



STELLENBOSCH
STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

Ref no.3/4/2/5

2022-01-19

MAYORAL COMMITTEE MEETING
FRIDAY, 2022-01-21 AT 10:00

TO The Executive Mayor, Ald G Van Deventer (Ms)
The Deputy Executive Mayor, Cllr J Fasser

COUNCILLORS R Adams
FJ Badenhorst
Z Dalling (Ms)
R du Toit (Ms)
P Johnson
J Joon
L Nkamisa
C van Wyk (Ms)
J Williams

Notice is hereby given that a Mayoral Committee Meeting will be held via **MS Teams** on **Friday, 2022-01-21 at 10:00** to consider the attached agenda.

EXECUTIVE MAYOR, ALD GM VAN DEVENTER (MS)

CHAIRPERSON

AGENDA
MAYORAL COMMITTEE MEETING
2022-01-21
TABLE OF CONTENTS

ITEM	SUBJECT	PAGE
1.	OPENING AND WELCOME	
2.	COMMUNICATION BY THE EXECUTIVE MAYOR	
3.	DISCLOSURE OF INTERESTS	
4.	APPLICATIONS FOR LEAVE OF ABSENCE	
5.	APPROVAL OF THE MINUTES OF THE PREVIOUS MEETING	
	NONE	
6.	STATUTORY MATTERS	
6.1	TABLING OF THE DRAFT ANNUAL REPORT 2020/21	4
6.2	MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT FOR 2020/2021	435
6.3	MFMA SECTION 52 REPORTING UP TO DECEMBER 2021	530
6.4	OVERSIGHT ROLE OF COUNCIL: SUPPLY CHAIN MANAGEMENT POLICY-REPORT ON THE IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY OF STELLENBOSCH MUNICIPALITY: QUARTER 2 (01 OCTOBER 2021 - 31 DECEMBER 2021)	594
6.5	MONTHLY FINANCIAL STATUTORY REPORTING: DEVIATIONS FOR DECEMBER 2021	617
7.	CONSIDERATION OF ITEMS BY THE EXECUTIVE MAYOR: [ALD G VAN DEVENTER (MS)]	
7.1	COMMUNITY DEVELOPMENT AND PROTECTION SERVICES: [PC: CLLR R BADENHORST]	
7.1.1	GRANT IN AID POLICY REVIEW	620
7.2	CORPORATE SERVICES: [PC: CLLR L NKAMISA]	
7.2.1	PROPERTY MANAGEMENT STRATEGY: PROPERTY REGISTER	650
7.2.2	DUALLING OF LOWER DORP STREET: PROPOSED EXCHANGE OF LAND: REMGRO: PORITONS OF ERVEN 705, 4080 AND 8719 FOR PORTIONS OF ERVEN 7592 AND 7596, STELLENBOSCH	656
7.2.3	RETURN ITEM MOUNTAIN BREEZE CARAVAN PARK: CONSIDERATION OF PUBLIC INPUTS	724
7.3	FINANCIAL SERVICES: [PC: CLLR P JOHNSON]	
	NONE	739

7.4	HUMAN SETTLEMENTS: [PC: CLLR J FASSER]	
	NONE	739
7.5	INFRASTRUCTURE : [PC : CLLR Z DALLING(MS)]	
7.5.1	THE ORGANIC WASTE DIVERSION PLAN FOR STELLENBOSCH MUNICIPALITY	740
7.6	PARKS, OPEN SPACES AND ENVIRONMENT: [PC: CLLR J JOON]	
	NONE	806
7.7	PLANNING: [PC: CLLR C VAN WKY(MS)]	
7.7.1	PROPOSED RESTRUCTURING OF THE INTERNAL MEMBERSHIP OF THE STELLENBOSCH MUNICIPAL PLANNING TRIBUNAL	806
7.8	LOCAL ECONOMIC DEVELOPMENT AND TOURISM: [PC: CLLR R DU TOIT (MS)]	
	NONE	811
7.9	RURAL MANAGEMENT: [PC: CLLR J WILLIAMS]	
	NONE	811
7.10	YOUTH, SPORTS AND CULTURE: [PC: CLLR R ADAMS]	
	NONE	811
7.11	MUNICIPAL MANAGER	
	NONE	811
8.	REPORTS SUBMITTED BY THE EXECUTIVE MAYOR	
	NONE	811
9.	URGENT MATTERS	
		811
10.	MATTERS TO BE CONSIDERED IN-COMMITTEE	

6.	STATUTORY MATTERS
-----------	--------------------------

6.1	TABLING OF THE DRAFT ANNUAL REPORT 2020/21
------------	---

Collaborator No: 722009
IDP KPA Ref No: Good Governance and Compliance
Meeting Date: 21 January 2022

1. SUBJECT: TABLING OF THE DRAFT ANNUAL REPORT 2020/21

2. PURPOSE

- a) To table to Council the Draft Annual Report 2020/21 for consideration and to be released for public comment.
- b) Furthermore, it is also the purpose of this submission to, after adoption of the Draft Annual Report 2020/21 by Council, to refer the Draft Annual Report 2020/21 to the Municipal Public Accounts Committee (MPAC) to fulfil the role of an Oversight Committee and to make a recommendation to Council as contemplated in terms of Section 129(1) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA).

3. DELEGATED AUTHORITY

Council.

4. EXECUTIVE SUMMARY

The Annual Report must be tabled, by the Executive Mayor, within 7 months after the end of the financial year. The Draft Annual Report must be made public and the Municipal Manager must invite the public to provide input into the draft report. It has become practise that the Oversight Committee also invites the public to make verbal representations at meetings where the report is being discussed.

A schedule with proposed dates for the meetings is also included hereto as **ANNEXURE A**. Council resolved in 2017 that MPAC has, as part of its terms of reference, the role to sit as the Oversight Committee to consider the Draft Annual Report.

The external audit process is delayed. Council should therefore also take notice that the Auditor General of South Africa (AGSA) has not concluded, at the time of this submission to Council, its audit on the Annual Financial Statements 2020/21 and on the Annual Performance Report 2020/21.

5. RECOMMENDATIONS

- (a) that Council takes note of the Draft Annual Report 2020/21;
- (b) that Council takes note that the Municipal Manager will make the Draft Annual Report 2020/21 public for comment on the official website of the Stellenbosch Municipality and at the offices of the municipality for a period of 21 days; the public will be invited through the local print media to provide written inputs;

- (c) that Council refer the Draft Annual Report 2020/21 (**ANNEXURE B**) to the MPAC to consider the Draft Annual Report 2020/21 and to make recommendations to Council as contemplated in terms of Section 129(1) of the MFMA;
- (d) that Council takes note of the proposed dates for the MPAC / Oversight meetings, where the Draft Annual Report 2020/21 will be discussed, as detailed in Annexure A hereto. These dates are subject to change. Final dates will be published on the municipality's website and in the local media;
- (e) that Council approves the MPAC's mandate to co-opt two members of the public with expertise in specific fields to assist and advise the Committee;
Rates for additional nominated community members as per Treasury Regulation 20.2.2. The once-off preparation tariff was used as a guide since the national Treasury does not have guidance in that regard. Consultation must take place to decide if the rate will remain the same.

Tariff	Number of co-opted Members	Not exceeding no. of hours	Remuneration
Per hour tariff for attendance of meeting as a member	2	45 hours	R 327.00 per hour
Once-off Tariff for duties performed in preparation	2	6 hours	R 1 500 (for six hours)

- (f) that Council approve that the co-opted members can be remunerated in line with the recommendations of National Treasury Regulation in this regard;
- (g) that Council take notice that the AGSA has not yet concluded its audit on the Annual Financial Statements 2020/21 and the Annual Performance Report 2020/21; and
- (h) that Council takes notice that the AGSA audit outcome will be made available to Council as soon as it is available.

6. DISCUSSION

6.1 Background

The MFMA promotes transparency and accountability for the fiscal and financial affairs of all municipalities and municipal entities through in-year and annual reporting. This can be achieved where there is a clear link between the strategic objectives agreed with the community, the Integrated Development Plan (IDP), the Budget, Service Delivery and Budget Implementation Plan (SDBIP), performance agreements of senior management and officials, in-year reports, annual financial statements, annual performance report and the Annual Report. All these form one process to ensure that the actual performance is reported against what was planned and contained in the IDP. In this manner the annual reporting is a reflective process on financial and non-financial performance for the financial year ended, and audited. It is therefore a post-financial year document.

The Annual Report requires the collection and consolidation of a range of financial and non-financial performance information about the municipality. It provides an authoritative record of the activities and performance of the municipality for each financial year. Over time it will serve as a key historic record of the municipality revealing the progress, growth and development of municipal services and performance.

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

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

It should be noted by Council that the AGSA has not yet concluded on its audit of the Annual Financial Statements 2020/21 and the Annual Performance Report 2020/21 of the municipality. The municipality is therefore not in a position to comply with Section 121(3)(d) and (g) of the MFMA. For this reason, the municipality will have to follow the process and procedure forthright as prescribed in terms of Section 133 of the MFMA.

As a result, the Annual Report of the Audit and Performance Audit Committee 2020/21 could also not be finalised as a result of the audit delay by the AGSA. Said report will also be submitted congruent with the finalisation of the AGSA audit report.

Council should also take notice that the Draft Annual Report 2020/21 is also submitted to Council in accordance with Section 127(3)(a) of the MFMA which provides as follows:

“If the mayor, for whatever reason, is unable to table in the council the annual report of the municipality, or the annual report of any municipal entity under the municipality's sole or shared control, within seven months after the end of the financial year to which the report relates, the mayor must- (a) promptly submit to the council a written explanation referred to in section 133(1)(a) setting out the reasons for the delay, together with any components of the annual report listed in section 121(3) or (4) that are ready”

Therefore, Council should take notice that the Draft Annual Report 2020/21 is submitted to Council within seven months after the financial, thereby satisfying Section 127(2) of the MFMA.

Furthermore, Council should also take notice that the Draft Annual Report 2020/21 is complete as it contains all relevant information and all the core components listed in Section 121(3) of the MFMA. However, due to the AGSA not having completed its audit on the Annual Financial Statements 2020/21 and on the Annual Performance Report 2020/21, the AGSA's audit report as contemplated in terms of Section 121(3)(b) and (d) is not available and could not be annexed to the Draft Annual Report 2020/21. Directly linked to the AGSA's audit report, any corrective measures as contemplated in terms of Section 121(3)(g) could also not be included in the Draft Annual Report 2020/21, at the time of this submission to Council.

These outstanding core components of the Draft Annual Report 2020/21 will be submitted to Council as soon as the AGSA completed the audit on the Annual Financial Statements 2020/21 and the Annual Performance Report 2020/21 of the municipality.

6.2 **Financial Implications**

There are no financial implications beyond that which was approved in the 2021/22 MTREF Budget.

6.3 **Legal Implications**

Section 121(3) of the MFMA states that the annual report of a municipality must include—

(a) the annual financial statements of the municipality, and in addition, if section 122(2) applies, consolidated annual financial statements, as submitted to the Auditor-General for audit in terms of section 126(1);

(b) the Auditor-General's audit report in terms of section 126(3) on those financial statements;

(c) the annual performance report of the municipality prepared by the municipality in terms of section 46 of the Municipal Systems Act;

(d) the Auditor-General's audit report in terms of section 45(b) of the Municipal Systems Act;

(e) an assessment by the municipality's accounting officer of any arrears on municipal taxes and service charges;

(f) an assessment by the municipality's accounting officer of the municipality's performance against the measurable performance objectives referred to in section 17(3)(b) for revenue collection from each revenue source and for each vote in the municipality's approved budget for the relevant financial year;

(g) particulars of any corrective action taken or to be taken in response to issues raised in the audit reports referred to in paragraphs (b) and (d);

(h) any explanations that may be necessary to clarify issues in connection with the financial statements;

(i) any information as determined by the municipality;

(j) any recommendations of the municipality's audit committee; and

(k) any other information as may be prescribed.

Section 127(2) of the MFMA states that *"The mayor of a municipality must, within seven months after the end of a financial year, table in the municipal council the annual report of the municipality and of any municipal entity under the municipality's sole or shared control."*

Furthermore, Section 127(3) of the MFMA states that *"If the mayor, for whatever reason, is unable to table in the council the annual report of the municipality, or the annual report of any municipal entity under the municipality's sole or shared control, within seven months after the end of the financial year to which the report relates, the mayor must— (a) promptly submit to the council a written explanation referred to in section 133(1)(a) setting out the reasons for the delay, together with any components of the annual report listed in section 121(3) or (4) that are ready; and (b) submit to the council the outstanding annual report or the outstanding components of the annual report as soon as may be possible."*

6.4 Staff Implications

This report has no additional staff implications to the municipality.

