant during 2018 and the Department of Cooperative Governance (DCoG) will notify those municipalities that have qualified. All other non-metropolitan municipalities should continue to adhere to the Municipal Infrastructure Grant's project registration processes in preparation for 2019/20.
- More than 3.1 million South Africans live in informal settlements, over half of which are in metropolitan municipalities. Over the medium term, informal-settlement upgrading will intensify. On-site upgrading of settlements involves providing municipal services and security of tenure to households. This will encourage residents to improve their own dwellings. Public programmes and funding mechanisms will focus on allowing more flexible and differentiated improvements to settlements. Government will prioritise engagement with communities and their inclusion in upgrading, for example through helping to build and maintain infrastructure. New conditions and ring-fenced funding for upgrading will be included in the urban settlements development grant for metropolitan areas and the human settlements development grant for provinces in 2019/20. Following the pilot phase, government intends to introduce separate metropolitan and provincial grants for informal settlement upgrading. With most electrification backlogs in metros in informal settlements, it is also proposed that allocations for the integrated national electrification programme (municipal) grant be incorporated into the new grant mechanism in these cities.

Reforms to local government fiscal framework

Metropolitan areas and other large cities fund most of their operational budgets from revenues they raise themselves. There is ample scope for creditworthy municipalities with strong financial management to increase local capital investment by expanding municipal borrowing. In 2017/18, half of infrastructure spending by metros and large cities was still funded from transfers, primarily from national government. Reforms over the medium term will enhance the ability of municipalities to raise revenue to invest in their own development.

Government will introduce: Policy reforms to clarify the role of development finance institutions in municipal borrowing and to regulate municipal development charges are under way to broaden municipal access to private capital markets. Financing arrangements with development finance institutions and multilateral development institutions will include much needed technical assistance to improve project planning, preparation and implementation. Government is also updating the policy framework for municipal borrowing and financial emergencies.

The purpose is to establish a system which not only ensures stability and certainty in local government finances, but also seeks to implicitly create incentives and attract more players in the municipal debt market space, i.e. insurers, pension funds, fund managers and DFIs.

2.2 Tabling of funded budgets

The importance of tabling funded budgets is highlighted in MFMA Circular No. 74 and 89. Adopting a funded budget has become more critical now than before as it has direct bearing on the financial sustainability of the institution. It has been agreed that no municipality will adopt an unfunded budget in the future. There are cases that may warrant a plan as this may not be achievable over one year. As a result, such municipalities must, together with their 2019/20 MTREF budget, table a plan in a municipal council on how and by when the budget will improve from an unfunded to a funded position. This will be essential when the National and provincial treasuries are assessing the budget to determine its credibility. The assessment of the 2018/19 MTREF budgets have shown a deterioration with more budgets being unfunded. Plans and support will have to be re-evaluated to produce a positive outcome.

2.3 Addressing the growing financial crisis in municipalities

In 2018/19, 113 municipalities adopted unfunded budgets, compared to 83 in the prior year. In addition, municipalities owe more than R23 billion in arrears, including to Eskom and water boards. Although the primary responsibility to resolve these financial problems rests with municipalities themselves, the Constitution states that when a municipality is in financial crisis, the provincial government must intervene – and if the province is not able to, then national government must do so. However, few past interventions have succeeded in producing a sustained turnaround.

Over R2.5 billion has been allocated per year over the 2019/20 MTREF to enable National and provincial treasuries to better manage interventions. This will strengthen the National Treasury's Municipal Financial Recovery Service (MFRS) capacity to draft financial recovery plans for municipalities and that of provinces to implement these plans. These recovery plans set revenue and spending targets for the municipality and identify specific revenue-raising measures.

The new grant that government had proposed to help municipalities facing financial crisis will no longer be introduced. The funds set aside for this will instead be reprioritised for other initiatives that will assist the turnaround of municipalities. Ultimately, sustainable financial recovery will require improved governance within the affected municipalities following the intervention. And better use of grants, together with improved maintenance, will also reduce pollution from wastewater treatment works, which has become a more pressing concern in a number of municipalities.

Government also provides extensive support to build municipal capacity, including over R2.5 billion per year allocated for this purpose in the budget. The growing number of distressed municipalities indicates the need to make better use of these resources. The current system will be reviewed during 2019.

2.4 Municipal Standard Chart of Accounts (mSCOA)

Release of Version 6.3 of the Chart

On an annual basis, the mSCOA chart is reviewed to address implementation challenges and correct chart related errors. Towards this end, Version 6.3 is released with this circular (see Annexure A). Version 6.3 of the chart will be effective from 2019/20 and must be used to compile the 2019/20 MTREF and is available on the link below:

<http://mfma.treasury.gov.za/RegulationsandGazettes/MunicipalRegulationsOnAStandardChartOfAccountsFinal/Pages/default.aspx>

Amendments of adopted budget errors during the adjustments budget

During the 2018/19 budget verification process it was evident that municipalities are still not able to align mSCOA original budget data string to the original budget adopted by municipal council. The root cause for the discrepancies is that municipalities do not plan, test and generate the Schedules A1 directly from the financial systems but prepare the Schedules A1 manually on excel spreadsheets and then captured the tabled and original budgets on the system (or worse, the core system vendor does it for them) after these were tabled and adopted in Council.

Furthermore, some municipalities prepared their tabled budgets in the financial system but made changes to it during community consultation and council meeting(s). These changes were effected to the Schedule A that served before Council but never made on the financial system. Hence, the municipality started transacting against the tabled budget on the system instead of the adopted budget. In terms of the mSCOA Regulations, the budget must be approved and locked on the financial system prior to the municipality transacting against it on the financial system.

In terms of the MFMA and Municipal Budget and Reporting Regulations, errors in the budget can only be corrected during the adjustments budget process. Municipalities should therefore ensure that their adjusted budget data strings align to Schedule B adopted by municipal council. National and provincial treasuries will undertake a verification process on the adjusted budgets in relation to the data strings. Municipalities are advised to submit the draft adjusted budget data strings and Schedule B in advance for verification purposes to ensure that aligned documents are adopted by municipal council by 28 February 2019.

Changing of the Core Financial System

Municipalities must follow the required due diligence processes required in terms of MFMA Circular 80 and mSCOA Circulars No. 5 and 6 prior to changing their core financial systems. In terms of these circulars:

1. A municipality must conduct an ICT due diligence of all the existing ICT system(s).
2. Once this ICT Due Diligence has been completed, the municipality's mSCOA Project Steering Committee (chaired by the Accounting Officer) must:
 - a) Assess whether the municipality's existing system(s) as a package, meets the systems comply with the functionality requirements for its category and 15 business processes required in terms of mSCOA. This should be the main consideration in the decision on whether a new financial system is required;
 - b) Consider the cost of any additional functionality the municipality will have to procure from its existing package of service provider(s) and the affordability

thereof to the municipality considering its budget. Importantly, if a municipality did not budget to purchase or upgrade their core financial system or any component thereof in the budget adopted by Council, then the purchase will have to be deferred to the next financial year to avoid irregular expenditure;

- c) Compare the total cost of its existing 'package of system(s)', including the cost for any additional functionality with the other available service offerings for its category; and
 - d) Consider the penalties and reasons for contract termination in any of its contracts with existing service providers.
3. The project steering committee must document its decision and recommendation(s) on the way forward (relating to the items listed above) for the municipality and its municipal entities (on the municipality's 'package of existing system(s)'), clearly setting-out its findings.
 4. Once the municipality's *m*SCOA project steering committee has made its decision and recommendation(s), the municipality must solicit the comments of the National Treasury and Provincial Treasury. A detailed motivation on the need to change the core financial system should be provided to the National and Provincial Treasuries, the Municipal Manager and Council.
 5. Once the municipality has received the comments of the National Treasury and the Provincial Treasuries, the *m*SCOA Project Steering Committee and Municipal Manager should consider such comments and prepare a recommendation to the Municipal Council in this regard.
 6. The municipal manager must submit a copy of the municipal council's decision to the National Treasury and Provincial Treasury within five (5) working days after the meeting during which the Municipal Council has made the decision in this regard.
 7. **The municipality should then follow its own tender processes to procure a financial system on the open market until such time that a new transversal tender for the procurement of integrated municipal financial and internal control systems are in place.** Thereafter, municipalities may request permission from National Treasury's Office of the Chief Procurement Officer to use the transversal tender to procure a financial system.
 8. The municipality should ensure that the Service Level Agreement entered into with the system provider provides for specific and realistic milestones and include penalties and termination clauses for failing to meet milestones. In addition, municipalities should implement proper contract management and exercising tight control over contractual obligations by system providers.

The National Treasury has also secured funding to conduct independent audits on all municipal core financial systems to determine to what extent these systems comply with the functionality requirements and 15 business processes required in terms of *m*SCOA. These results will also inform the new transversal tender for the procurement of municipal financial and internal control systems in 2019. Until these audits have been concluded and the results have been released, municipalities should exercise caution when changing their financial system to avoid purchasing a system that do not comply with the necessary *m*SCOA functionality requirements.

Municipalities are advised to use their internal audit function to ensure that the correct process was followed. Internal audit must ensure that the municipality has complied with the requirements of *m*SCOA and the reports of internal audit must be tabled at audit committee and at municipal council for their consideration.

3. The revenue budget

The economic situation has not improved since the previous financial year. Therefore, municipalities are reminded as it was communicated in MFMA Circular No. 89 that weak economic growth has put stress on consumers' ability to pay for services, while transfers from national government are growing more slowly than in the past. Some municipalities have managed these challenges well, but others have fallen into financial distress and face liquidity problems. These include municipalities that are unable to meet their payment obligations to Eskom, water boards and other creditors. There is a need for municipalities to focus on collecting revenues owed to them, and eliminate wasteful and non-core spending. Municipal budgets will be scrutinised to ensure that municipalities adequately provide to service their debt obligations. Municipalities must ensure that expenditure is limited to the maximum revenue collected and not spend on money that they do not have.

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality. The Consumer Price Index (CPI) inflation is forecasted to be within the upper limit of the 3 to 6 per cent target band; therefore, municipalities are required to **justify all increases in excess of the projected inflation target for 2019/20** in their budget narratives, and pay careful attention to the differential incidence of tariff increases across all consumer groups. In addition, municipalities should include details of their revenue growth assumptions for the different service charges in the budget narrative.

3.1 Maximising the revenue generation of the municipal revenue base

Municipalities must comply with Section 18 of the MFMA and ensure that they fund their 2019/20 MTREF budgets from realistically anticipated revenues to be collected. Subsequently, municipalities are cautioned against assuming collection rates that are unrealistic and unattainable as this has been identified as a fundamental reason for municipalities in financial distress.

It is critical to compare the valuation roll data to that of the billing system to ensure that revenue anticipated from property rates are realistic. The list of exceptions derived from this reconciliation will provide an indication of where the municipality may be compromising its revenue generation in respect of property rates. A further test would be to reconcile this with the deeds office registry. This reconciliation should be undertaken quarterly. Towards this end, municipalities are requested to submit the following information to the National Treasury:

1. A copy of the approved current General Valuation Roll of the municipality;
2. A copy of the approved Supplementary Valuation Roll of the municipality;
3. An extract from the financial system showing the property rates information (preferably in excel);
4. The detail of the reconciliation between the GVR and the financial system illustrating the variances; and
5. The proposed process to rectify the variances.

In addition, the format below (excel) is required that captures a high level summary of the exercise.

Rates Category	Approved General Valuation Roll		Financial System		Variance	Comments
	Number of Properties	Consolidated Value of Properties	Number of Properties	Consolidated Value of Properties		

The above information must be submitted on a CD or USB to the LGBA, for attention:

For couriered documents

Ms Linda Kruger
National Treasury
40 Church Square
Pretoria, 0002

For posted documents

Ms Linda Kruger
National Treasury
Private Bag X115
Pretoria, 0001

In addition, municipalities that maintain an indigent register and not utilise a targeted approach, are requested to periodically review the indigent register to verify that beneficiaries are still legible for the subsidy that they obtain. Municipalities are also encouraged to revise their Local Economic Development strategies to have a targeted approach to alleviate the situation of the indigents as part of poverty alleviation.

3.2 Eskom bulk tariff increases

The National Energy Regulator of South Africa (NERSA) develops the municipal tariff guideline increase based on Eskom's approved bulk price increase of electricity to municipalities and the increase on the municipalities' cost structures. Eskom has made a revenue application for the 2019/20 financial year, but NERSA has yet to make a decision on the application. Municipalities should refer to www.nersa.org.za for updates on the outcome of this process. Municipal bulk tariff increases will depend on the outcome of that process.

Municipalities are also urged to examine the cost structure of providing electricity services and to apply to NERSA for electricity tariff increases that reflect the total cost of providing the service so that they work towards achieving fully cost-reflective tariffs that will help them achieve financial sustainability. Municipalities in arrears with Eskom should ensure that their payment arrangements are effected in their 2019/20 MTREF budget.

3.3 Water tariff increases

Drought conditions makes it difficult for some municipalities to improve revenue generation from this service. It is now more important to improve demand management, infrastructure maintenance, loss management, meter reading and tariff setting in respect of water services.

Municipalities must ensure that the tariffs charged are able to cover for the cost of bulk purchases, ongoing operations as well as provision for future infrastructure. There are municipalities that are struggling to pay water boards due to a number of issues, one of which is poor financial sustainability and cost recovery. All municipalities in arrears with bulk suppliers must ensure that their payment arrangements are effected in their 2019/20 MTREF budget.

Accounting officers should take note that failure to undertake proper due diligence in terms of the affordability of payment arrangements and making the necessary provision in the municipality's budget will be considered as an act of financial misconduct and the necessary action in terms of chapter 15 of the MFMA read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014, will have to be taken.

4. Funding choices and budgeting issues

As a result of the economic landscape and weak tariff setting, municipalities are under pressure to generate additional revenue. The ability of customers to pay for services continues to decline, leading to limited revenue collection. Therefore, municipalities must consider the following when compiling their 2019/20 MTREF budgets:

- improving the effectiveness of revenue management processes and procedures;

- paying special attention to cost containment measures by, amongst other things, controlling unnecessary spending on nice-to-have items and non-essential activities as was highlighted in MFMA Circular No. 82;
- ensuring value for money through the procurement process;
- the affordability of providing free basic services to all households; and
- curbing consumption of water and electricity by the indigents to ensure that they do not exceed their allocation.

Accounting officers are reminded of their responsibility in terms of Section 62(1)(a) of the MFMA to use the resources of the municipality effectively, efficiently and economically. Failure to do this will result in the accounting officer committing an act of financial misconduct which will trigger the application of Chapter 15 of the MFMA read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

4.1 Employee related costs

The *Salary and Wage Collective Agreement* for the period 01 July 2018 to 30 June 2021 dated 15 August 2018 through the South African Local Government Bargaining Council Circular No. 6 of 2018 should be used when budgeting for employee related costs for the 2019 MTREF. Municipalities are encouraged to perform an annual head count and payroll verification process by undertaking a once a year manual salary disbursement, in order to root out ghost employees.

4.2 Remuneration of councilors

Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette No. 20 of 1998 on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance (DCoG). Any overpayment to councilors contrary to the upper limits as published by the Minister of Cooperative Governance and Traditional Affairs will be irregular expenditure in terms of Section 167 of the MFMA and must be recovered from the councilor(s) concerned.

4.3 Budgeting for Trade Payables on Table SA3

Municipalities raised concerns about the calculation used for determining the creditors' payment period ratio. As a result, an analysis was undertaken of the note in the Annual Financial Statements relating to Trade Payables from Exchange Transactions as it is disclosed on the face of the Statement of Financial Position. The analysis revealed that this liability includes creditors which do not have a direct impact on the ratio, such as payments received in advance, funds administered on behalf of third parties, retention, accrued staff leave, license fees etc.

The inclusion of such liabilities as "Trade and Other-Payables from Exchange Transactions" under "Working Capital – Creditors due" on Table A8 has an impact on the funding assessment as they are considered when determining whether the budget is funded as per the Municipal Budget and Reporting Regulations schedules. Table A8 is separated into three disclosures which are:

- Unspent Grants – linked by a formula from Table SA3;
- Working Capital – Creditors due - linked by a formula from Table SA3 that currently includes all Trade and Other-Payables from Exchange Transactions as explained above; and

- Statutory Requirements – This refers to VAT and taxation and is not linked by a formula to any table as it may include VAT and taxation receivable included under Other Debtors in Table A6 and/or VAT and taxation payable included in Table SA3.

The disclosure above may be adequate in terms of the requirements to determine the funding of the budget on Table A8, but it does not assist with disclosing Trade Payables (“true trade creditors”) for the purpose of calculating the expenditure management efficiency ratio “Creditors Payment Period (Trade Creditors)” in terms of the National Treasury Circular No. 71.

Accordingly, Table SA3 has been amended to separate Trade and Other Creditors into two separate lines. The revised disclosure will be as follows:

- Trade payables - (should be “true creditors” only);
- Other creditors – (should include all the above liabilities, except VAT that is disclosed separately);
- Unspent conditional transfers; and
- VAT.

“Trade Payables” and “Other Creditors” will be added together for the purpose of calculating “Creditors Due” in row 31 under the working capital calculation on Table A8.

4.4 Budgeting for Inventory: Water

Bulk water purchases meet the criteria of the definition of inventory as per GRAP 12, paragraph .07. Therefore, water bulk purchases should be treated as inventory and should be budgeted and accounted for accordingly. National Treasury issued guidance on the treatment of non-revenue water and electricity in Annexure B to the MFMA Circular No. 70 for the 2014/15 MTREF. However, since the issue of that circular, National Treasury has allowed municipalities to either budget for water bulk purchases as a direct expense in the Statement of Financial Performance as an interim measure or to account for water under inventory. The *mSCOA* chart also makes provision for such. However, to ensure compliance to GRAP 12 the necessary amendments must be effected to the Schedule A tables and the chart.

National Treasury considered the impact that the changes to the Schedule A tables will have on municipalities, as a result it was resolved that they are significant and should not be implemented in the 2019/20 MTREF. This entails a change in approach where water bulk purchases will be processed as a cash transaction in the Statement of Financial Position – Acquisition of Inventory (Table A6). The system input volume (acquisitions) of water stock includes the following:

- Bulk purchases - Supply from bulk or other water service providers recognised by the amount paid;
- Water purified - Potable supply from Water Treatment Works. Value is to be determined by calculating primary and secondary cost components; and
- Natural sources - Supply from boreholes, springs, fountains if not supplied through the water treatment plant. Value is to be determined by calculating primary and secondary cost components.

It is therefore evident that the total input volume of water as it relates to water purified and water from natural sources should include both primary and secondary cost components. The allocation of secondary cost to the input volume of water will necessitate the utilisation of the Costing Segment of the *mSCOA* chart.

Municipalities are cautioned that the Schedule A for the 2020/21 MTREF will be amended in line with the prescripts of GRAP12 and *m*SCOA in relation to the treatment of water bulk purchases as inventory. Therefore, municipalities will be required to budget accordingly and should now in advance consider the requirements necessary to facilitate this conversion and to ensure accurate configuration of their financial systems as it is a *m*SCOA requirement that the schedules must be extracted directly from the system. Municipalities are urged to refer to the *m*SCOA chart on the definitions and the detail of what constitutes water inventory consumed (cost of sales). Furthermore, reference should be made to the Department of Water and Sanitation (DWS) Municipal Water Balance Guideline for guiding principles which is accessible on the link below:

[Department of Water and Sanitation \(DWS\) Municipal Water Balance Guideline](#)

5. Conditional Grant transfers to Municipalities

5.1 Summary of changes in the Division of Revenue Amendment Bill, 2018

An adjustments budget provides for unforeseen and unavoidable expenditure; appropriation of monies already announced during the tabling of the annual budget (but not allocated at that stage); the shifting of funds between and within votes where a function is transferred; the utilisation of savings; and the roll-over of unspent funds from the preceding financial year. If the adjustments budget effects changes to the division of revenue as contained in the Division of Revenue Act for the relevant year, the Minister of Finance must table a Division of Revenue Amendment Bill with the revised framework. There are amendments to the 2018 Budget that affect the Division of Revenue Act, 2018 which will be effected through the Division of Revenue Amendment Act, 2018, once enacted. The amendments as they impact on provinces and municipalities are discussed below.

Funding for drought relief

The Minister of Finance announced during the 2018 Budget Speech that, “a provisional allocation of R6 billion has been set aside in 2018/19 for several purposes, including drought relief and to augment public infrastructure investment.” National Treasury managed a process to determine the allocation of drought relief funds that included two windows for applications. All applications were reviewed together with inputs from sector departments and the National Disaster Management Centre. A total of R3.4 billion in drought response funding has been allocated to all three spheres of government, including several direct and indirect grant allocations, which are included in this Bill.