6.5 Risk Implication

None.

6.6 Comments from Senior Management**6.6.1 Director: Community and Protection Services**

Supported

6.6.2 Chief Financial Officer

Supported

6.6.3 Director: Infrastructure Services

Supported

6.6.4 Director: Corporate Services

Supported

6.6.5 Director: Planning and Economic Development

Supported

6.6.6 Comments from the Municipal Manager

Supported

ANNEXURES

Annexure A: Schedule of MPAC Meetings on the Draft Annual Report 2020/21

Annexure B: Draft Annual Report 2020/21

FOR FURTHER DETAILS CONTACT:

NAME	Geraldine Mettler
POSITION	Municipal Manager
DIRECTORATE	Office of the Municipal Manager
CONTACT NUMBERS	021 808 8025
E-MAIL ADDRESS	mm@stellenbosch.gov.za
REPORT DATE	12 January 2022

ANNEXURE A



MPAC MEETING SCHEDULE TO REVIEW THE DRAFT ANNUAL REPORT 2020/21

Objectives			
1. To discuss and evaluates the content of the draft Annual Report 2020/21 2. To ensure a credible Annual and Oversight Report is recommended to Council for approval.			
Date	Time	Activity	Responsible Officials
07 February 2022	09:00 – 13:00	Orientation	Facilitator TBC
09 February 2022	09:00 – 13:00	Review of Chapters 1, 2 and 3	MM and Directors
10 February 2022	09:00 – 13:00	Review of Chapters 4, 5 and 6	MM and Directors
14 February 2022	09:00 – 13:00	Public Hearing	Public
21 February 2022	09:00 -10:00	Feedback discussion on Chapters	Office of the MM: IDP/PMS/PP
	10:00 – 12:00		Directorate: Infrastructure Services MM, Director: Infrastructure Services and Snr Managers
	12:00– 13:00		Directorate: Planning and Economic Development MM, Director: Planning and Economic Development and Snr Managers
23 February 2022	09:00 -10:00		Directorate: Community and Protection Services MM, Director: Community and Protection Services and Snr Managers
	10:00 – 12:00		Directorate: Corporate Services MM, Director: Corporate Services and Snr Managers
	12:00– 13:00		Directorate: Financial Services MM, CFO and Snr Managers
28 February 2022	09:00 – 11:00	Discussion on follow-up and outstanding matters	MPAC MM and Directors
	11:00 – 13:00	Finalising and Signing of Oversight Report on the Annual Report 2020/21	
Closure			MPAC Chairperson

#Site visit: To be discussed and agreed upon date and time by MPAC

Cllr. W Pietersen
MPAC Chairperson

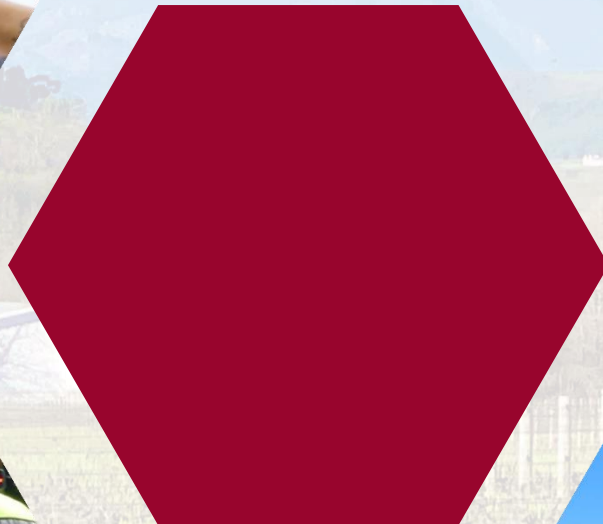
ANNEXURE B



DRAFT ANNUAL REPORT

2020/21

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



List of Abbreviations

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

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

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

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

TABLE OF CONTENTS

CHAPTER 1: EXECUTIVE MAYOR'S FOREWORD AND EXECUTIVE SUMMARY	4
COMPONENT A: EXECUTIVE MAYOR'S FOREWORD.....	4
COMPONENT B: MUNICIPAL MANAGER'S OVERVIEW.....	8
COMPONENT C: EXECUTIVE SUMMARY AND MUNICIPAL OVERVIEW.....	9
1.1 INTRODUCTION.....	9
1.2 STRATEGIC FOCUS AREAS	10
1.3 CORE PRINCIPLES IN EXECUTING THE STRATEGY	11
1.4 ALIGNMENT WITH INSTITUTIONAL STRUCTURES AND PROCESSES	12
1.5 DEMOGRAPHICAL OVERVIEW OF THE GREATER STELLENBOSCH.....	13
1.5.1 Stellenbosch at a Glance	13
1.5.2 State of the Greater Stellenbosch	14
1.5.3 Wards	15
1.6 SOCIO-ECONOMIC CONTEXT.....	18
1.6.1 Population Growth.....	18
1.6.2 Sex Ratio	18
1.6.3 Age Cohorts	18
1.6.4 Household sizes.....	18
1.6.5 Population density.....	19
1.6.6 Education	19
1.6.7 The learner enrollment, learner-teacher ratio and learner retention rate.....	19
1.6.8 Number of schools and no-fee schools.....	21
1.6.9 Schools with libraries and media centres.....	21
1.6.10 Education Outcomes (Matric Pass Rates).....	21
1.6.11 Health.....	22
1.6.12 Emergency Medical Services.....	22
1.6.13 HIV / AIDS and TB.....	22
1.6.14 Child Health	23
1.6.15 Maternal Health.....	23
1.6.16 Poverty	24
1.6.17 Basic Service Delivery	26
1.6.18 Safety and Security	27
1.6.19 Economy and Labour Market Performance.....	28
1.6.20 Public Infrastructure Spending	30
1.7 BASIC SERVICE DELIVERY HIGHLIGHTS AND CHALLENGES	33
1.7.1 Key Basic Services Delivery Highlights	33
1.7.2 Key Basic Services Challenges	34
1.8 PROPORTION OF HOUSEHOLDS WITH MINIMUM ACCESS TO BASIC SERVICES	35
1.9 FINANCIAL VIABILITY HIGHLIGHTS	36
1.10 FINANCIAL VIABILITY CHALLENGES	36
1.11 FINANCIAL OVERVIEW	37
1.11.1 Operating Ratios	37
1.11.2 Total Capital Expenditure	37
1.12 MUNICIPAL STANDARD CHART OF ACCOUNTS	37
1.13 ORGANISATIONAL DEVELOPMENT OVERVIEW	38
1.14 MFMA COMPETENCIES	38
1.15 COVID-19.....	39
1.15.1 Impact of COVID-19 from a risk-based perspective within the organisation:.....	40
1.16 AUDITOR GENERAL REPORT	41
CHAPTER 2: GOOD GOVERNANCE AND PUBLIC PARTICIPATION	42
2.1 INTRODUCTION.....	42
2.2 NATIONAL KEY PERFORMANCE INDICATORS - GOOD GOVERNANCE AND PUBLIC PARTICIPATION	42

2.3	PERFORMANCE HIGHLIGHTS - GOOD GOVERNANCE AND PUBLIC PARTICIPATION	42
2.4	CHALLENGES - GOOD GOVERNANCE AND PUBLIC PARTICIPATION	43
2.5	PUBLIC SATISFACTION WITH MUNICIPAL SERVICES	43
	COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE	44
2.6	POLITICAL GOVERNANCE STRUCTURE.....	44
2.6.1	Council – 01 July 2020 to 30 June 2021	44
2.6.2	Executive Mayoral Committee	45
2.6.3	Portfolio Committees	46
2.6.4	Section 79 Committees	51
2.7	STRATEGIC GOVERNANCE STRUCTURE.....	54
	COMPONENT B: PUBLIC ACCOUNTABILITY	55
2.8	INTERGOVERNMENTAL RELATIONS.....	55
2.8.1	National Intergovernmental Structures.....	55
2.8.2	Provincial Intergovernmental Structures.....	55
2.8.3	Ward Committees.....	59
	COMPONENT C: CORPORATE GOVERNANCE	72
2.9	RISK MANAGEMENT	72
2.9.1	Strategic Risks Identified.....	74
2.9.2	Anti-Corruption and Anti-Fraud	77
2.10	FUNCTIONS OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE.....	77
2.11	INTERNAL AUDITING.....	78
2.11.1	Risk Register and Three-Year Strategic Plan.....	79
2.11.2	Annual Risk Based Audit Plan	80
2.11.3	PMS Audits	80
2.11.4	Functions of the Audit and Performance Audit Committee	81
2.12	SUPPLY CHAIN MANAGEMENT.....	82
2.12.1	Competitive bids in excess of R200 000.....	82
2.12.2	Awards made by the Bid Adjudication Committee.....	82
2.12.3	Awards made by the Accounting Officer	83
2.12.4	Objections Lodged	84
2.12.5	Formal Quotations (above R30 000 and below R200 000) Procurement Processes.....	85
2.12.6	Deviation from normal Procurement Processes	85
2.12.7	Disposal Management	86
2.12.8	Supply Chain Management Performance Management	86
2.12.9	Service Providers Strategic Performance	86
2.12.10	B-BBEE Compliance Performance Information	87
2.13	BY-LAWS AND POLICIES.....	88
2.14	WEBSITE.....	89
2.15	COMMUNICATION	90
	CHAPTER 3: SERVICE DELIVERY PERFORMANCE	93
3.1	OVERVIEW OF PERFORMANCE WITHIN THE ORGANISATION	93
	COMPONENT A: BASIC SERVICES	93
3.2	MUNICIPAL FUNCTIONS	93
3.2.1	Analysis of Functions	93
3.3	NATIONAL KEY PERFORMANCE INDICATORS – BASIC SERVICE DELIVERY.....	94
3.4	WATER PROVISION	95
3.4.1	Service Statistics – Water Services	99
3.4.2	Water Service Delivery Levels.....	99
3.5	WASTEWATER (SANITATION) PROVISION	101
3.6	MAJOR PROJECTS IMPLEMENTED	102
3.7	ELECTRICITY	103
3.7.1	The Electricity Service Delivery Statistics	104
3.7.2	Electricity Losses.....	104
3.8	WASTE MANAGEMENT, REFUSE COLLECTIONS, WASTE DISPOSAL AND RECYCLING.....	106

3.8.1	Waste Management	106
3.8.2	COVID-19.....	106
3.8.3	Area Cleaning	106
3.8.4	Refuse Collection	107
3.8.5	Waste Disposal and Waste	108
3.9	INTEGRATED HUMAN SETTLEMENTS	121
3.9.1	Housing Development.....	121
3.9.2	Informal Settlements	135
3.9.3	Housing Administration.....	137
3.10	PROPERTY MANAGEMENT.....	141
3.11	FREE BASIC SERVICES AND INDIGENT SUPPORT	144
COMPONENT B: ROADS, TRANSPORT AND STORMWATER.....		147
3.12	ROADS	147
3.12.1	Roads Statistics	150
3.12.2	Stormwater Infrastructure.....	151
3.13	DEVELOPMENT SERVICES AND PROJECT MANAGEMENT DEVELOPMENT SERVICES, ASSET MANAGEMENT AND SYSTEMS AND PROJECT MANAGEMENT UNIT (PMU)	152
3.13.1	Project Management Unit (PMU)	152
3.13.2	Asset Management and Systems	153
3.13.3	Development Services	154
COMPONENT C: PLANNING AND DEVELOPMENT.....		156
3.14	TOWN- AND SPATIAL PLANNING.....	156
3.15	LOCAL ECONOMIC DEVELOPMENT (LED).....	162
3.15.1	Economic Development and Tourism Challenges.....	163
3.15.2	EPWP Job Creation 2020/21	164
3.15.3	Tourism.....	165
3.15.4	Heritage and Resource Management.....	166
3.15.5	Development Information	166
COMPONENT D : COMMUNITY AND SOCIAL SERVICES.....		168
3.16	LIBRARIES	168
3.17	CEMETERIES	172
3.17.1	Service Statistics – Cemeteries	173
3.17.2	Income – Cemeteries	173
3.18	CHILD CARE; AGED CARE; SOCIAL PROGRAMMES– COMMUNITY DEVELOPMENT	174
3.19	POLLUTION CONTROL, BIO-DIVERSITY, BEAUTIFICATION, OPEN SPACES AND PARKS.....	180
3.19.1	Environmental Implementation	182
3.19.2	Urban Forestry	182
COMPONENT F: SECURITY AND SAFETY		183
3.20	LAW ENFORCEMENT.....	183
3.20.1	Traffic Law Enforcement	184
3.20.2	Highlights and challenges for Traffic Law Enforcement.....	185
3.21	FIRE AND DISASTER MANAGEMENT.....	188
COMPONENT G: SPORT AND RECREATION		191
3.22	HOLIDAY RESORTS AND CAMP SITES	191
3.22.1	Sports facilities and Swimming Pools	191
3.22.2	Service Statistics Sport - Grounds and Swimming Pools	191
3.23	COMMUNITY HALLS AND FACILITIES.....	192
COMPONENT H: CORPORATE POLICY OFFICES AND OTHER SERVICES		194
3.24	FINANCIAL SERVICES	194
3.24.1	Service statistics	194
3.25	HUMAN RESOURCE SERVICES.....	194
3.26	INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES	196
3.26.1	Service Statistics – Information and Communication Technology (ICT)	198
3.27	LEGAL SERVICES.....	199
3.28	MUNICIPAL COURT – ADDITIONAL COURT - STELLENBOSCH.....	199
3.28.1	Statistical Report – Case Load	200

3.28.2	Financial Report.....	201
COMPONENT H: ORGANISATIONAL PERFORMANCE SCORECARD.....		202
3.29	PERFORMANCE MANAGEMENT.....	202
3.29.1	Legislative requirements.....	203
3.29.2	Organisational performance	203
3.29.3	Governance framework for the IDP, Budget and Performance Management.....	203
3.29.4	Service Delivery and Budget Implementation Plan	204
3.29.5	The municipal scorecard (Top Layer SDBIP)	205
3.29.6	Amendment of the Top Layer SDBIP	205
3.29.7	Monitoring of the Service Delivery and Budget Implementation Plan.....	206
3.29.8	Overall Performance per Municipal Strategic Focus Area	207

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE.....209

4.1	INTRODUCTION TO THE MUNICIPAL WORKFORCE	209
4.2	EMPLOYMENT EQUITY	209
4.3	OCCUPATIONAL CATEGORIES - RACE.....	210
4.4	DIRECTORATES BY RACE	210
4.5	VACANCY RATE.....	210
4.6	TURNOVER RATE	211
4.7	MANAGING THE MUNICIPAL WORKFORCE	211
4.8	SICK LEAVE	212
4.9	HUMAN RESOURCES POLICIES AND PLANS.....	212
4.10	CAPACITY BUILDING OF THE MUNICIPAL WORKFORCE.....	213
4.11	SKILLS MATRIX	213
4.12	SKILLS DEVELOPMENT – TRAINING PROVIDED AND BUDGET ALLOCATION.....	214
4.13	MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE	214
4.13.1	Personnel Expenditure	214

CHAPTER 5: FINANCIAL PERFORMANCE216

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE.....		216
5.1	FINANCIAL SUMMARY.....	216
5.2	REVENUE COLLECTION BY VOTE.....	218
5.3	REVENUE COLLECTION BY SOURCE	218
5.4	OPERATIONAL SERVICES PERFORMANCE	219
5.5	FINANCIAL PERFORMANCE PER MUNICIPAL FUNCTION	220
5.5.1	Water Services	220
5.5.2	Sanitation Services	220
5.5.3	Electricity Services.....	221
5.5.4	Waste Management Services (Refuse collections, Waste disposal and Recycling)	221
5.5.5	Housing Development.....	222
5.5.6	Roads and Stormwater	222
5.5.7	Town and Spatial Planning	223
5.5.8	Local Economic Development (LED).....	223
5.5.9	Libraries	224
5.5.10	Community Development.....	224
5.5.11	Cemeteries.....	225
5.5.12	Traffic Services and Law Enforcement.....	225
5.5.13	Fire Services and Disaster Management	226
5.5.14	Holiday Resorts and Campsites	226
5.5.15	Sport grounds, Parks and Swimming Pools.....	227
5.5.16	Community Halls and Thusong Centres.....	227
5.5.17	Office of the Municipal Manager.....	228
5.5.18	Human Resource Services	228
5.5.19	Information and Communication Technology (ICT) Services.....	229
5.5.20	Legal Services	229

5.5.21	Property Management	230
5.5.22	Financial Services	230
5.5.23	Internal Audit.....	231
5.5.24	Administration	231
5.6	GRANTS.....	232
5.6.1	Grant Performance.....	232
5.6.2	Level of Reliance on Grants and Subsidies	233
5.7	ASSET MANAGEMENT	233
5.8	REPAIRS AND MAINTENANCE	233
5.9	FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS	234
5.10	IDP REGULATION FINANCIAL VIABILITY INDICATORS	234
5.11	BORROWING MANAGEMENT	234
5.12	EMPLOYEE COSTS	234
	COMPONENT B: SPENDING AGAINST CAPITAL BUDGET	235
5.13	CAPITAL EXPENDITURE	235
5.13.1	Capital Expenditure by Assets Programme	235
5.13.2	Sources of Finance.....	238
5.13.3	Capital Spending On 5 Largest Projects.....	239
5.13.4	Basic Services and infrastructure backlogs - Overview	239
5.13.5	Integrated Urban Development Grant (IUDG)	240
5.14	CASH FLOW	241
5.15	GROSS OUTSTANDING DEBTORS PER SERVICE	242
5.16	DEBTORS AGE ANALYSIS.....	242
5.17	BORROWING AND INVESTMENTS	243
5.18	ACTUAL BORROWINGS.....	243
5.19	MUNICIPAL INVESTMENTS	243
	CHAPTER 6: AUDITOR GENERAL AUDIT FINDINGS.....	244
5.1	INTRODUCTION.....	244
	COMPONENT A: AUDITOR-GENERAL OPINION 2019/20.....	244
5.2	AUDITOR GENERAL REPORT 2019/20	244
	COMPONENT B: AUDITOR-GENERAL OPINION 2020/21	245
5.3	AUDITOR GENERAL REPORT 2020/21	245
	ANNEXURE A: ANNUAL FINANCIAL STATEMENTS 2020/21	246
	ANNEXURE B: ANNUAL PERFORMANCE REPORT 2020/21	247
	ANNEXURE C: AUDIT AND PERFORMANCE AUDIT COMMITTEE ANNUAL REPORT 2020/21	248
	ANNEXURE D: REPORT OF THE AUDIT GENERAL OF SOUTH AFRICA 2020/21	249

List of Tables

TABLE 1: SOCIO ECONOMIC SUMMARY	13
TABLE 2: POPULATION PER WARD	15
TABLE 3: AGE COHORTS.....	18
TABLE 4: HEALTH CARE FACILITIES.....	22
TABLE 5: HIV/AIDS MANAGEMENT.....	22
TABLE 6: MATERNAL HEALTH	23
TABLE 7: MURDER CASES PER 100 000	27
TABLE 8: SEXUAL OFFENSES PER 100 000.....	27
TABLE 9: DRUG RELATED OFFENSES PER 100 000	27
TABLE 10: DUI OFFENSES.....	28
TABLE 11: ROAD USER FATALITIES	28
TABLE 12: RESIDENTIAL BURGLARIES PER 100 000.....	28
TABLE 13: ECONOMIC SECTOR OVERVIEW	29

TABLE 14: SKILL LEVELS FORMAL EMPLOYMENT	30
TABLE 15: INFORMAL EMPLOYMENT	30
TABLE 16: UNEMPLOYMENT RATES	30
TABLE 17: KEY BASIC SERVICE CHALLENGES	34
TABLE 18: HOUSEHOLDS WITH MINIMUM LEVEL OF BASIC SERVICES	35
TABLE 19: MUNICIPAL VIABILITY HIGHLIGHTS	36
TABLE 20: FINANCIAL VIABILITY CHALLENGES	36
TABLE 21: FINANCIAL VIABILITY AND MANAGEMENT FINANCIAL OVERVIEW (000')	37
TABLE 22: OPERATING RATIOS	37
TABLE 23: TOTAL CAPITAL EXPENDITURE (000')	37
TABLE 24: ORGANISATIONAL DEVELOPMENT HIGHLIGHTS	38
TABLE 25: ORGANISATIONAL DEVELOPMENT CHALLENGES	38
TABLE 26: FINANCIAL COMPETENCY DEVELOPMENT: PROGRESS REPORT	39
TABLE 27: COVID-19 RISK REGISTER	40
TABLE 28: NATIONAL KPI - GOOD GOVERNANCE AND PUBLIC PARTICIPATION.....	42
TABLE 29: HIGHLIGHTS OF GOOD GOVERNANCE AND PUBLIC PARTICIPATION.....	42
TABLE 30: CHALLENGES OF GOOD GOVERNANCE AND PUBLIC PARTICIPATION	43
TABLE 31: COUNCIL FOR THE PERIOD 01 JULY 2020 TO 30 JUNE 2021	44
TABLE 32: COUNCIL MEETINGS FOR THE 2020/21 FINANCIAL YEAR	45
TABLE 33: EXECUTIVE MAYOR FOR THE PERIOD 01 JULY 2020 – 30 JUNE 2021	45
TABLE 34: EXECUTIVE MAYORAL COMMITTEE FOR THE 2020/21 FINANCIAL YEAR	46
TABLE 35: EXECUTIVE MAYORAL COMMITTEE MEETINGS 2020/21	46
TABLE 36: PLANNING AND ECONOMIC DEVELOPMENT COMMITTEE	47
TABLE 37: PLANNING AND ECONOMIC DEVELOPMENT MEETINGS	47
TABLE 38: INFRASTRUCTURE SERVICES PORTFOLIO COMMITTEE.....	47
TABLE 39: INFRASTRUCTURE SERVICES PORTFOLIO COMMITTEE MEETING	47
TABLE 40: FINANCE PORTFOLIO COMMITTEE	47
TABLE 41: FINANCE PORTFOLIO COMMITTEE MEETING DATES.....	48
TABLE 42: COMMUNITY AND PROTECTION SERVICES PORTFOLIO COMMITTEE.....	48
TABLE 43: COMMUNITY AND PROTECTION SERVICES PORTFOLIO COMMITTEE MEETING DATES	48
TABLE 44: CORPORATE SERVICES PORTFOLIO COMMITTEE	49
TABLE 45: CORPORATE SERVICES PORTFOLIO COMMITTEE MEETING DATES.....	49
TABLE 46: HUMAN SETTLEMENTS PORTFOLIO COMMITTEE	49
TABLE 47: HUMAN SETTLEMENTS PORTFOLIO COMMITTEE MEETINGS.....	49
TABLE 48: RURAL MANAGEMENT AND TOURISM PORTFOLIO COMMITTEE	49
TABLE 49: RURAL MANAGEMENT AND TOURISM PORTFOLIO COMMITTEE MEETING DATES	50
TABLE 50: YOUTH, SPORT AND CULTURE PORTFOLIO COMMITTEE.....	50
TABLE 51: YOUTH, SPORT AND CULTURE PORTFOLIO COMMITTEE MEETING DATES	50
TABLE 52: PARKS, OPEN SPACES AND ENVIRONMENT PORTFOLIO COMMITTEE.....	50
TABLE 53: PARKS OPEN SPACES AND ENVIRONMENT PORTFOLIO COMMITTEE MEETING DATES	51
TABLE 54: MPAC COMMITTEE	51
TABLE 55: MPAC COMMITTEE MEETING DATES	51
TABLE 56: APPEALS COMMITTEE.....	51
TABLE 57: APPEALS COMMITTEE MEETING DATES	52
TABLE 58: LOCAL LABOUR FORUM (LLF)	52
TABLE 59: LOCAL LABOUR FORUM MEETING DATES.....	52
TABLE 60: EMPLOYMENT EQUITY COMMITTEE	52
TABLE 61: EMPLOYMENT EQUITY COMMITTEE MEETING DATES.....	52
TABLE 62: COUNCILLOR DISCIPLINARY COMMITTEE PORTFOLIO COMMITTEE	53
TABLE 63: COUNCILLOR DISCIPLINARY COMMITTEE PORTFOLIO COMMITTEE MEETING DATES.....	53
TABLE 64: COUNCILLOR DISCIPLINARY PORTFOLIO COMMITTEE MEETING DATES	53
TABLE 65: RULES PORTFOLIO COMMITTEE.....	53
TABLE 66: RULES PORTFOLIO COMMITTEE MEETING DATES.....	53
TABLE 67: MUNICIPAL PARTNERSHIPS	58
TABLE 68: WARD 1 COMMITTEE MEMBERS.....	60
TABLE 69: WARD 2 COMMITTEE MEMBERS.....	61
TABLE 70: WARD 3 COMMITTEE MEMBERS.....	61
TABLE 71: WARD 4 COMMITTEE MEMBERS.....	61
TABLE 72: WARD 5 COMMITTEE MEMBERS.....	62
TABLE 73: WARD 6 COMMITTEE MEMBERS.....	62
TABLE 74: WARD 7 COMMITTEE MEMBERS.....	62
TABLE 75: WARD 8 COMMITTEE MEMBERS.....	63
TABLE 76: WARD 9 COMMITTEE MEMBERS.....	63