A total of R1.98 billion is added to direct conditional grants for drought relief. These amounts have already been gazetted on 4 October 2018, after the Minister of Finance approved that the funds could be spent in terms of Section 6(1) of the Appropriation Act, 2018, (Act No. 4 of 2018). This section provides for the Minister of Finance to approve expenditure before an adjustment appropriation bill is enacted if that expenditure cannot reasonably be delayed without negatively affecting service delivery and such expenditure was announced during the tabling of the 2018/19 national annual budget. The following amounts have been added to direct conditional grants to municipalities:

- R288.1 million for the water services infrastructure grant to local government. This allocation will fund a variety of water supply augmentation projects for drought affected municipalities, including drilling and equipping boreholes to access groundwater and implementing water conservation measures where the reduction of water losses will improve the sustainability of supply.

- R1.03 billion for the municipal disaster recovery grant to local government. Funds allocated through this grant will be transferred to three metropolitan municipalities that have been severely impacted by the drought: Cape Town, Nelson Mandela Bay and Mangaung. The funds will subsidise the costs of water augmentation projects, including groundwater development and water conservation measures where the reduction of water losses will improve the sustainability of supply. All of these cities are also expected to contribute funds from their own revenue base to their water augmentation projects.

The following amounts have been added to indirect conditional grants that benefit local government:

- R1.01 billion for the indirect water services infrastructure grant. This allocation will fund a variety of water supply augmentation projects for drought affected municipalities, including drilling and equipping boreholes to access groundwater and implementing water conservation measures where the reduction of water losses will improve the sustainability of supply.
- R6 million for the indirect regional bulk infrastructure grant. This allocation will fund a water supply augmentation project in Ndlambe Local Municipality affected by drought. The municipality is already receiving an allocation managed through this indirect grant in the 2018/19 financial year.

Additional changes to local government allocations

- *Additional allocations to support disaster recovery*

R143.3 million is added to the municipal disaster recovery grant for post disaster repair and rehabilitation projects in a number of municipalities in KwaZulu-Natal and Western Cape. The municipalities in KwaZulu-Natal are allocated a total of R138.7 million for the repair and rehabilitation of roads, storm water and sanitation infrastructure and community facilities that were damaged by floods. R4.6 million is allocated for the repair and rehabilitation of water and electricity infrastructure in the Bitou Local Municipality in Western Cape.

- *Additional allocation for the public transport network grant*

R33 million is added to the public transport network grant for the City of Cape Town to begin detailed design on a new phase of the MyCiti public transport network approved through the Budget Facility for Infrastructure.

- *Conversion of the municipal systems improvement grant from Schedule 6, Part B (indirect) to Schedule 5, Part B (direct)*

R23.2 million of the municipal systems improvement grant will be converted from Schedule 6, Part B (indirect) to Schedule 5, Part B (direct) for 22 municipalities affected by major boundary changes that took effect after the 2016 local government elections. This amount was made available in the indirect municipal systems improvement grant in 2018/19, to assist with the completion of transitional work in the affected municipalities, following the end of the municipal demarcation transition grant (Schedule 5, Part B (direct)) at the end of the 2017/18 financial year.

These municipalities have been implementing the institutional and administrative changes that were required as a result of the boundary changes, including with funding from the former municipal demarcation transition grant. This conversion supports these 22 municipalities to complete the implementation of these transitional matters.

5.2 Conditional grant monitoring support and Non-compliance of in year monitoring

National Treasury has through its in-year Division of Revenue Act monitoring observed that certain departments that administer municipal grants have not fully complied with the provisions of the Act. Notably the national departments of Transport and Water Services have not fully transferred some of the transfers that were due to the municipalities. Stringent measures are being put in place to ensure compliance to the Division of Revenue Act, 2018 (Act No 1 of 2018) in that regard.

Furthermore, National Treasury has facilitated an adjustment gazette in terms of the Division of Revenue Act in terms of distressed municipalities that could not safeguard the transfers bestowed to them but also to reallocate some of these grants to the respective district municipalities in support of their distressed locals. Government gazette No. 42067 of 28 November 2018 provides for the following in this regard:

Municipal Infrastructure Grant (MIG)

National Treasury in consultation with the Department of Cooperative Governance (DCoG), concluded that municipalities reflecting significant uncommitted underspending would have their funds stopped within four provinces, namely: Eastern Cape, Free State, Northern Cape and North West, and be re-allocated to the respective District Municipalities for delivery on behalf of their locals.

The Municipal Emergency Housing Grant (MEHG)

The Department of Human Settlements (DHS) recommended to National Treasury that an allocation of an amount of R3.9 million is allocated through MEHG following a fire disaster that damaged most of the informal settlements within the Bitou LM in the Western Cape in order to fund the relocation costs and Transitional Residential Area units.

The Neighbourhood Development Partnership Grant (NDPG)

Based on Msunduzi Local Municipality's (LM) request, R27.4 million is stopped from Msunduzi's 2018/19 allocation and re-allocated to West Rand District Municipality (DM) in Gauteng province and City of Matlosana LM in North West province. West Rand DM will receive R20 million, while City of Matlosana LM will be allocated R7.4 million of the R27.4 million stopped from Msunduzi LM.

5.3 Support afforded to municipalities reflecting significant underspending

The municipalities that are affected by the stopping process due to governance and financial challenges will continue to receive support from National Treasury, DCoG and the relevant stakeholders on the MIG cost reimbursement and invoice verification which has been ongoing in the current financial year.

5.4 2017/18 Unspent conditional grant process

National Treasury has concluded the assessment of the 2017/18 conditional grant rollovers and the verification of the unspent conditional grants. This is a process that is governed by Section 22 of the 2017 Division of Revenue Act.

National Treasury through this process undertakes to travel to all provinces on a roadshow and set-up a combined session with all provincial treasuries and all sector departments responsible for administering conditional grants. In these sessions, rollover requests from municipalities are assessed in accordance to the division of revenue act and the guiding MFMA Circular. It is a process that begins on 31 August 2018 and ends 03 December 2018.

Municipalities with unspent conditional grants that were not approved for rollover, are afforded an opportunity to refund the portion of the unspent funds to the National Revenue Fund (NRF). In instances wherein the unspent funds are not refunded to the NRF, National Treasury in accordance to Section 22 of the Division of Revenue Act, offsets these funds against the equitable share allocations.

6. Preparation of Municipal Budgets for 2019/20 MTREF

6.1 Schedule A1 version to be used for the 2019/20 MTREF

National Treasury has released Version 6.3 of the Schedule A1 (the Excel Formats) which is aligned to Version 6.3 of the mSCOA classification framework and must be used when compiling the 2019/20 MTREF budget. Refer to Annexure B for the changes to this version of the Schedule A1.

ALL municipalities **MUST** use this version for the preparation of their 2019/20 MTREF budget.

It is imperative that all municipalities prepare their 2019/20 MTREF budgets in their financial systems and that the Schedule A1 be produced directly from their financial system. Vendors have recently demonstrated their budget modules to the National Treasury and provincial treasuries. All financial systems have this functionality to assist and prepare budgets and to generate the prescribed Schedule A1 directly from the financial system. Municipalities **must** start early enough to capture their tabled budget (and later the adopted budget) in the budget module provided and **must** ensure that they produce their Schedule A1 directly out of the budget module.

To promote this approach, from the **2020/21 MTREF** the National Treasury will only accept a Schedule A1 in PDF format, containing ALL sheets as prescribed and with each worksheet displaying an embedded system stamp to certify that it has been produced directly from the system. For purposes of collecting additional data which we previously did using the Schedule A1 in Excel, a prescribed data string containing the data must be populated and uploaded by each municipality (refer to the attachment to MFMA Budget Circular No 93 on the website).

<http://mfma.treasury.gov.za/Circulars/Pages/default.aspx>

Special attention must be given to the supporting schedules in the prescribed Schedule A1. Where detailed data is lying in a sub-system e.g. human resource data for SA22 to SA24, this data must be pulled from the sub-system into the applicable supporting sheet and must form part of the complete endorsed Schedule A1.

Version 6.3 of Schedule A1 is available on the following link:

The Municipal Budget and Reporting Regulations, formats and associated guides are available on National Treasury's website at:

<http://mfma.treasury.gov.za/RegulationsandGazettes/Pages/default.aspx>

6.2 Assistance with the compilation of budgets

If municipalities require advice with the compilation of their respective budgets, specifically the budget documents or Schedule A1, they should direct their enquiries to their respective provincial treasuries or to the following National Treasury officials:

Province	Responsible NT officials	Tel. No.	Email
Eastern Cape	Bernard Mokgabodi	012-315 5936	Bernard.Mokgabodi@treasury.gov.za
	Matjatji Mashoeshoe	012-315 5553	Matjatji.Mashoeshoe@treasury.gov.za
Free State	Jordan Maja	012-315 5663	Jordan.Maja@treasury.gov.za
	Cethekile Moshane	012-315 5079	Cethekile.moshane@treasury.gov.za
Gauteng	Kgomotso Baloyi	012-315 5866	Kgomotso.Baloyi@treasury.gov.za
KwaZulu-Natal	Bernard Mokgabodi	012-315 5936	Bernard.Mokgabodi@treasury.gov.za
	Johan Botha	012-315 5171	Johan.Botha@treasury.gov.za
Limpopo	Una Rautenbach	012-315 5700	Una.Rautenbach@treasury.gov.za
	Sifiso Mabaso	012-315 5952	Sifiso.Mabaso@treasury.gov.za
Mpumalanga	Willem Voigt	012-315 5830	WillemCordes.Voigt@treasury.gov.za
	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
Northern Cape	Jordan Maja	012-315 5663	Jordan.Maja@treasury.gov.za
	Anthony Moseki	012-315 5174	Anthony.Moseki@treasury.gov.za
North West	Willem Voigt	012-315 5830	WillemCordes.Voigt@treasury.gov.za
	Makgabo Mabotja	012-315 5156	Makgabo.Mabotja@treasury.gov.za
Western Cape	Kgomotso Baloyi	012-315 5866	Kgomotso.Baloyi@treasury.gov.za
	Kevin Bell	012-315 5725	Kevin.Bell@treasury.gov.za
Technical issues with Excel formats	Elsabe Rossouw	012-315 5534	lgdataqueries@treasury.gov.za

National and provincial treasuries, will undertake a compliance check and, where municipalities have not provided complete budget information, the municipal budgets will be returned to the mayors and municipal managers of the affected municipalities for the necessary corrections. Municipal managers are reminded that the annual budget must be accompanied by a quality certificate and council resolution in accordance with the format specified in item 31 of Schedule A of the Municipal Budget and Reporting Regulations.