TABLE 77: WARD 10 COMMITTEE MEMBERS	63
TABLE 78: WARD 11 COMMITTEE MEMBERS	64
TABLE 79: WARD 12 COMMITTEE MEMBERS	64
TABLE 80: WARD 13 COMMITTEE MEMBERS	64
TABLE 81: WARD 14 COMMITTEE MEMBERS	65
TABLE 82: WARD 15 COMMITTEE MEMBERS	65
TABLE 83: WARD 16 COMMITTEE MEMBERS	66
TABLE 84: WARD 17 COMMITTEE MEMBERS	66
TABLE 85: WARD 18 COMMITTEE MEMBERS	66
TABLE 86: WARD 19 COMMITTEE MEMBERS	67
TABLE 87: WARD 20 COMMITTEE MEMBERS	67
TABLE 88: WARD 21 COMMITTEE MEMBERS	67
TABLE 89: WARD 22 COMMITTEE MEMBERS	68
TABLE 90: WARD COMMITTEES AND THEIR FUNCTIONALITY.....	69
TABLE 91: RISK LIKELIHOOD RATING SCALE.....	73
TABLE 92: RISK MANAGEMENT GRID	74
TABLE 93: RISK REGISTER	74
TABLE 94: MEMBERS OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE	78
TABLE 95: ✓ CONFIRMS AUDIT ACTIVITY COMPLETED IN THE FINANCIAL YEAR	79
TABLE 96: ANNUAL RISK-BASED AUDIT PLAN	80
TABLE 97: MEMBERS OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE	81
TABLE 98: BID COMMITTEE MEETINGS	82
TABLE 99: ATTENDANCE OF MEMBERS OF BID SPECIFICATION COMMITTEE	82
TABLE 100: ATTENDANCE OF MEMBERS OF BID EVALUATION COMMITTEE	82
TABLE 101: ATTENDANCE OF MEMBERS OF BID ADJUDICATION COMMITTEE	82
TABLE 102: TEN HIGHEST BIDS AWARDED BY BID ADJUDICATION COMMITTEE	83
TABLE 103: AWARDS MADE BY THE ACCOUNTING OFFICER	83
TABLE 104: OBJECTIONS LODGED.....	84
TABLE 105: FORMAL QUOTATIONS (ABOVE R 30 000 AND BELOW R 200 000).....	85
TABLE 106: DEVIATION FROM NORMAL PROCUREMENT PROCESS	86
TABLE 107: B-BBEE COMPLIANCE PERFORMANCE INFORMATION - MANAGEMENT CONTROL	87
TABLE 108: B-BBEE COMPLIANCE PERFORMANCE INFORMATION- SKILLS DEVELOPMENT	87
TABLE 109: BUDGET RELATED POLICIES REVIEWED	88
TABLE 110: BYLAWS REVIEWED	89
TABLE 111: WEBSITE CHECKLIST.....	89
TABLE 112: COMMUNICATION ACTIVITIES	91
TABLE 113: MUNICIPAL FUNCTIONAL AREAS I.T.O. THE CONSTITUTION.....	93
TABLE 114: BASIC SERVICE DELIVERY	95
TABLE 115: WESTERN CAPE DAMS	97
TABLE 116: STELLENBOSCH DAMS	97
TABLE 117: TOTAL USE OF WATER (Mt)	99
TABLE 118: WATER SERVICE DELIVERY LEVELS	100
TABLE 119: CAPITAL EXPENDITURE AS AT 30 JUNE 2021: WATER SERVICES	100
TABLE 120: SANITATION SERVICE DELIVERY LEVELS.....	101
TABLE 121: CAPITAL EXPENDITURE AS AT 30 JUNE 2021: SANITATION SERVICES	102
TABLE 122: NUMBER OF EMPLOYEES IN THE WATER AND WASTEWATER SERVICES DEPARTMENT	102
TABLE 123: MAJOR PROJECTS IMPLEMENTED.....	102
TABLE 124: STELLENBOSCH MUNICIPALITY NOTIFIED DEMAND PER INTAKE POINT	104
TABLE 125: ACCESS TO BASIC ELECTRICITY	105
TABLE 126: CAPITAL EXPENDITURE AS AT 30 JUNE 2021: ELECTRICITY SERVICES	105
TABLE 127: TOTAL NUMBER OF EMPLOYEES IN THE ELECTRICITY SERVICES DEPARTMENT	105
TABLE 128: EPWP EMPLOYMENT OPPORTUNITIES	107
TABLE 129: REFUSE BINS DISTRIBUTION	107
TABLE 130: LANDFILL STATISTICS FOR INCOMING WASTE IN TONS	111
TABLE 131: SERVICE DELIVERY LEVELS OF WASTE MANAGEMENT	120
TABLE 132: CAPITAL EXPENDITURE AS AT 30 JUNE 2021: WASTE MANAGEMENT SERVICES	120
TABLE 133: TOTAL NUMBER OF EMPLOYEES IN THE WASTE MANAGEMENT DEPARTMENT.....	120
TABLE 134: HOUSING SITES.....	123
TABLE 135: TOTAL FARMS MEASURED IN EXTENT	128
TABLE 136: TOTAL FARMS MEASURED PER HA.....	128
TABLE 137: HOUSEHOLDS WITH ACCESS TO BASIC HOUSING - SOURCE STATS SA 2011	136
TABLE 138: HOUSING WAITING LIST AS AT 30 JUNE.....	136
TABLE 139: TRANSFER OF HOUSING STOCK	137

TABLE 140: TOTAL PROPERTIES REGISTERED AT DEEDS OFFICE (DURING 2020/21)	137
TABLE 141: TOTAL EMPLOYEES IN THE INTEGRATED HUMAN SETTLEMENTS DEPARTMENT	140
TABLE 142: TOTAL EMPLOYEES IN THE NEW HOUSING DEPARTMENT	140
TABLE 143: TOTAL EMPLOYEE IN THE HOUSING ADMINISTRATION	140
TABLE 144: TOTAL EMPLOYEES IN THE INFORMAL HUMAN SETTLEMENTS	140
TABLE 145: CAPITAL EXPENDITURE AS AT 30 JUNE 2021: NEW HOUSING	141
TABLE 146: LA MOTTE TRANSFERS	141
TABLE 147: PROPERTY BOUGHT AND TRANSFERRED	142
TABLE 148: LEASE AGREEMENTS CONCLUDED	142
TABLE 149: PROPERTY TRANSACTIONS APPROVED BY COUNCIL DURING 2020/21	142
TABLE 150: SERVICE DATA STATISTICS – PROPERTY MANAGEMENT	143
TABLE 151: CAPITAL EXPENDITURE AS AT 30 JUNE 2021: PROPERTY MANAGEMENT AND BUILDING MAINTENANCE	143
TABLE 152: TOTAL NUMBER OF EMPLOYEES IN THE PROPERTY MANAGEMENT AND BUILDING MAINTENANCE SECTION	144
TABLE 153: ACCESS TO FREE BASIC SERVICES	144
TABLE 154: FREE BASIC ELECTRICITY TO INDIGENT HH	145
TABLE 155: FREE BASIC WATER SERVICES TO INDIGENT HH	145
TABLE 156: FREE BASIC SANITATION TO INDIGENT HH	145
TABLE 157: FREE BASIC REFUSE REMOVAL SERVICES TO INDIGENT	146
TABLE 158: CAPITAL EXPENDITURE AS AT 30 JUNE 2021: RTS	151
TABLE 159: TOTAL NUMBER OF EMPLOYEES IN THE ROADS AND TRANSPORT SECTION	152
TABLE 160: WAYLEAVE APPLICATIONS	154
TABLE 161: LAND-USE APPLICATIONS	155
TABLE 162: CAPITAL EXPENDITURE AS AT 30 JUNE 2021: PLANNING AND DEVELOPMENT	162
TABLE 163: TOTAL NUMBER OF EMPLOYEES IN THE DEVELOPMENT MANAGEMENT SECTION	162
TABLE 164: LED ACHIEVEMENTS	162
TABLE 165: LED CHALLENGES	163
TABLE 166: JOB CREATION THROUGH EPWP* PROJECTS	164
TABLE 167: TOTAL NUMBER OF EMPLOYEES IN THE LED SECTION	165
TABLE 168: CAPITAL EXPENDITURE AS AT 30 JUNE 2021: LED AND TOURISM	166
TABLE 169: TOTAL NUMBER OF LIBRARIES	168
TABLE 170: LIBRARY SERVICES	169
TABLE 171: LIBRARIES PARTNERSHIPS	170
TABLE 172: CAPITAL EXPENDITURE AS AT 30 JUNE 2021: LIBRARY SERVICES	171
TABLE 173: TOTAL NUMBER OF EMPLOYEES IN THE LIBRARY SECTION	172
TABLE 174: CEMETERIES INCOME	173
TABLE 175: CAPITAL EXPENDITURE AS AT 30 JUNE 2021: CEMETERY AND PARKS SERVICES	173
TABLE 176: TOTAL NUMBER OF EMPLOYEES IN THE CEMETERY SECTION	174
TABLE 177: SERVICE STATISTICS – CHILD CARE, AGED CARE, SOCIAL PROGRAMMES	174
TABLE 178: NUMBER OF GRANT IN AID APPLICATIONS RECOMMENDED AND APPROVED	179
TABLE 179: AIR QUALITY COMPLAINTS 2018	180
TABLE 180: AIR QUALITY COMPLAINTS 2019	181
TABLE 181: AIR QUALITY COMPLAINTS 2020	181
TABLE 182: AIR QUALITY COMPLAINTS 2021	181
TABLE 183: VISITORS STATISTICS – ENVIRONMENTAL IMPLEMENTATION	182
TABLE 184: EPWP STATISTICS – ENVIRONMENTAL MANAGEMENT	182
TABLE 185: MANAGEMENT OF TREES IN WC024 – URBAN FORESTRY	182
TABLE 186: LAW ENFORCEMENT HIGHLIGHTS	183
TABLE 187: SERVICE DATA FOR TRAFFIC SERVICES	186
TABLE 188: ADDITIONAL SERVICE DATA OF TRAFFIC SERVICES	186
TABLE 189: CAPITAL EXPENDITURE AS AT 30 JUNE 2021: LAW ENFORCEMENT	188
TABLE 190: CAPITAL EXPENDITURE AS AT 30 JUNE 2021: TRAFFIC SERVICES	188
TABLE 191: TOTAL NUMBER OF EMPLOYEES IN TRAFFIC LAW ENFORCEMENT SECTION	188
TABLE 192: SERVICE DATA FOR FIRE AND DISASTER MANAGEMENT	189
TABLE 193: CAPITAL EXPENDITURE AS AT 30 JUNE 2021: FIRE AND DISASTER MANAGEMENT SERVICES	190
TABLE 194: TOTAL NUMBER OF EMPLOYEES IN THE FIRE AND DISASTER MANAGEMENT SECTION	190
TABLE 195: SERVICE STATISTICS – HOLIDAY RESORTS AND CAMPSITES	191
TABLE 196: SERVICE STATISTICS SPORT GROUNDS AND SWIMMING POOL	191
TABLE 197: CAPITAL EXPENDITURE: SPORTS GROUNDS AND SWIMMING POOLS	192
TABLE 198: TOTAL EMPLOYEES - SPORT - GROUNDS AND SWIMMING POOLS	192
TABLE 199: TOTAL FUNCTIONS: COMMUNITY HALLS AND FACILITIES	192
TABLE 200: TOTAL REVENUE / INCOME: COMMUNITY HALLS AND FACILITIES	193
TABLE 201: TOTAL EMPLOYEES- COMMUNITY HALLS AND FACILITIES	193
TABLE 202: FINANCIAL SERVICE STATISTICS	194

TABLE 203: TOTAL NUMBER OF EMPLOYEES IN THE HUMAN RESOURCE MANAGEMENT SECTION	196
TABLE 204: SERVICE STATISTICS – ICT.....	198
TABLE 205: CAPITAL EXPENDITURE - ICT SERVICES AS AT 30 JUNE 2021	198
TABLE 206: TOTAL NUMBER OF EMPLOYEES IN THE ICT SECTION	198
TABLE 207: TOTAL NUMBER OF EMPLOYEES IN THE LEGAL SERVICES SECTION.....	199
TABLE 208: STATISTICAL REPORT CASE LOAD.....	200
TABLE 209: FINANCIAL REPORT OF THE MUNICIPAL COURT	201
TABLE 210: TOTAL NUMBER OF EMPLOYEES IN THE MUNICIPAL COURT SECTION:.....	201
TABLE 211: PERFORMANCE MANAGEMENT GOVERNANCE.....	207
TABLE 212: PERFORMANCE ASSESSMENT CRITERIA	207
TABLE 213: OVERALL PERFORMANCE PER MUNICIPAL STRATEGIC FOCUS AREA	207
TABLE 214: EE TARGETS / ACTUAL BY RACIAL CLASSIFICATION	209
TABLE 215: TARGETS / ACTUAL BY GENDER CLASSIFICATION	209
TABLE 216: OCCUPATIONAL CATEGORIES – RACE.....	210
TABLE 217: DIRECTORATES BY RACE.....	210
TABLE 218: VACANCY RATE PER POST AND FUNCTIONAL LEVEL	211
TABLE 219: TURN-OVER RATE.....	211
TABLE 220: INJURIES PER DIRECTORATES - DEPARTMENT	212
TABLE 221: TABLE 185: SICK LEAVE AS AT 30 JUNE.....	212
TABLE 222: APPROVED POLICIES FOR THE YEAR UNDER REVIEW	213
TABLE 223: POLICIES STILL TO BE DEVELOPED	213
TABLE 224: NUMBER OF EMPLOYEES THAT RECEIVED TRAINING	213
TABLE 225: BUDGET ALLOCATED AND SPENT FOR SKILLS DEVELOPMENT	214
TABLE 226: PERSONNEL EXPENDITURE AS % OF TOTAL OPERATING EXPENDITURE.....	214
TABLE 227: COUNCILLOR AND STAFF BENEFITS.....	215
TABLE 228: FINANCIAL PERFORMANCE.....	216
TABLE 229: PERFORMANCE AGAINST BUDGETS.....	217
TABLE 230: REVENUE COLLECTION PERFORMANCE BY VOTE	218
TABLE 231: REVENUE COLLECTION BY SOURCE	218
TABLE 232: OPERATIONAL SERVICES PERFORMANCE: EXPENDITURE	219
TABLE 233: FINANCIAL PERFORMANCE: WATER SERVICES.....	220
TABLE 234: FINANCIAL PERFORMANCE: SANITATION SERVICES	220
TABLE 235: FINANCIAL PERFORMANCE: ELECTRICITY SERVICES	221
TABLE 236: FINANCIAL PERFORMANCE: WASTE MANAGEMENT SERVICES (REFUSE COLLECTIONS, WASTE DISPOSAL, AND RECYCLING)	221
TABLE 237: FINANCIAL PERFORMANCE: HOUSING PERSONNEL EXPENDITURE.....	222
TABLE 238: FINANCIAL PERFORMANCE: ROADS AND STORMWATER	222
TABLE 239: FINANCIAL PERFORMANCE: TOWN PLANNING AND SPATIAL PLANNING.....	223
TABLE 240: FINANCIAL PERFORMANCE: LED	223
TABLE 241: FINANCIAL PERFORMANCE: LIBRARIES	224
TABLE 242: FINANCIAL PERFORMANCE: COMMUNITY DEVELOPMENT	224
TABLE 243: FINANCIAL PERFORMANCE: CEMETERIES	225
TABLE 244: FINANCIAL PERFORMANCE: TRAFFIC SERVICES.....	225
TABLE 245: FINANCIAL PERFORMANCE: FIRE SERVICES AND DISASTER MANAGEMENT PERSONNEL EXPENDITURE.....	226
TABLE 246: FINANCIAL PERFORMANCE: HOLIDAY RESORTS AND CAMPSITES	226
TABLE 247: FINANCIAL PERFORMANCE: SPORT GROUNDS, PARKS AND SWIMMING POOLS.....	227
TABLE 248: FINANCIAL PERFORMANCE: COMMUNITY HALLS AND THUSONG CENTRES	227
TABLE 249: FINANCIAL PERFORMANCE: OFFICE OF THE MUNICIPAL MANAGER.....	228
TABLE 250: FINANCIAL PERFORMANCE: HUMAN RESOURCE SERVICES	228
TABLE 251: FINANCIAL PERFORMANCE: INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES	229
TABLE 252: FINANCIAL PERFORMANCE: LEGAL SERVICES.....	229
TABLE 253: FINANCIAL PERFORMANCE: PROPERTY AND CONTRACT MANAGEMENT.....	230
TABLE 254: FINANCIAL PERFORMANCE: FINANCIAL SERVICES	230
TABLE 255: FINANCIAL PERFORMANCE: FINANCIAL SERVICES	231
TABLE 256: FINANCIAL PERFORMANCE: ADMINISTRATION.....	231
TABLE 257: GRANT PERFORMANCE.....	232
TABLE 258: RELIANCE ON GRANTS.....	233
TABLE 259: REPAIRS AND MAINTENANCE EXPENDITURE	233
TABLE 260: LIQUIDITY RATIO.....	234
TABLE 261: IDP REGULATION FINANCIAL VIABILITY OF INDICATORS.....	234
TABLE 262: BORROWING MANAGEMENT.....	234
TABLE 263: EMPLOYEE COSTS.....	234
TABLE 264: CAPITAL EXPENDITURE BY ASSET PROGRAMME.....	235
TABLE 265: CAPITAL EXPENDITURE BY FUNDING SOURCE.....	238

TABLE 266: CAPITAL EXPENDITURE ON THE 5 LARGEST PROJECTS	239
TABLE 267: INTEGRATED URBAN DEVELOPMENT GRANT (IUDG)	240
TABLE 268: CASH FLOW	241
TABLE 269: GROSS OUTSTANDING DEBTORS PER SERVICE	242
TABLE 270: DEBTORS AGE ANALYSIS	242
TABLE 271: ACTUAL BORROWINGS	243
TABLE 272: MUNICIPAL INVESTMENTS.....	243
TABLE 273: AUDITOR GENERAL REPORT 2019/20.....	244
TABLE 274: AUDITOR GENERAL REPORT 2020/21	245

List of Figures

FIGURE 1: STRATEGIC FOCUS AREAS	10
FIGURE 2: CORE COMPONENTS IN EXECUTING STRATEGY.....	11
FIGURE 3: ACCOUNTABILITY PROCESS FLOW	12
FIGURE 4: LOCALITY MAP OF STELLENBOSCH MUNICIPALITY IN RELATION TO CAPE WINELANDS DISTRICT BOUNDARIES.....	16
FIGURE 5: LOCALITY MAP OF MUNICIPAL BOUNDARIES	17
FIGURE 6: LEARNER ENROLMENT	19
FIGURE 7: LEARNER-TEACHER RATIO	20
FIGURE 8: LEARNER RETENTION	20
FIGURE 9: EDUCATION OUTCOMES	21
FIGURE 10: CHILD HEALTH	23
FIGURE 11: GDP PER CAPITA	24
FIGURE 12: INCOME INEQUALITY	25
FIGURE 13: HUMAN DEVELOPMENT	26
FIGURE 14: SPENDING ON TRADING SERVICES.....	31
FIGURE 15: MUNICIPAL INFRASTRUCTURE SPEND ('000)	32
FIGURE 16: BASIC SERVICES HIGHLIGHTS	33
FIGURE 17: PROPORTION OF HOUSEHOLDS WITH ACCESS TO BASIC SERVICES.....	36
FIGURE 18: AUDIT OUTCOMES FROM 2018/19 - 2020/21	41
FIGURE 19: TOP MANAGEMENT STRUCTURE	54
FIGURE 20: MAIN DUTIES OF THE WARD COMMITTEES.....	59
FIGURE 21: SOCIAL MEDIA ACTIVITY	92
FIGURE 22: WHEELIE BIN DISTRIBUTION.....	108
FIGURE 23: NEW WASTE DISPOSAL CELLS BETWEEN CELLS 1 AND 2 AND CELL 3	115
FIGURE 24: ERF 7001, CLOETESVILLE	121
FIGURE 25: MAP ILLUSTRATING THE LOCATION OF EACH THE SITES.....	123
FIGURE 26: HOUSING CONSUMER EDUCATION AND PUBLIC PARTICIPATION.....	139
FIGURE 27: TARRER ROADS	150
FIGURE 28: GRAVEL ROAD INFRASTRUCTURE	150
FIGURE 29: STORMWATER INFRASTRUCTURE	151
FIGURE 30: LIBRARIES MEMBERSHIP STATISTICS	169
FIGURE 31: PAUPER BURIALS.....	173
FIGURE 32: LAW ENFORCEMENT STATISTICS	184
FIGURE 33: OVERALL PERFORMANCE PER MUNICIPAL STRATEGIC FOCUS AREA	208



VISION AND MISSION STATEMENT

Vision

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

“Valley of Opportunity and Innovation”

Mission

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

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

values

Integrity:

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

Accountability:

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

Transformation:

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

Innovation:

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



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

CHAPTER 1: EXECUTIVE MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: EXECUTIVE MAYOR'S FOREWORD



It is an honour to present the Annual Report of Stellenbosch Municipality for the 2020/21 financial year. This was yet another year full of turbulence and accomplishments. This report provides information about the municipality's financial, operational, social and environmental performance over the 12 months in review, namely the period from 1 July 2020 to 30 June 2021. It also reflects on the progress made towards reaching our objectives as set out in the Integrated Development Plan (IDP).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ADV GESIE VAN DEVENTER
EXECUTIVE MAYOR