The National Treasury would like to emphasise that where municipalities have not adhered to the Municipal Budget and Reporting Regulations, **they will be required to go back to the municipal Council and table a complete budget document aligned to the requirement of the Municipal Budget and Reporting Regulations. In addition, where municipalities have adopted an unfunded budget, they will be required to correct the budget to ensure they adopt and implement a funded budget. However, where there are challenges the process indicated in paragraph 2.2 above will be applied.**

Municipalities with municipal entities are once again reminded to prepare consolidated budgets and in-year monitoring reports for both the parent municipality and its entity or entities. The following must be compiled:

- An annual budget, adjustments budget and monthly financial reports for the parent municipality in the relevant formats;
- An annual budget, adjustments budget and monthly financial reports for the entity in the relevant formats; and
- A consolidated annual budget, adjustments budget and monthly financial reports for the parent municipality and all its municipal entities in the relevant formats.

The A Schedule that the municipality submits to National Treasury must be a consolidated budget for the municipality (including entities) and the budget of the parent municipality. D schedules must be submitted for each entity.

7. Budget process and submissions for the 2019/20 MTREF

7.1 Submitting budget documentation and schedules for 2019/20 MTREF

To facilitate oversight of compliance with the Municipal Budget and Reporting Regulations, accounting officers are reminded that:

- Section 22(b)(i) of the MFMA requires that, **immediately** after an annual budget is tabled in a municipal council, it must be submitted to the National Treasury and the relevant provincial treasury in both printed and electronic formats. If the annual budget is tabled to council on 29 March 2019, the final date of submission of the electronic budget documents and corresponding electronic returns is **Monday, 01 April 2019**. The deadline for submission of hard copies including council resolution is **Friday, 05 April 2019**.
- Section 24(3) of the MFMA, read together with regulation 20(1) of the Municipal Budget and Reporting Regulations, requires that the approved annual budget must be submitted to both National Treasury and the relevant provincial treasury **within ten working days** after the council has approved the annual budget. E.g. if the council approves the annual budget on 31 May 2019, the final date for such a submission is Friday, 14 June 2019.

The municipal manager must submit:

- the budget documentation as set out in Schedule A (version 6.3) of the Municipal Budget and Reporting Regulations, including the main Tables (A1 - A10) and ALL the supporting tables (SA1 – SA38) in PDF format with stamp that will confirm production directly out of the financial system;
- the draft service delivery and budget implementation plan in both printed and electronic format;
- the draft integrated development plan;
- the council resolution;
- signed Quality Certificate as prescribed in the Municipal Budget and Reporting Regulations; and
- schedules D specific for the entities.

Budget related documents and schedules must be uploaded by approved registered users using the LG Upload Portal at:

<https://lguploadportal.treasury.gov.za/>

Please note that the LG Upload Portal does not have size restrictions to the documents but requires all documents to:

1. be in PDF format; and
2. each PDF file must NOT contain multiple document e.g. council resolution and quality certificate within the budget document.

Municipalities may still send electronic versions of documents and the Schedule A1 to lgdocuments@treasury.gov.za but only when experiencing problems with the LG Upload Portal. Any problems experienced in this regard can be addressed with Elsabe Rossouw at Elsabe.Rossouw@treasury.gov.za.

Note: lgbigfiles@gmail.com is no longer available.

Municipalities are required to send printed submissions of their budget documents and council resolution to:

For couriered documents

Ms Linda Kruger
National Treasury
40 Church Square
Pretoria, 0002

For posted documents

Ms Linda Kruger
National Treasury
Private Bag X115
Pretoria, 0001

In addition to the above-mentioned budget documentation, metropolitan municipalities must submit the draft Built Environment Performance Plan (BEPP) tabled in council by 29 March 2019 to Yasmin.coovadia@treasury.gov.za. If the BEPP documents are too large to be sent via email (exceeds 4MB) please submit to yasmin.coovadia@gmail.com or send to Yasmin Coovadia via Dropbox; any problems experienced in this regard can be addressed with Yasmin.Coovadia@treasury.gov.za. Hard copies of the BEPP may be sent to Yasmin Coovadia, National Treasury, 3rd floor 40 Church Square, Pretoria, 0002 or Private Bag X115, Pretoria, 0001.

7.2 Retirement of the Budget reform returns (Appendix B)

From 2019/20 onwards, municipalities will no longer be required to continue with the use of the Budget Reform Returns to upload budget and monthly expenditure to the National Treasury Local Government Database for publication purposes. The National Treasury will use only the *m*SCOA data strings required for submission as prescribed and all publications will use the data collected from the *m*SCOA data strings.

This places the responsibility on each municipality to ensure that:

1. Budgets are accurately locked into the financial system;
2. Each transaction is accurately recorded on a daily base;
3. Data collected from sub-systems is accurately represented in the General Ledger (GL);
4. At the end of the reporting period, all reconciliations are done, sub-systems are in balance and the Municipal Manager and CFO agrees with the figures as presented in the Schedule C and other management reports or dashboards;
5. The reporting period is **CLOSED** for further transactions; and
6. The data string for the period is produced directly out of the financial system and uploaded using the LG Upload Portal.

While the National Treasury will still share control reports and Schedule C as produced from the data uploaded by municipalities, the verification process before each quarterly Section 71 publication will fall away as the responsibility now lies with the municipality **BEFORE** submitting the data strings to ensure that the data is an accurate reflection of the state of municipal finances.

The tabled and adopted budget data strings submitted to the Local Government Database and Reporting system should also be consolidated figures.

NOTE: Municipalities must conclude all reporting for 2018/19 up to restated audit outcomes on the Appendix B (old electronic returns) to lgdatabase@treasury.gov.za before we can retire the returns.

7.3 Budget verification process

Annually during the budget verification process, it is noted that municipalities have challenges to align the audited years, which results in amendments to the Schedule A. Municipalities must ensure that the audited figures and adjusted budget figures captured on the Schedule A aligns to the annual financial statements and Schedule B respectively.

7.4 Publication of budgets on municipal websites

In terms of section 75 of the MFMA, all municipalities are required to publish their tabled budgets, adopted budgets, annual reports (containing audited annual financial statements) and other relevant information on the municipality's website. This will aid in promoting public accountability and good governance.

All relevant documents mentioned in this circular are available on the National Treasury website, <http://mfma.treasury.gov.za/Pages/Default.aspx>. Municipalities are encouraged to visit it regularly as documents are regularly added / updated on the website.

Contact



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Post Private Bag X115, Pretoria 0001
Phone 012 315 5009
Fax 012 395 6553
Website <http://www.treasury.gov.za/default.aspx>

JH Hattingh
Chief Director: Local Government Budget Analysis
07 December 2018

Annexure A – Changes to mSCOA Version 6.3

No.	Segment	Amendment
1	Item Revenue: National transfers and subsidies	Included all national transfers and subsidies as per MTBPS and allowed for the split between operating and capital as per the grant frameworks
2	Item Revenue: Provincial transfers and subsidies	Allowed provincial transfers and subsidies to be breakdown required where municipalities will specify the names of the grants
3	Item Revenue: Property rates	Included the new property categories as per section 8 of the Municipal Property Rates Act (MPRA)
4	Item Revenue: Sale of goods: Agricultural products	Added a separate line for fresh produce
5	Item Revenue	Added availability charges under non-exchange revenue
6	Item Expenditure: Operational costs	Included breakdown for Speaker under entertainment
7	Item Expenditure: Depreciation	Retired sport and recreation facilities as an asset category as it is included in community assets as per CIDMS
8	Item Expenditure	Changed the spelling for Eskom
9	Item gains and losses	Aligned the high level structure for impairment and reversal of impairment to depreciation and amortisation
10	Item gains and losses and Item assets	Added a line for impairment of construction work in progress assets as per GRAP 21
11	Item assets	Retired libraries as an asset category as it is included in community assets as per CIDMS
12	Item assets: Construction Work in Progress	Added a line to transfer assets from construction work in progress to completed assets
13	Item assets	Changed the definition for general plant to align to the ASB guideline
14	Function	Retired the line item for Budget and Treasury Office as it is part of Finance
15	Function	Retired public forces, traffic and street parking control from Road Transport and included it as Public Safety
16	Region	Included ward / township breakdown as requested by municipalities
17	Region	Retired decommissioned municipalities due to demarcation
18	Region	Swopped municipalities included under DC 36 and DC 30
19	Region	Retired duplicated municipality

Annexure B – Changes to Schedule A1 – the ‘Excel formats’

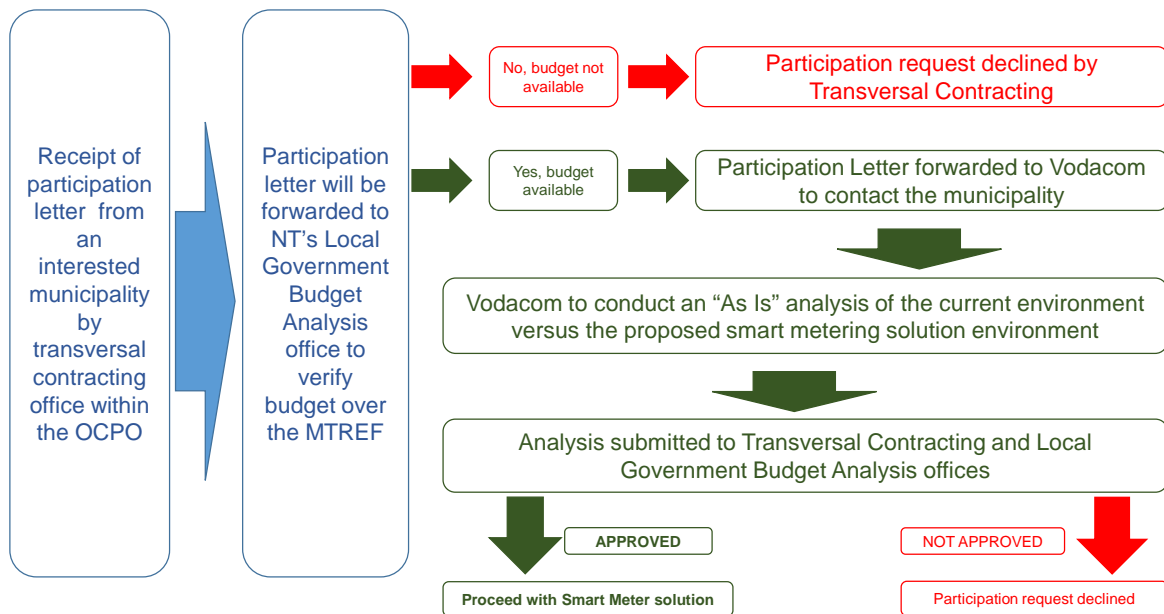
As noted above, National Treasury has released Version 6.3 of Schedule A1 (the Excel Formats). It incorporates the following changes:

No.	Sheet	Amendment	Reason
1	A2A	Budget and Treasury office has been removed	It is a duplication of Finance
2	A4	Line 10 Service charges – other is no longer available	Not available on the mSCOA chart
3	A6	Line 20 Agriculture is no longer available	Not available on the mSCOA chart
2	A6	Formula link change on line 32 Trade and other payables	Adjustments made on SA3
4	A8	Formula link change on line 31 Creditors due	Adjustments made on SA3
5	A9	Adjustments made to lines 134 to 165 Asset Register Summary – PPE (WDV)	Only high level summary required
6	SA3	Line 35 and 36 – split Trade payables and Other creditors	To refine calculation of creditors days ratio
8	SA8	Note: Formula in line 23 now only take into account Trade payables	Due to change made on SA3
9	SA25	Line 10 Service charges – other is no longer available	Not available on the mSCOA chart
11	SA30	Line 10 Service charges – other is no longer available	Not available on the mSCOA chart

Annexure C – Participation in RT15-2016 Vodacom transversal contract

Participation in RT15-2016 Vodacom transversal contract for the supply and delivery of mobile communication services to the state

It has become apparent that an increasing number of municipalities are intending to embrace smart technology to augment their operations. One such opportunity is through the RT15-2016 transversal contract that provides the option for an account management service offering in respect of smart meters. The pre-requisite, however, is that the municipality intending to participate must demonstrate evidence of adequate operating budget provision over the MTREF. The following process is applicable for the approval to participate.

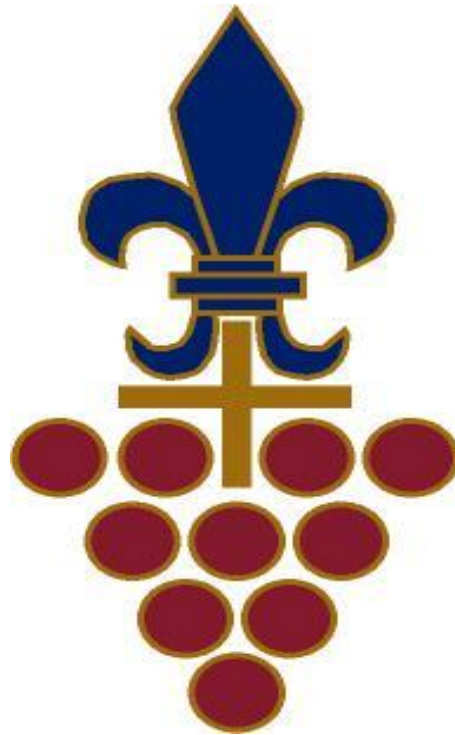


In this regard the municipality should engage the Office of the Chief Procurement Officer (OCPO) in the National Treasury as the first point of contact. Kindly contact Ms. Kwanele Mtembu, Tel: (012) 406 9188 or email: Kwanele.Mtembu@treasury.gov.za for guidance.

Annexure D – MFMA Circular No. 71 aligned mSCOA Dashboard

The objective of the attached excel spreadsheet is to assist municipalities and system vendors to populate the indicators contained in MFMA Circular No. 71 automatically. Secondly, all system vendor dashboards should host as a minimum these indicators. It will assist the Accounting Officer to understand the overall financial management position of the municipality before submitting the regulated Budget and Reporting Schedules and mSCOA data strings to the Local Government Database and Reporting System (LGDRS).

STELLENBOSCH MUNICIPALITY



MFMA CIRCULAR NO.94

**MUNICIPAL BUDGET CIRCULAR FOR
THE 2019/2020 MTREF –
8 MARCH 2019**



Municipal Budget Circular for the 2019/20 MTREF

CONTENTS

1. THE SOUTH AFRICAN ECONOMY AND INFLATION TARGETS.....	2
2. KEY FOCUS AREAS FOR THE 2019/20 MUNICIPAL BUDGET PROCESS	3
2.1 LOCAL GOVERNMENT GRANTS AND MUNICIPAL REVENUE STRENGTH	3
2.2 TECHNICAL ADJUSTMENT AND CONTINUED FUNDING OF DROUGHT DISASTER RELIEF	5
2.3 RESPONSE TO THE FINANCE AND FISCAL COMMISSION (FFC)'S RECOMMENDATIONS.....	5
2.4 BORROWING FOR CAPITAL INFRASTRUCTURE	6
3. THE REVENUE BUDGET	6
3.1 ESKOM BULK TARIFF INCREASES.....	6
4. CONDITIONAL GRANT TRANSFERS TO MUNICIPALITIES.....	7
4.1 CRITERIA FOR THE ROLLOVER OF CONDITIONAL GRANT FUNDS	7
4.2 UNSPENT CONDITIONAL GRANT FUNDS FOR 2018/19.....	9
5. THE MUNICIPAL BUDGET AND REPORTING REGULATIONS.....	9
5.1 TABLING OF BUDGET DOCUMENTS	9
5.2 THE IMPACT OF VAT ON TARIFFS.....	10
5.3 SCHEDULE A - VERSION TO BE USED FOR THE 2019/20 MTREF	10
5.4 ASSISTANCE WITH THE COMPILATION OF BUDGETS	11
6. MUNICIPAL CHART OF ACCOUNTS (MSCOA).....	12
6.1 VIREMENT IN AN MSCOA ENVIRONMENT.....	12
6.2 MSCOA TRAINING	12
7. BUDGET PROCESS AND SUBMISSIONS FOR THE 2019/20 MTREF	12
7.1 BUDGETING FOR THE AUDITED YEARS ON SCHEDULE A (MSCOA).....	12
7.2 SUBMITTING BUDGET DOCUMENTATION AND SCHEDULES FOR 2019/20 MTREF	13
7.3 RETIREMENT OF THE BUDGET REFORM RETURNS (APPENDIX B).....	14
7.4 UPLOAD OF THE MSCOA BUDGET DATA STRINGS TO THE LG UPLOAD PORTAL.....	14
7.5 PUBLICATION OF BUDGETS ON MUNICIPAL WEBSITES	14
7.6 THE PROCESS TO BE FOLLOWED TO ISSUE VERSION 6.4 OF THE MSCOA CHART	15

Introduction

This budget circular is a follow-up to the one issued on 07 December 2018 and it complements the many other circulars that have been issued previously. It guides municipalities with their preparation of the 2019/20 Medium Term Revenue and Expenditure Framework (MTREF) and, as with previous annual budget circulars it should be read within this context. Among the objectives of this Circular, is to support municipalities with giving effect to National Treasury's Municipal Budget and Reporting Regulations (MBRR) within the current economic climate. The key focus of this Circular is the grant allocations per the 2019 Budget Review and the 2019 Division of Revenue Bill.

1. The South African economy and inflation targets

The economic and revenue outlook has deteriorated since the October 2018 Medium Term Budget Policy Statement (MTBPS). Funding pressures from state-owned companies have increased and require government financial support. Given these developments, the 2019 Budget proposes large-scale expenditure reprioritisation and tax measures that narrow the deficit from 4.5 per cent of GDP in 2019/20 to 4 per cent by 2021/22.

The 2018 MTBPS noted that weak economic performance and revenue shortfalls had contributed to some slippage in fiscal projections. Since then, economic growth has remained subdued and the domestic GDP outlook has been revised down. In the current year, tax revenue will be R15.4 billion below the 2018 MTBPS estimate. Funding pressures from Eskom and other financially distressed state-owned companies have increased, with several requesting state support to continue operating. In this context, the 2019 Budget proposes a series of tax and expenditure measures aimed at narrowing the deficit and stabilising the debt-to-GDP ratio. Additions to spending amount to R75.3 billion over the medium term, consisting mainly of transfers to support the reconfiguration of Eskom. These additions are partially offset by reductions to expenditure baselines and proposed savings from compensation adjustments totalling R50.3 billion. Tax measures raise an additional R15 billion in 2019/20 and R10 billion in 2020/21.

In combination, these measures are expected to narrow the consolidated budget deficit from a projected 4.5 per cent of GDP in 2019/20 to 4 per cent of GDP in 2021/22. Gross national debt is projected to stabilize at 60.2 per cent of GDP in 2023/24. Net loan debt (gross loan debt excluding government's cash balances) stabilises at 57.3 per cent of GDP in 2024/25.

The GDP growth rate is forecasted at 1.5 per cent in 2019, 1.7 per cent in 2020 and 2.1 per cent in 2021. The revisions take into account weaker investment outcomes in 2018, a more fragile recovery in household income and slower export demand than expected due to moderating global growth. Consumer inflation has also been revised down due to lower oil prices and food inflation than previously assumed.

The main risks to the economic outlook are continued policy uncertainty and deterioration in the finances of state-owned entities. These factors, alongside continued high unemployment and slow growth will continue to exert pressure on municipal revenue generation and collection levels hence a conservative approach is advised for municipal revenue projections. Municipalities affected by the drought should also consider its impact on revenue generation. In this context, municipalities will have to improve their efforts to limit non-priority spending and to implement stringent cost-containment measures.

The following macro-economic forecasts must be considered when preparing the 2019/20 MTREF municipal budgets.

Table 1: Macroeconomic performance and projections 2018 -2021

Fiscal Year	2018/19 Estimates	2020/21		
		2019/20	Forecast	2021/22
Consumer Price Inflation (CPI)	4.7%	5.2%	5.4%	5.4%
Real GDP Growth	0.7%	1.5%	1.7%	2.1%

Source: 2019 Budget Review.

Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

2. Key focus areas for the 2019/20 municipal budget process

Over the medium-term expenditure framework (MTEF) period, after budgeting for national government's debt-service costs, the contingency reserve and provisional allocations, 47.9 per cent of nationally raised funds are allocated to national government, 43 per cent to provinces and 9.1 per cent to local government.

Local government receives the smallest share of the division of nationally raised revenue because it has significant own revenue-raising powers. These revenue raising powers must be exercised more than ever before in the current dispensation. Local government raises about 70 per cent of its own revenue, but would be able to raise more if municipalities improved municipal revenue policies, billing and collection practices. In 2017/18, almost half of all municipalities collected less than 80 per cent of their billed revenue.

Spending outcomes for 2017/18 varied across the 257 municipalities. Many municipalities continue to adopt unrealistic spending plans. As a result, 217 municipalities underspent their operating budgets and 220 municipalities underspent their capital budgets. Of the R30 billion in conditional grants transferred to municipalities in 2017/18, R28 billion (93 per cent) was spent – an improvement from 86.8 per cent in 2016/17.

2.1 Local government grants and municipal revenue strength

Since the 2018 Medium Term Budget Policy Statement (MTBPS) reprioritisation and reductions undertaken have affected planned spending for 2018/19. Over the next three years there is strong growth in allocations to the local government equitable share, while growth in conditional grants recovers following significant reductions made in the 2018 MTEF. Total direct allocations to local government will now grow at an annual average rate of 7.6 per cent over the MTEF period.

Over the 2019 MTEF period, R414.7 billion will be transferred directly to local government and a further R22.5 billion has been allocated to local government through indirect grants. Direct transfers to local government over the medium term account for 9 per cent of national government's non-interest expenditure. When indirect transfers are added to this, total spending on local government increases to 9.4 per cent of national non-interest expenditure.

While there are some reductions in some grant programmes, they do not affect all conditional grants and not all grants were reduced by the same percentage. The infrastructure conditional grants, particularly the larger ones, were mainly affected as this was considered the most practical approach. However strong growth is realized in the local government equitable share with an average annual rate of 9.4 per cent over the MTEF period, while the conditional transfers see slower growth at an annual average rate of 7.6 per cent.

Conditional grant funding targets delivery of national government's service delivery priorities. It is imperative that municipalities understand and comply with the conditions stipulated in the Division of Revenue Act (DoRA) in order to access this funding. The equitable share and the sharing of the general fuel levy constitute unconditional funding, of which the equitable share is designed to fund the provision of free basic services to disadvantaged communities.

Government has repeatedly emphasised the importance of municipalities focussing on growing their own revenue base in order to expand resources available for local service delivery. Municipalities with significant revenue bases are expected to invest more of their own resources, offsetting some of the impact of reductions to infrastructure grants, while building partnerships with the private sector for infrastructure delivery over the period ahead.

Legislation governing local planning and budgeting emphasises community participation in decision-making. The partnership between municipalities and communities relies on households and businesses recognising the value of, and paying for, municipal services. While government subsidises municipal services for low-income households, these services are only sustainable if people who can afford them – and use larger quantities – pay their bills. Therefore, the sustainability of municipalities depends on how they collect and spend their own revenues.

Municipalities are reminded that all allocations included in their budgets must correspond to the allocations listed in the Division of Revenue Bill. All the budget documentation can be accessed from the National Treasury website by clicking on the link below:
<http://www.treasury.gov.za/documents/national%20budget/2019/>

2.1.1 Changes to local government allocations

2.1.1.1 Unconditional grants

In the process of determining the baseline for the outer year (2021/22) of the 2019 MTEF period, the local government equitable share allocation has grown by 8.6 per cent of the baseline. This will cover the anticipated increase in the costs of providing free basic services to a growing number of households, and takes account of likely above-inflation increases in the costs of bulk water and electricity. It will also allow for above-inflation increases in the allocations to poorer and rural municipalities through the redistributive components of the equitable share formula.

2.1.1.2 Conditional grants

- A total of R295.9 million has been cut from direct local government conditional grant allocations for the MTEF period ahead to fund other government priorities. Indirect grants to local government have been reduced by an additional R600 million.
- An amount of R60.7 million is shifted from the incentive component of the integrated urban development grant in 2019/20 and added to the municipal disaster recovery grant to fund the repair of roads damaged by floods in Joe Gqabi District Municipality in the Eastern Cape.
- A total of R2.8 billion is added to the public transport network grant for the construction of a new public transport corridor on the MyCiti bus network in Cape Town. This corridor, connecting Mitchells Plain and Khayelitsha to the city, was approved through the Budget Facility for Infrastructure and will be implemented over a nine-year period.

2.2 Technical adjustment and continued funding of Drought disaster relief

The following technical adjustments were made to grant programmes:

- R2.9 billion over the MTEF period from the municipal infrastructure grant to a new integrated urban development grant.
- R814.5 million over the MTEF period from the integrated national electrification programme (municipal) grant to the urban settlements development grant, as electrification projects in municipal licenced areas in metropolitan municipalities will now be funded as part of this integrated grant.
- R3 billion in 2020/21 and R4.4 billion in 2021/22 from the urban settlements development grant to create a new informal settlements upgrading partnership grant for municipalities.

2.2.1 Funding for Disaster Relief

After the initial response to a disaster has been addressed, including funding from the municipal disaster relief grant discussed below, the repair of damaged municipal infrastructure is funded through the municipal disaster recovery grant.

The municipal disaster relief grant is administered by the National Disaster Management Centre in the Department of Cooperative Governance as an unallocated grant to local government. The centre is able to disburse disaster-response funds immediately, without the need for the transfers to be gazetted first. The grant supplements the resources local government would have already used in responding to disasters. To ensure that sufficient funds are available in the event of disasters, section 21 of the Division of Revenue Bill allows for funds allocated to the provincial disaster relief grant to be transferred to municipalities if funds in the municipal grant have already been exhausted, and vice versa. Over the MTEF period, R1 billion is available for disbursement through this grant. To ensure that sufficient funds are available for disaster relief, clause 20(6) of the Division of Revenue Act allows funds from other conditional grants to be reallocated for this purpose, subject to the National Treasury's approval.

2.3 Response to the Finance and Fiscal Commission (FFC)'s recommendations

Government continues to provide responses to the FFC's recommendations on an annual basis. These annual recommendations by the FFC are required in terms of section 9 of the Intergovernmental Fiscal Relations Act. The FFC, amongst other recommendations, indicated that government should develop and strengthen control measures on the financial transfers in order to ensure compliance and that these funds be properly spent for their intended purposes, typically of improving service delivery and related specific priority outcomes.

The commission further highlighted that control measures should be underpinned by tighter monitoring of and reporting by sub-national governments on the use of grant funding and associated outcomes of such spending, and that National Treasury should ensure that decisive action, such as withholding of funds, is taken by national sector departments as soon as cases where inefficient, ineffective, wasteful or irregular spending of these funds are detected.

National Treasury in its response indicated that in terms of the annual Division of Revenue Act, the transferring officer of the grant (the department administering a conditional grant) is responsible for monitoring performance and withholding funds where necessary. However, the National Treasury is also empowered by section 216(2) of the Constitution to stop the transfer of funds to any organ of state that commits a serious or persistent breach of the

measures prescribed to promote transparency, accountability and the effective financial management of the economy, debt and the public sector. A legislative framework and related policies, including guidelines and circulars, already exists to assist with early detection of issues that warrant withholding funds (by transferring officers or the National Treasury). Chapter 6 of the Budget Review describes complementary efforts to build municipal capacity. National Treasury will strengthen this role in the 2019/20 financial year in support of the recommendation by FFC.

2.4 Borrowing for capital infrastructure

The Circular also provides clarity and updates the December 2017 MFMA Circular No. 89 specifically with regards to long-term borrowing.

National Treasury has taken the position that municipalities may not incur long-term debt to replenish internally generated funds which were spent in prior financial years, even if such spending was for capital expenditure. Borrowing to replace municipal funds previously spent is inconsistent with section 46 of the MFMA, which provides that a municipality can only incur long-term debt for the purpose of capital expenditure on property, plant, and equipment to be used for lawful purposes, and in certain circumstances, for refinancing existing long-term debt. Borrowing proceeds must be used to fund current and future capital expenditure, and may not be attributed to expenditures in previous years.

PLEASE NOTE that the sentence contained on MFMA Circular No. 89 stating that *“The incurring of the expenditure against a different source of finance that was approved will be regarded as unauthorised expenditure”* has been revoked.

3. The revenue budget

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality. The Consumer Price Index (CPI) inflation is forecasted to be within the upper limit of the 3 to 6 per cent target band; therefore, municipalities are required to **justify all increases in excess of the projected inflation target for 2019/20** in their budget narratives, and pay careful attention to the differential incidence of tariff increases across all consumer groups. In addition, municipalities should include details of their revenue growth assumptions for the different service charges in the budget narrative.

Local government also confronts tough fiscal choices in the face of financial and institutional problems that result in service-delivery breakdowns and unpaid bills. Municipalities can offset these trends by improving own revenue collection, working more efficiently and implementing cost containment measures. Addressing bloated organizational structures that have been observed to contribute towards this problem warrants decisive action across all municipalities.

3.1 Eskom bulk tariff increases

The National Energy Regulator of South Africa (NERSA) published their new multi-year price determination for the period from 2019/20 to 2021/22 on 7 March 2019.

NERSA will shortly publish their “Municipal Tariff Guideline Increase, Benchmarks and Proposed Timelines for Municipal Tariff Approval Process for the 2019/20 financial year”. Municipalities are encouraged to download the full guideline document when it becomes available (at www.nersa.org.za) and study it carefully. The guideline includes an update to the average cost structure used to determine the municipal tariff increase. It will set out proposed timeframes for the approval of municipal tariffs.

Municipalities are urged to examine the cost structure of providing electricity services and to apply to NERSA for electricity tariff increases that reflect the total cost of providing the service so that they work towards achieving fully cost-reflective tariffs that will help them achieve financial sustainability. Municipalities in arrears with Eskom should ensure that their payment arrangements are effected in their 2019/20 MTREF budget.