MESSAGE FROM THE MUNICIPAL MANAGER
G METTLER

COMPONENT B: MUNICIPAL MANAGER'S OVERVIEW



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

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

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

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

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

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

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

Sincerely,

MS GERALDINE METTLER
MUNICIPAL MANAGER

COMPONENT C: EXECUTIVE SUMMARY AND MUNICIPAL OVERVIEW

1.1 Introduction

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

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

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

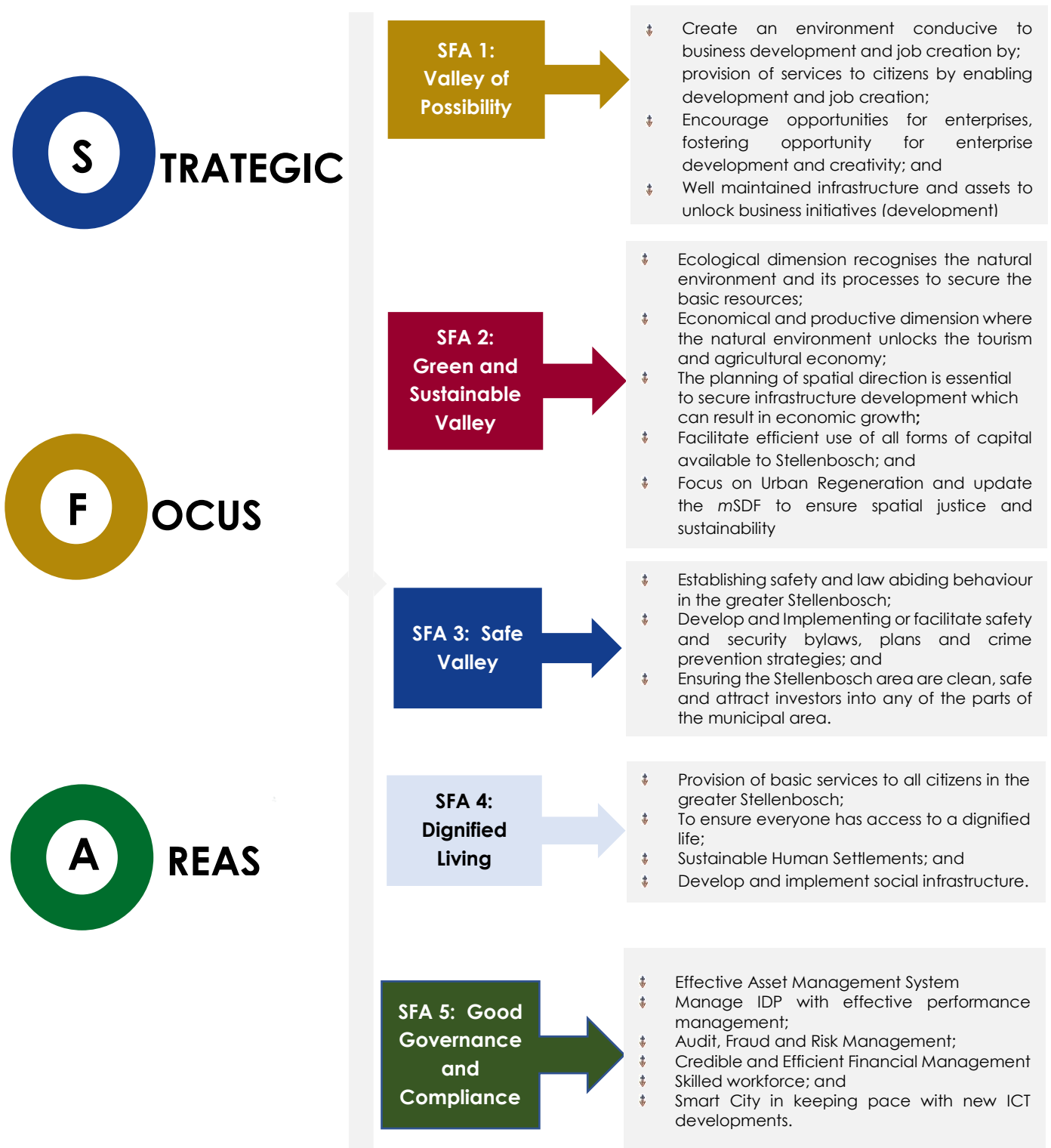
- Chapter 1:** An overview of the municipality's overarching strategy and its accountability processes, social and demographic profile and key highlights and challenges regarding finance, institutional transformation and key basic service delivery.
- Chapter 2:** Details about the governmental workings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

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

1.2 Strategic Focus Areas

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

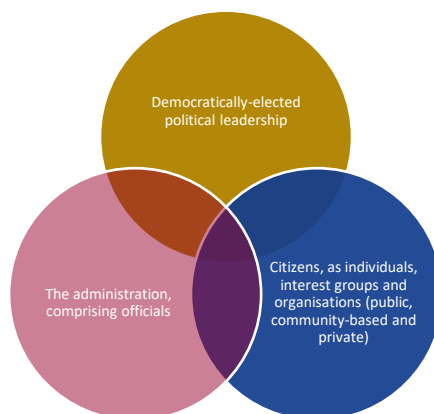
Figure 1: Strategic focus areas



1.3 Core Principles in Executing the Strategy

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

Figure 2: Core components in executing strategy



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

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

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

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

1.4 Alignment with Institutional Structures and Processes

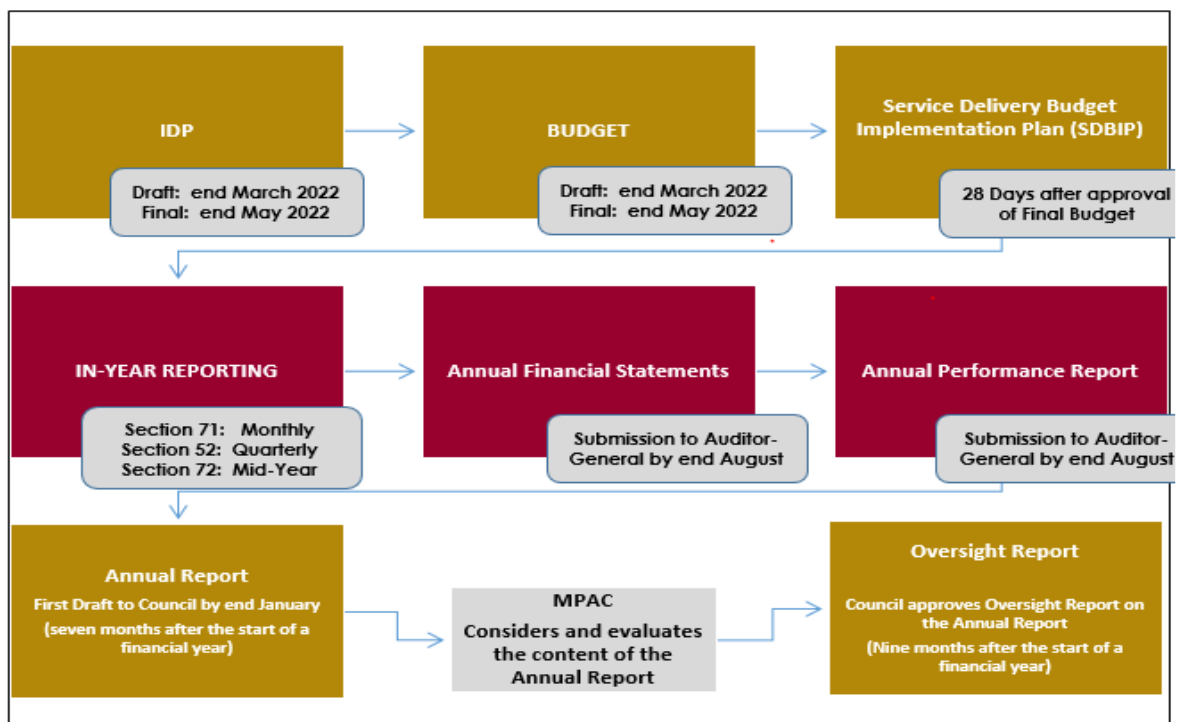
Conventional strategic planning processes are aimed at guiding development and management decisions are time-consuming. Preparing a detailed strategic framework and implementation programme can take months. Unfortunately, these processes do not provide for the “now” – the need to guide decisions today.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

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

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

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

Figure 3: Accountability Process flow



















1.5 Demographical Overview of the Greater Stellenbosch

1.5.1 Stellenbosch at a Glance

According to the Western Cape Local Economic Profile 2020, the statistics below give a synopsis of the key aspects of the overview of the Greater Stellenbosch **(the statistics will be updated with the latest information of the Municipal Economic Review Outlook (MERO), once the release is available to municipalities).**

Table 1: Socio economic summary

Demographics		2019		Population Estimates		2019	
	Population	192 879			Households	52 374	
Education		2019		Poverty		2018	
	Matric Pass Rate	85.0%			Gini-Coefficient	0.65	
	Learner Retention Rate	75.5%			Human Development Index	0.76	
	Learner-Teacher Ratio	26.6%					
Health				2019			
	Primary Health Care Facilities	Immunisation Rate	Maternal Mortality Ratio (per 100 000 live births)	Teenage Pregnancies – Delivery rate to women U/18			
	14	55.1%	0.0	13.5%			
Safety and Security				Annual number of reported cases in 2019/20			
	Residential Burglaries	DUI	Drug-related Crimes	Murder	Sexual Offences		
	1 242	237	2 166	76	231		
Access to Basic Service Delivery				% households with access to basic services, 2019			
Water	Refuse Removal	Electricity	Sanitation	Housing			
94.5% 	86.7% 	92.4% 	91.2% 	73.4% 			
Road Safety 2019/20		Labour, 2019		Socio-economic Risks			
Fatal Crashes	34	Unemployment (narrow definition)		Risk 1	Rising Unemployment		
Road User Fatalities	35	11.3%		Risk 2	Informal Sector expansion		
				Risk 3	Low skills base (Labour)		
Largest 3 sectors				Contribution to GDP, 2018			
Finance, insurance, real estate and business services		Wholesale and retail trade, catering and accommodation		Manufacturing			
21.6% 	20.7% 		16.4% 				

1.5.2 State of the Greater Stellenbosch

Stellenbosch is situated about 50 km from Cape Town and is flanked by the N1 and N2 main routes. According to population growth estimates, of the Community Survey the population figures for Stellenbosch for 2020 indicates 192 879 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 Pniël, Kylemore, Groendal and Franschoek in the East.

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

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

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

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

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

The following municipalities share their borders with Stellenbosch Municipality:

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

1.5.3 Wards

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



Population
as per StatsSA

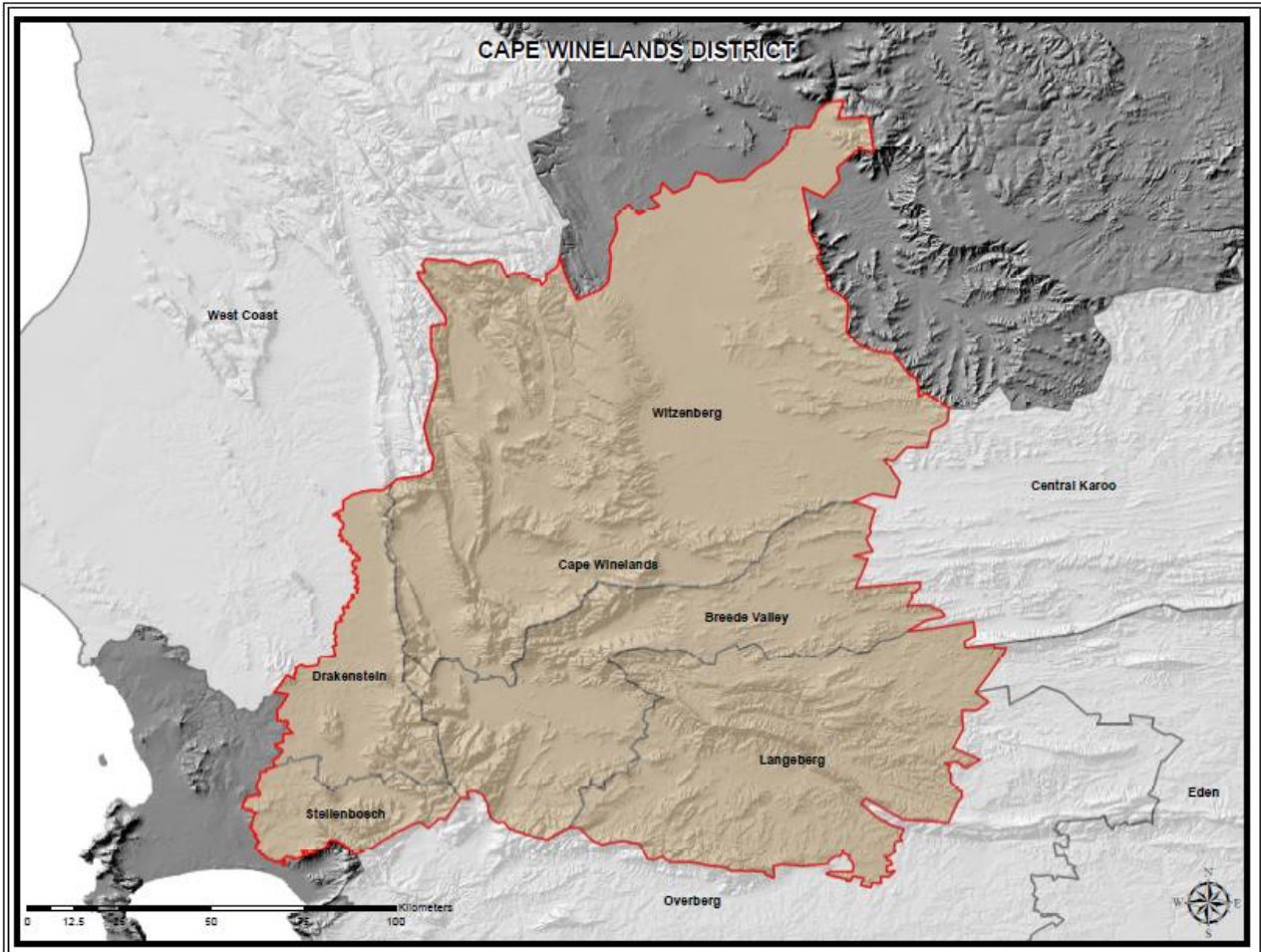
Table 2: Population per ward

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

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

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

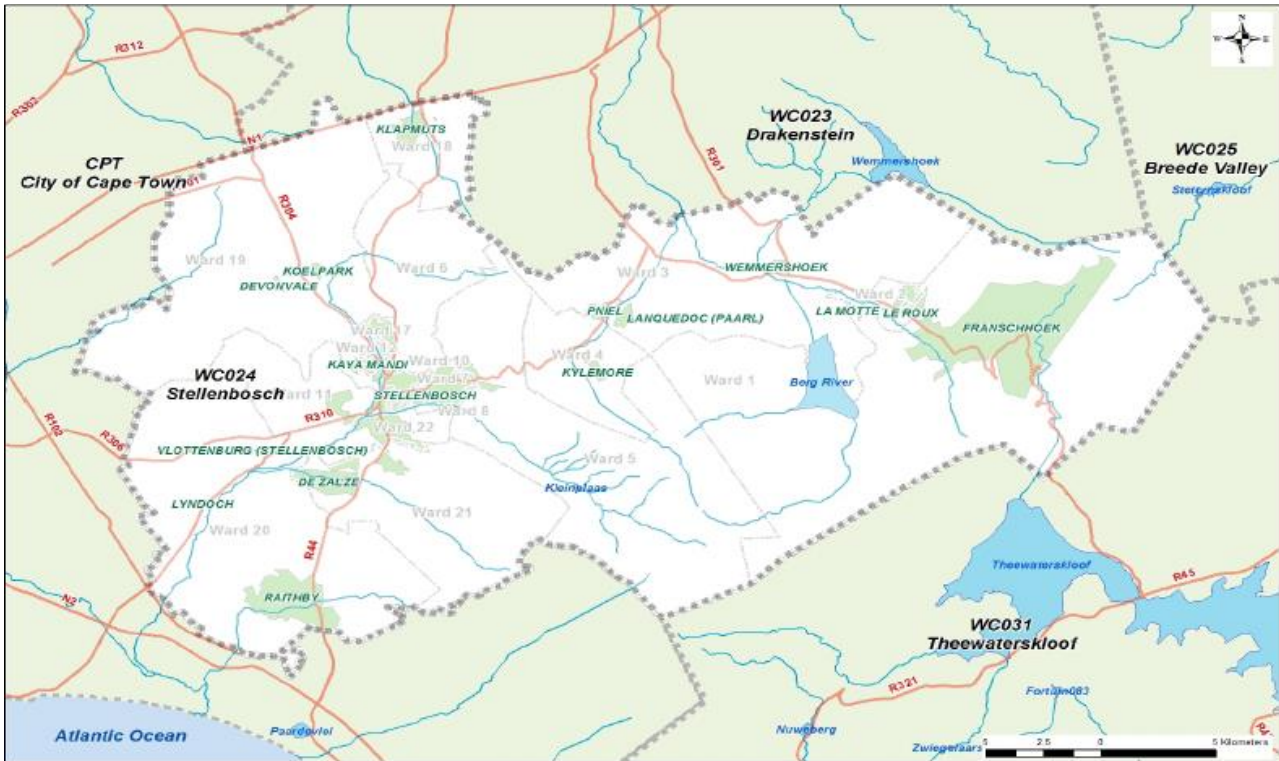
Figure 4: Locality map of Stellenbosch Municipality in relation to Cape Winelands District Boundaries



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

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

Figure 5: Locality map of Municipal Boundaries




Stellenbosch Local Municipality is located in the heart of the Cape Winelands and adjacent to City of Cape Town and Drakenstein Municipality. As a local authority Stellenbosch Municipality governs the towns of Stellenbosch, Franschhoek and Pniël, and the surrounding rural areas. The area covers 900 square kilometres and adjoins the City of Cape Town (CCT) to the west and south and the Breede Valley, Drakenstein and Theewaterskloof Municipalities to the east and north. Functionally, Stellenbosch Municipality (SM) forms part of the Greater Cape Town metropolitan area.

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


1.6 Socio-Economic Context

All socio-economic information is sourced from the Local Government Socio Economic Profile 2020.

1.6.1 Population Growth

The population of Stellenbosch is 192 879 people in 2020, ranking amongst the most populated municipal areas in the CWD. This total is expected to grow to 209 849 by 2024, equating to an average annual growth rate of 2.1 per cent. 

1.6.2 Sex Ratio

The overall sex ratio (SR) depicts the number of males per 100 females in the population. The data indicates that there are less males than females in the Stellenbosch municipal area with a ratio of 49 per cent (males) to 51 per cent (females). The SR for Stellenbosch increases slightly year on year towards 2024 which could be attributed to a wide range of factors such as an increase in female mortality rates as well as the potential inflow of working males to the municipal area. 

1.6.3 Age Cohorts


Between 2020 and 2026, the largest population growth projection was recorded in the 65+ aged cohort which grew at an annual average rate of 3.3 per cent. The dependency ratio however, decreases towards 2023, and increases towards 2026.

Table 3: Age Cohorts

Year	Children: 0 – 14 Years	Working Age: 15 – 65 Years	Aged: 65 +	Dependency Ratio
2020	43 095	139 312	10 472	38.5
2023	44 917	149 263	11 543	37.8
2026	46 390	154 594	12 758	38.3
Growth	+1.2%	+1.7%	+3.3%	-

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

1.6.4 Household sizes

Household size refers to the number of people per household. The actual size of households remains steady at 3.7 from 2020 to 2024. 

Contributing factors to a stagnation in household size growth could include, but are not limited to, lower fertility rates, occurrences of divorce, ageing population, etc.

1.6.5 Population density

Amidst rapid urbanisation across the Western Cape, population density figures will aid public sector decision makers to mitigate environmental, individual health and service delivery risks. In 2020, the population density of the Cape Winelands District (CWD) was 44 persons per square kilometre.



In order of highest to lowest, the various local municipal areas in the CWD compare as follows:

- ↓ Stellenbosch 232 people/km²;
- ↓ Drakenstein 189 people/km²;
- ↓ Breede Valley 50 people/km²;
- ↓ Langeberg 26 people/km²; and
- ↓ Witzenberg 14 people/km².

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

1.6.6 Education

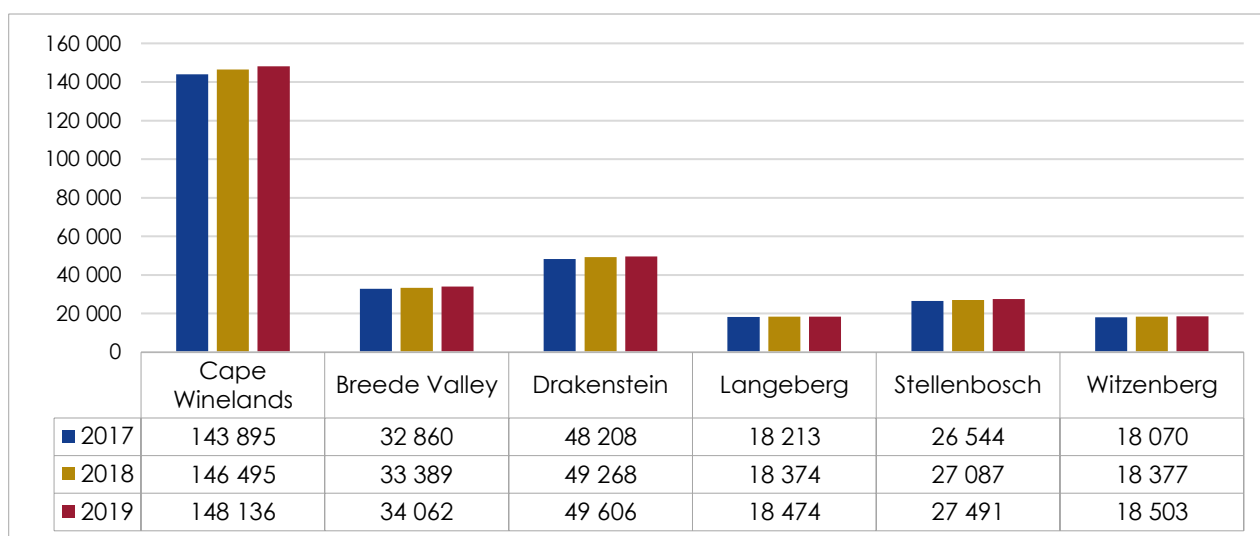
Education and training improve access to employment opportunities and helps to sustain and accelerate overall development. Quality Education is the 4th Sustainable Development Goal, whilst the National Development Plan (NDP) emphasises the link between education and employment as well as the significant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



1.6.7 The learner enrolment, learner-teacher ratio and learner retention rate

Learner enrolment in Stellenbosch increased from 27 087 enrolments in 2018 to 27 491 in 2019, an increase of 1.5 per cent.

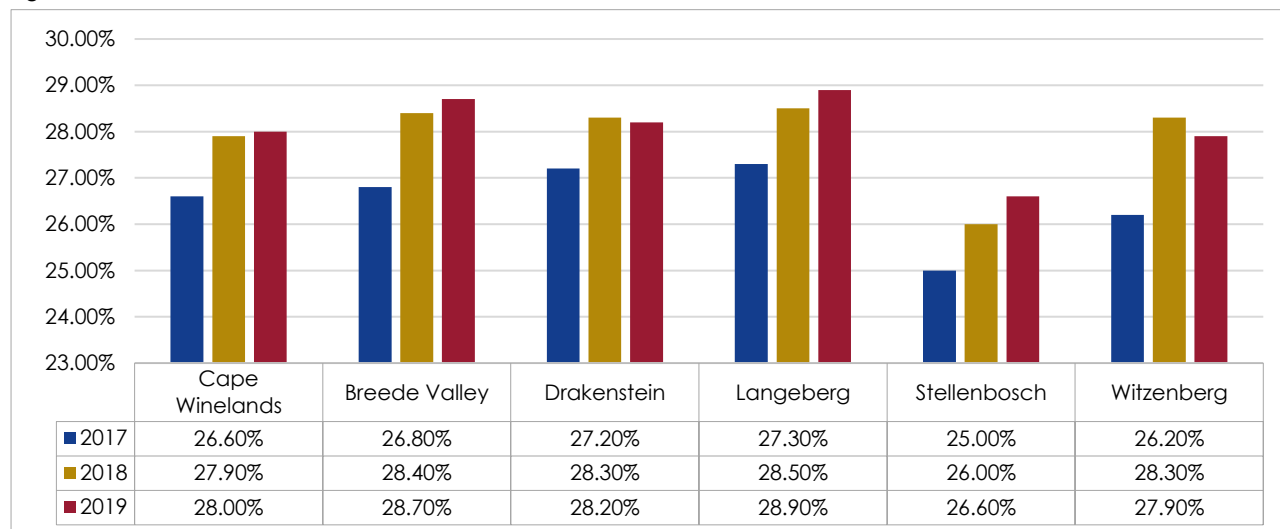
Figure 6: Learner enrolment



Source: Western Cape, Socio-Economic Profile 2020

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

Figure 7: Learner-Teacher Ratio

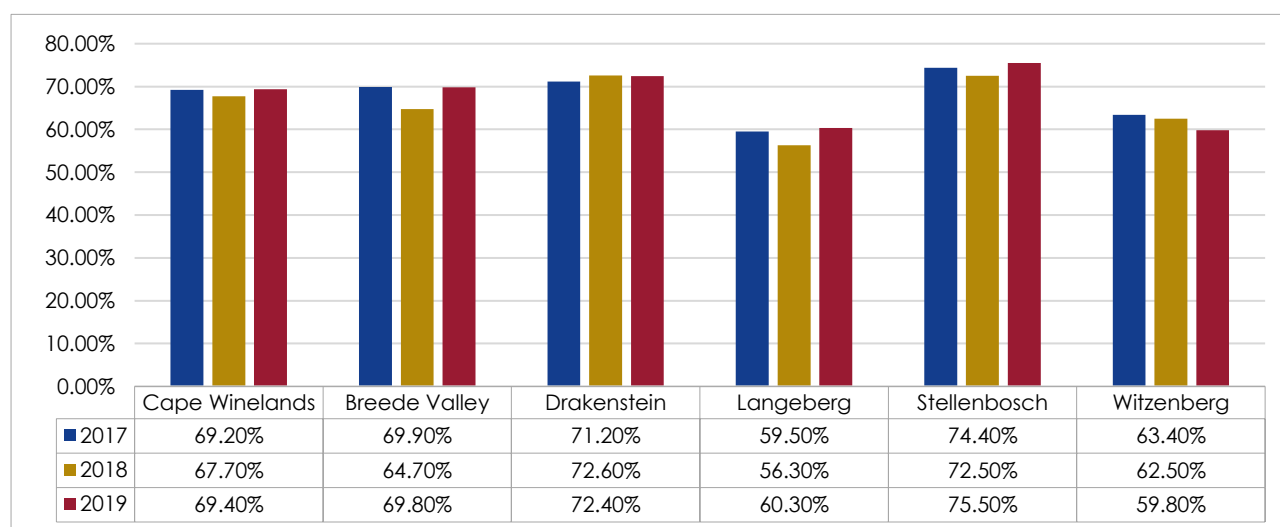


Source: Western Cape, Socio-Economic Profile 2020

The learner-teacher ratio also reflected an increase from 25 percent in 2017 to 26.60 percent in 2019. Stellenbosch has the lowest learner-teacher ratio in the District, which bodes well for educational outcomes.