The 2019 Budget Review notes that, the NERSA tariff increases would be announced after the equitable share allocations had been calculated and tabled in the Division of Revenue Bill. In the absence of approved tariff increases for the period ahead, the equitable share formula allocations were calculated using the previously approved Multi-Year Price Determination of an 8 per cent annual bulk price increase for electricity in its calculations. If the approved tariff increases are higher than this, the equitable share allocations will not be increased in 2019/20. The Budget Review then explains that municipalities are expected to offset the increased cost of providing free basic services against above cost increases that they have received in the past. In recent years, municipalities have benefited from equitable share funding that has grown faster than actual increases in electricity costs (in 2017/18 the formula calculation used a bulk electricity price increase of 8 per cent, but NERSA only approved a bulk price increase of 0.3 per cent for the municipal financial year, and in 2018/19 a bulk increase of 8 per cent was used in the formula, but the actual increase was only 7.3 per cent). Municipalities have also benefited from increased allocations that were provided to cover household growth projections that were higher than the revised estimates in the 2017 General Household Survey. To provide for the possibility of larger cost increases in future, amounts of R1 billion in 2020/21 and R1.1 billion in 2021/22 remain unallocated in the equitable share.

4. Conditional Grant Transfers to Municipalities

This section provides guidance to municipalities with regard to the preparation for the 2018/19 unspent conditional grant and roll-over process and should be referenced against previous annual budget circulars.

4.1 Criteria for the rollover of conditional grant funds

Section 22 of the 2018 Division of Revenue Act (DoRA) requires that any conditional grants which are not spent at the end of the municipal financial year must revert to the National Revenue Fund, unless the receiving officer, provincial treasury and transferring national officer proves to the satisfaction of National Treasury that the unspent allocation is committed to identifiable projects, in which case the funds may be rolled over.

When applying to retain unspent conditional allocations committed to identifiable projects or requesting a rollover in terms of section 22(2) of the DoRA, municipalities must include the following information with their submission to National Treasury:

1. A formal letter, signed by the accounting officer must be addressed to the **National Treasury** requesting the rollover of unspent conditional grants in terms of section 22(2) of the 2018 DoRA;
2. A list of all the projects that are linked to the unspent conditional grants and a breakdown of how much was allocated and spent per project;
3. The following evidence indicating that work on each of the projects has commenced, as applicable to the specific rollover(s):
 - a) Proof that the project tender was published and the period for tender submissions closed before 31 March;
 - b) Proof that a contractor or service provider was appointed for delivery of the project before 31 March; or

- c) Proof of a project tender, appointment of contractor or service provider for delivery of service before 30 June in cases where additional funding was allocated during the course of the final year of the project;
 - d) Incorporation of the Appropriation Statement;
 - e) Evidence that all projects linked to an allocation will be fully utilised by 30 June 2019 (attach cash flow projection for the applicable grant).
4. A progress report (also in percentages) on the status of each project's implementation that includes an attached, legible **implementation plan**);
 5. The value of the committed project funding, and the conditional allocation from the funding source;
 6. Reasons why the grants were not fully spent during the year of original allocation per the DoRA;
 7. Municipalities must not include previous year's unspent conditional grants as a rollover request. Rollover of rollovers will not be considered;
 8. An indication of the time-period within which the funds are to be spent if the roll over is approved; and
 9. Proof that the Municipal Manager and Chief Financial Officer are permanently appointed.

No rollover requests will be considered for municipalities with vacant or acting Chief Financial Officers and Municipal Managers for a period exceeding 6 months from the date of vacancy.

If any of the above information is not provided or the application is received by National Treasury (Intergovernmental Relations Division) after 31 August 2019, the application will be declined.

In addition, National Treasury will also consider the following information when assessing rollover applications; and reserves the right to decline an application should there be non-performance by the municipality in any of these areas:

1. Compliance with the in-year reporting requirements in terms of sections 71 and 72 of the MFMA and section 12 of the 2018 DoRA, **including the municipal manager and chief financial officer signing-off on the information** sent to National Treasury;
2. Submission of the pre-audited Annual Financial Statements information to National Treasury by 31 August 2019;
3. Accurate disclosure of grant performance in the 2018/19 pre-audited Annual Financial Statements, (i.e. correct disclosure of grant receipts and spending in the notes to the AFS);
4. Cash available in the bank (net position including short term investments) as at 30 June 2019 is in line with the cash flow statements to finance the roll-over request. If the full amount that is requested for roll over is not entirely cash backed, such a roll over will not be approved. National Treasury will not approve portions of roll over requests.

It should be noted that under no circumstances will the National Treasury consider requests to roll-over:

1. The entirety of any allocation to the municipality, as there should be a minimum spend of 50 per cent of the allocation per programme;
2. Funding from the same grant for the third consecutive time;
3. Funding for projects constituted through Regulation 32 of the Municipal Supply Chain Management Regulations (Gazette No.27636). Projects linked to additional funding and disasters are exempted; and
4. Funding where there is evidence that the roll over application is linked to invoices that were issued within the last 30 days of the municipal financial year end.

4.2 Unspent conditional grant funds for 2018/19

The process to ensure the return of unspent conditional grants for the 2018/19 financial year will be managed in accordance with section 22 of the DoRA. In addition to the previous MFMA Circulars, the following practical arrangements will apply:

- Step 1: Municipalities must submit their June 2019 conditional grant expenditure reports according to section 71 of the MFMA reflecting all accrued expenditure on conditional grants and further ensure that expenditure reported to both National Treasury and national transferring officers reconcile.
- Step 2: When preparing the Annual Financial Statements, a municipality must determine the portion of each national conditional grant allocation that remained unspent as at 30 June 2019. These amounts MUST exclude all interest earned on conditional grants, retentions and VAT related to conditional grant spending that has been reclaimed from SARS, which must be disclosed separately.
- Step 3: If the receiving officer wants to motivate in terms of section 22(2) of the 2018 DoRA that the unspent funds are committed to identifiable projects, the roll over application pack must be submitted to National Treasury by 31 August 2019.

National Treasury will not consider any rollover requests that are incomplete or received after this deadline.

- Step 4: National Treasury will confirm in writing whether or not the municipality may retain any of the unspent funds as a rollover based on criteria outlined above by 22 October 2019 or whether it will agree to any alternative payment arrangement or schedules.
- Step 5: National Treasury will communicate the unspent conditional grants amount by 05 November 2019. A municipality must return the remaining unspent conditional grant funds that are not subject to a specific repayment arrangement to the National Revenue Fund by 18 November 2019.
- Step 6: Any unspent conditional grant funds that should have, but has not been repaid to the National Revenue Fund by 18 November 2019, and for which a municipality has not requested a repayment arrangement, will be offset against the municipality's 02 December 2019 equitable share allocation.

All other issues pertaining to Appropriation Statement and reporting on approved roll overs are addressed in the Annexure to MFMA Circular No. 86.

5. The Municipal Budget and Reporting Regulations

5.1 Tabling of budget documents

The slow spending of capital budgets by most municipalities is a national concern as it has a negative impact on service delivery. In most cases the hockey stick phenomenon that exists (i.e. spending increases in the last six months of the year) is a direct result of poor planning by municipalities. Going forward and to address weak planning process, all municipalities will be required to table the following supporting documents to Council, as part of the budget pack, when they table their budgets by 29 March 2019:

- 1) Service Delivery and Budget Implementation Plan (SDBIP); and
- 2) Procurement Plan.

This is also in terms of the requirements and spirit of the MFMA and its Municipal Budget and Reporting Regulations.

5.2 The impact of VAT on tariffs

VAT remains at 15 per cent, which was an increase from 1 April 2018 in the previous year. To mitigate the effects of this increase on low income households, the MTBPS announced various zero rated items, wherein the VAT would be charged at 0 per cent.

Whether the additional amount is recoverable from the customer or not, the supplier must account for VAT on any supplies made on or after 1 April 2018 at the increased VAT rate. (See MFMA Circular No. 91 on the relevant supporting documentation regarding the VAT guides).

5.3 Schedule A - version to be used for the 2019/20 MTREF

National Treasury has released Version 6.3 of the Schedule A1 (the Excel Formats) which is aligned to Version 6.3 of the *m*SCOA classification framework and must be used when compiling the 2019/20 MTREF budget.

ALL municipalities **MUST** use this version for the preparation of their 2019/20 MTREF budget.

It is imperative that all municipalities prepare their 2019/20 MTREF budgets in their financial systems and that the Schedule A1 be produced directly from their financial system. Vendors have recently demonstrated their budget modules to the National Treasury and provincial treasuries. All financial systems have this functionality to assist and prepare budgets and to generate the prescribed Schedule A1 directly from the financial system. Municipalities **must** start early enough to capture their tabled budget (and later the adopted budget) in the budget module provided and **must** ensure that they produce their Schedule A1 directly out of the budget module.

To promote this approach, from the **2020/21 MTREF** the National Treasury will only accept a Schedule A1 in PDF format, containing ALL sheets as prescribed and with each worksheet displaying an embedded system stamp to certify that it has been produced directly from the system. For purposes of collecting additional data which we previously did using the Schedule A1 in Excel, a prescribed data string containing the data must be populated and uploaded by each municipality (refer to the attachment to MFMA Budget Circular No 93 on the NT Website).

<http://mfma.treasury.gov.za/Circulars/Pages/default.aspx>

Special attention must be given to the supporting schedules in the prescribed Schedule A1. Where detailed data is lying in a sub-system e.g. human resource data for SA22 to SA24, this data must be pulled from the sub-system into the applicable supporting sheet and must form part of the complete endorsed Schedule A1.

The following supporting tables will be included for perusal and sign-off during the verification process of the 2019 MTREF: SA11, SA12a, SA13a, SA14, SA22, SA23, SA24, SA25, SA27, SA36, SA37 and SA38.

It is therefore important to focus on the additional supporting data as well as the financial data submitted on A1 to A10 during the verification process undertaken with National Treasury, the provincial treasuries and all municipalities.

Download Version 6.3 of Schedule A1 by clicking [HERE](#)

The Municipal Budget and Reporting Regulations, formats and associated guides are available on National Treasury's website at:

<http://mfma.treasury.gov.za/RegulationsandGazettes/Pages/default.aspx>

5.4 Assistance with the compilation of budgets

In cases where the municipality requires advice with the compilation of their respective budgets, specifically the budget documents or Schedule A1, they should direct their enquiries to their respective provincial treasuries or to the following National Treasury officials:

Province	Responsible NT officials	Tel. No.	Email
Eastern Cape	Bernard Mokgabodi	012-315 5936	Bernard.Mokgabodi@treasury.gov.za
	Matjatji Mashoeshoe	012-315 5553	Matjatji.Mashoeshoe@treasury.gov.za
Free State	Jordan Maja	012-315 5663	Jordan.Maja@treasury.gov.za
	Cethekile Moshane	012-315 5079	Cethekile.moshane@treasury.gov.za
Gauteng	Kgomotso Baloyi	012-315 5866	Kgomotso.Baloyi@treasury.gov.za
KwaZulu-Natal	Bernard Mokgabodi	012-315 5936	Bernard.Mokgabodi@treasury.gov.za
	Johan Botha	012-315 5171	Johan.Botha@treasury.gov.za
Limpopo	Una Rautenbach	012-315 5700	Una.Rautenbach@treasury.gov.za
	Sifiso Mabaso	012-315 5952	Sifiso.Mabaso@treasury.gov.za
Mpumalanga	Willem Voigt	012-315 5830	Willem.Voigt@treasury.gov.za
	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
Northern Cape	Jordan Maja	012-315 5663	Jordan.Maja@treasury.gov.za
North West	Willem Voigt	012-315 5830	Willem.Voigt@treasury.gov.za
	Makgabo Mabotja	012-315 5156	Makgabo.Mabotja@treasury.gov.za
Western Cape	Vuyo Mbunge	012-315 5661	Vuyo.Mbunge@treasury.gov.za
	Kevin Bell	012-315 5725	Kevin.Bell@treasury.gov.za
Technical issues with Excel formats	Elsabe Rossouw	012-315 5534	lgdataqueries@treasury.gov.za

National Treasury, together with the provincial treasuries, will undertake a compliance check and, where municipalities have not provided complete budget information, the municipal budgets will be returned to the mayors and municipal managers of the affected municipalities for the necessary corrections. Municipal managers are reminded that the annual budget must be accompanied by a quality certificate and council resolution in accordance with the format specified in item 31 of Schedule A of the Municipal Budget and Reporting Regulations. In addition to the above compliance check, the mSCOA data strings will be assessed to determine whether the municipalities are compliant.

The National Treasury herewith emphasises that where municipalities have not adhered to the Municipal Budget and Reporting Regulations, **they will be required to return to the municipal council and table a complete budget document aligned to the requirement of the Municipal Budget and Reporting Regulations.**

Municipalities with municipal entities are once again reminded to prepare consolidated budgets and in-year monitoring reports for both the parent municipality and its entity or entities. The following must be compiled:

- An annual budget, adjustments budget and monthly financial reports for the parent municipality in the relevant formats;
- An annual budget, adjustments budget and monthly financial reports for the entity in the relevant formats; and
- A consolidated annual budget, adjustments budget and monthly financial reports for the parent municipality and all its municipal entities in the relevant formats.

The Schedule A that the municipality submits to National Treasury must be a consolidated budget for the municipality (plus entities) and the budget of the parent municipality. Schedules D must be submitted for each entity.

6. Municipal Chart of Accounts (*m*SCOA)

6.1 Virement in an *m*SCOA environment

The MFMA and the Municipal Budget and Reporting Regulations, 2009, allow for the shifting of funds between items, projects, programmes and votes in the budget in line with a Council approved virement policy. MFMA Circulars No. 12, 51 and 88 provide the principles municipalities must consider when doing a virement.

With the promulgation of the *m*SCOA Regulation in 2014, municipalities should have aligned their virement policies to *m*SCOA. *m*SCOA provides a uniform and standardised financial transaction classification framework for municipalities and their entities to transact in and record its transactions using seven (7) segments. Six of these *m*SCOA segments are compulsory¹.

6.2 *m*SCOA training

The National Treasury has developed *m*SCOA training materials on the fundamentals and reporting requirements of *m*SCOA. Officials from National and Provincial Treasuries and the Preferred Trainers on *m*SCOA from the Chartered Institute of Government Finance, Auditors and Risk Officers (CIGFARO) have been trained to provide training in this regard.

While the CIGFARO Preferred Trainers have been issued with certificates of competence to provide training on the “On the fundamentals and reporting requirements of *m*SCOA”, it should be emphasized that this training is **unaccredited**. There is currently not any accredited training available on *m*SCOA that has been endorsed by the National Treasury. Therefore, municipalities and other role-players that require training on *m*SCOA should not request for accredited training or trainers in their adverts.

The contact details of the CIGFARO Preferred Trainers is available on the CIGFARO website, www.CIGFARO.co.za.

7. Budget process and submissions for the 2019/20 MTREF

7.1 Budgeting for the audited years on Schedule A (*m*SCOA)

According to international learning practices, it is appropriate to reclassify historical information in accordance with the changes that occur in the Standard Chart of Accounts. Municipalities must capture the reclassified audit outcomes for 2015/16 to 2017/18 in version 6.3 of the Schedule A when compiling 2019/20 MTREF budgets.

¹ Refer to Municipal SCOA Circular No 1. An introduction to the seven (7) segments.

7.2 Submitting budget documentation and schedules for 2019/20 MTREF

To facilitate oversight of compliance with the Municipal Budget and Reporting Regulations, accounting officers are reminded that:

- Section 22(b)(i) of the MFMA requires that, **immediately** after an annual budget is tabled in the municipal council, it must be submitted to the National Treasury and the relevant provincial treasury in both printed and electronic formats. If the annual budget is tabled to council on 29 March 2019, the final date of submission of the electronic budget documents and corresponding data strings is **Wednesday, 03 April 2019**. The deadline for submission of hard copies including council resolution is **Friday, 05 April 2019**.
- Section 24(3) of the MFMA, read together with regulation 20(1), requires that the approved annual budget must be submitted to both National Treasury and the relevant provincial treasury **within ten working days** after the council has approved the annual budget. If the council only approves the annual budget on 30 June 2019, the final date for such a submission is **Friday, 12 July 2019**, otherwise an earlier date applies.

The municipal manager must submit:

- the budget documentation as set out in Schedule A (version 6.3) of the Municipal Budget and Reporting Regulations, including the main Tables (A1 - A10) and ALL the supporting tables (SA1 – SA38) in both printed and electronic formats;
- the draft Service Delivery and Budget Implementation Plan (SDBIP) in both printed and electronic format;
- the draft Integrated Development Plan (IDP);
- Procurement Plan;
- the council resolution;
- signed Quality Certificate as prescribed in the Municipal Budget and Reporting Regulations;
- the budget locking certificate; and
- schedules D specific for the entities.

Municipalities are required to send electronic versions of documents and the A1 schedule to lqdocuments@treasury.gov.za. Any problems experienced in this regard can be addressed with Elsabe Rossouw at Elsabe.Rossouw@treasury.gov.za. Budget related documents and schedules may also be uploaded using the LG Upload Portal at

<https://lquploadportal.treasury.gov.za/sites/lquploadportal/SitePages/Home.aspx>

Municipalities are required to send printed submissions of their budget documents and council resolution to:

For couriered documents

Ms Linda Kruger
National Treasury
40 Church Square
Pretoria, 0002

For posted documents

Ms Linda Kruger
National Treasury
Private Bag X115
Pretoria, 0001

In addition to the above-mentioned budget documentation, metropolitan municipalities must submit the draft Built Environment Performance Plan (BEPP) tabled in council by 29 March 2019 to yasmin.coovadia@treasury.gov.za. If the BEPP documents are too large to be sent via email (exceeds 4MB) please submit to yasmin.coovadia@gmail.com or send to Yasmin Coovadia via Dropbox; any problems experienced in this regard can be addressed with yasmin.coovadia@treasury.gov.za. Hard copies of the BEPP may be sent to Yasmin

Coovadia, National Treasury, 3rd floor 40 Church Square, Pretoria, 0002 or Private Bag X115, Pretoria, 0001.

7.3 Retirement of the Budget reform returns (Appendix B)

From 2019/20 onwards, municipalities will no longer be required to continue with the use of the Budget Reform Returns to upload budget and monthly expenditure to the National Treasury Local Government Database for publication purposes. The National Treasury will use only the *m*SCOA data strings required for submission as prescribed and all publications will use the data collected from the *m*SCOA data strings.

This places the responsibility on each municipality to ensure that:

1. Budgets are accurately locked into the financial system;
2. Each transaction is accurately recorded on a daily base;
3. Data collected from sub-systems is accurately represented in the General Ledger (GL);
4. At the end of the reporting period, all reconciliations are done, sub-systems are in balance and the Municipal Manager and CFO agrees with the figures as presented in the Schedule C and other management reports or dashboards;
5. The reporting period is **CLOSED** for further transactions; and
6. The data string for the period is produced directly out of the financial system and uploaded using the LG Upload Portal.

While the National Treasury will still share control reports and Schedule C as produced from the data uploaded by municipalities, the verification process before each quarterly Section 71 publication will fall away as the responsibility now lies with the municipality **BEFORE** submitting the data strings to ensure that the data is an accurate reflection of the state of municipal finances.

The tabled and adopted budget data strings submitted to the Local Government Database and Reporting system should also be consolidated figures.

NOTE: Municipalities must conclude all reporting for 2018/19 up to restated audit outcomes on the Appendix B (old electronic returns) to lgdatabase@treasury.gov.za before we can retire the returns.

7.4 Upload of the *m*SCOA budget data strings to the LG upload portal

Municipalities must upload the *m*SCOA data strings for the tabled (**TABB**) and adopted (**ORGB**) budget to the upload portal. The budget data strings must be accompanied by the IDP project details data strings (**PRTA** and **PROR**). The deadlines for submission of the MBRR documents are also applicable to the *m*SCOA data strings. Refer to paragraph 7.2 above.

7.5 Publication of budgets on municipal websites

In terms of section 75 of the MFMA, all municipalities are required to publish their tabled budgets, adopted budgets, annual reports (including the audited annual financial statements) and other relevant information on the municipality's website. This will aid in promoting transparency and good governance.

All relevant documents mentioned in this circular are available on the National Treasury website, <http://mfma.treasury.gov.za/Documents/Forms/AllItems.aspx>. Municipalities are encouraged to visit it regularly as documents are regularly added / updated on the website.

7.6 The process to be followed to issue version 6.4 of the *m*SCOA chart

Municipalities have raised concerns that National Treasury issue the *m*SCOA chart changes late in the budget process. Therefore, to address this challenge, the FAQ database will be closed on 31 August 2019 for logging new queries. As a result, the new version of the chart will be issued by 31 October 2019.

Contact



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Post Private Bag X115, Pretoria 0001
Phone 012 315 5009
Fax 012 395 6553
Website <http://www.treasury.gov.za/default.aspx>

JH Hattingh
Chief Director: Local Government Budget Analysis
08 March 2019