The learner retention rate refers to the number of students that start Grade 12 as a percentage of the number of students that enrolled in Grade 10 two years prior. The inverse of the learner-retention rate is commonly referred to as the drop-out rate. Learner-retention rates are influenced by multiple social, economic and psychological factors.

Figure 8: Learner retention



Source: Western Cape, Socio-Economic Profile 2020

The learner retention rate improved from 72.5 per cent in 2018 to 75.5 per cent in 2019. This could be attributed to a number of factors including improvement in the socio-economic context.

1.6.8 Number of schools and no-fee schools

In 2019, Stellenbosch had a total of 39 public ordinary schools, of which 25 are no-fee schools. In an effort to alleviate some of the funding challenges the Western Cape Department of Education (WCED) offered certain fee-paying schools to become no-fee schools. This means that almost two-thirds of the schools in Stellenbosch, 52 per cent, are registered with the Western Cape Department of Education as no-fee schools.

1.6.9 Schools with libraries and media centres

Schools with libraries and media centres has remained at 29 over the reference period, contributing to the overall quality of education in the area.

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

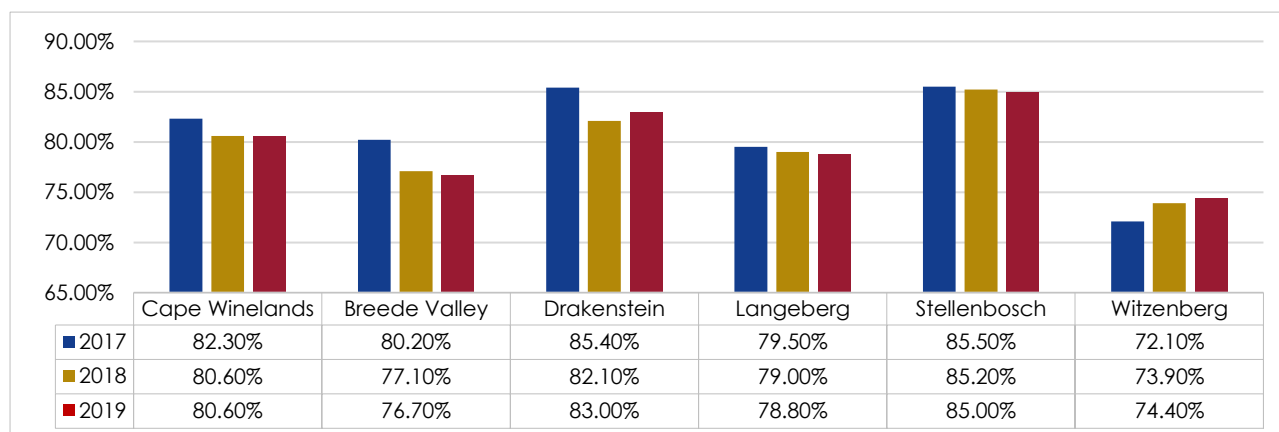
1.6.10 Education Outcomes (Matric Pass Rates)

Education remains one of the key avenues through which the state is involved in the economy. In preparing individuals for future engagement in the labour market, policy choices and decisions in the sphere of education play a critical role in determining the extent to which future economic and poverty reduction plans can be realised.



Stellenbosch's matric outcomes has declined slightly from 85.2 per cent in 2018 to 85.0 per cent in 2019.

Figure 9: Education Outcomes



1.6.11 Health

According to the 2019 Inequality Trend Report by Statistics South Africa, 75.1 per cent of households in South Africa usually use public healthcare facilities when a household member gets ill compared to 24.9 per cent who used private healthcare facilities in 2017. This is associated with the low proportion of households with access to Medical Aid, 16.9 per cent for South Africa and 25 per cent for the Western Cape. In terms of healthcare facilities, Stellenbosch had 14 primary healthcare clinics (PHC) in 2019, which comprises of 8 fixed and 6 mobile clinics. In addition, there is a district hospital.



Table 4: Health care facilities

Area	PHC facilities (Fixed clinics, CHCs and CDCs)		Community Health Centres ¹	Community Day Centres ²	Hospitals		Treatment Sites	
	Fixed	Non-fixed			District	Regional	ART Clinics	TB Clinics
Stellenbosch	7	6	0	1	1	0	8*	15*
Cape Winelands District	39	33	0	6	4	2	49*	100*

1.6.12 Emergency Medical Services

Provision of more operational ambulances can provide greater coverage of emergency medical services. Stellenbosch has 3 ambulances per 10 000 inhabitants in 2019 which is above the district average of 2 ambulances per 10 000 people. It is worth noting that this number only refers to Provincial ambulances and excludes all private service providers.

1.6.13 HIV / AIDS and TB

Stellenbosch's total registered patients receiving antiretroviral therapy (ART) increased by 896 patients between 2018 and 2019. A total of 32 366 registered patients received antiretroviral treatment in the Cape Winelands District in 2019.



Stellenbosch, at 6 960 patients in 2019, represent 21.5 per cent of the patients receiving ART in the Cape Winelands District.

The number of new antiretroviral patients decreased from 637 to 538 in 2019.

Table 5: HIV/AIDS Management

Area	Registered patients receiving ART		Number of new ART patients	
	2018	2019	2018	2019
Stellenbosch	6 064	6 960	637	538
Cape Winelands District	30 724	32 366	3 851	3 434

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

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

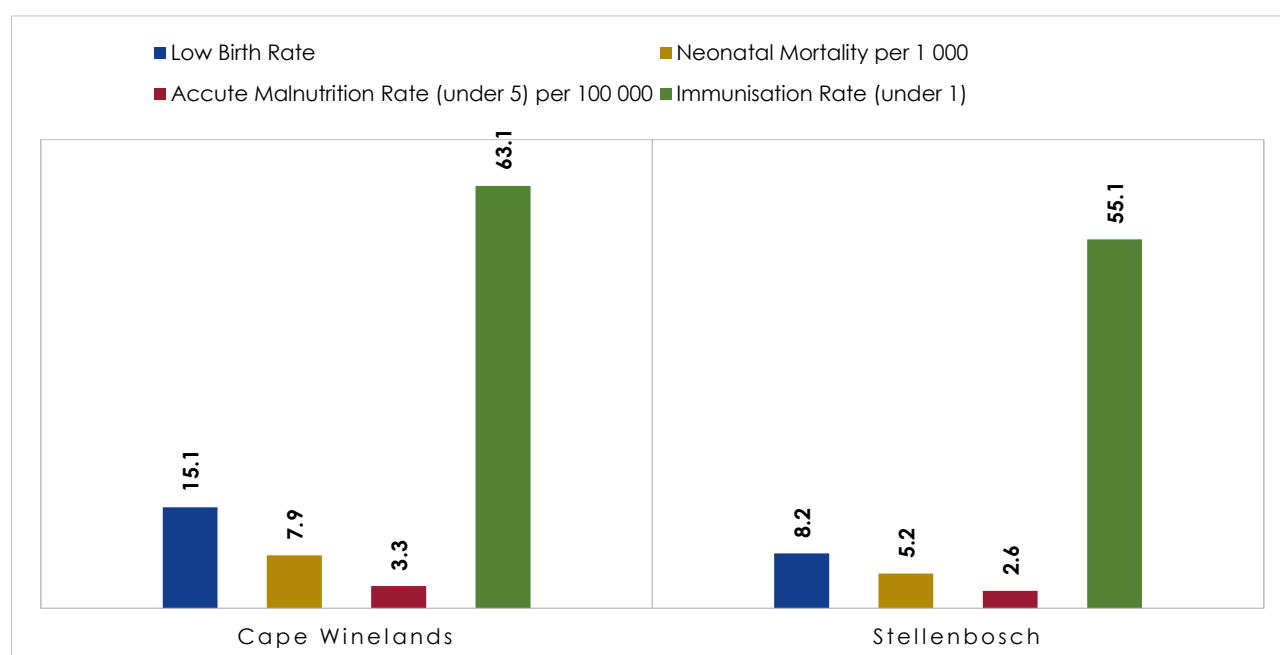
Stellenbosch experienced an increase of in tuberculosis (TB) cases in 2019. 1 176 TB patients were registered in 2019 compared to 1 175 in 2018. HIV / AIDS management is crucial given its implications for the labour force and the demand for healthcare services.

1.6.14 Child Health

Immunisation rates in the Stellenbosch area is at 55.1 per cent in 2019 having decreased slightly from 55.2 per cent in 2018. In 2019, the number of malnourished children under five years (per 100 000) was 2.6, a slight decline from 2018. Neonatal mortality rate (NMR) (per 1 000 live births) decreased from 6.6 in 2018 to 5.2 in 2019. The low-birth-weight indicator was recorded at 8.2, a decrease from 9.2 recorded in 2018.



Figure 10: Child health



1.6.15 Maternal Health

The maternal mortality rate in the Stellenbosch area is zero and Cape Winelands District is 42.7 deaths per 100 000 live births in 2019.



The delivery rate to women under 20 years in Stellenbosch and Cape Winelands District was recorded at 13.5 and 15.1 in 2019 per cent respectively.

The termination of pregnancy rate increased from 0.5 to 0.6 from 2018 to 2019 in the Stellenbosch area.

Table 6: Maternal Health

Area	Maternal Mortality Rate		Delivery rate to women under 20 years		Termination of pregnancy rate	
	2018	2019	2018	2019	2018	2019
Stellenbosch	66,5	0,0	13,6	13,5	0,5	0,6
Cape Winelands District	95,5	42,7	14,2	15,1	0,7	0,8

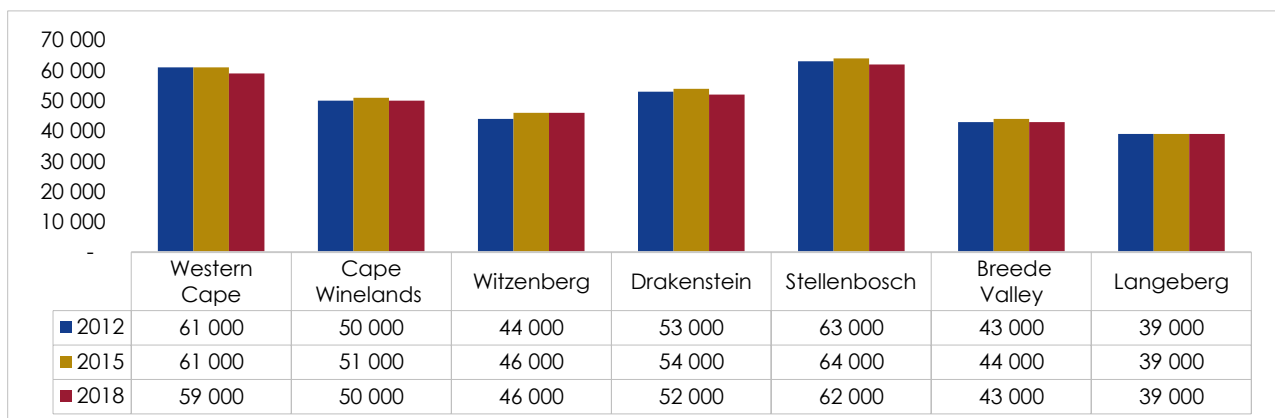
1.6.16 Poverty

a) GDPR Per Capita

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

At R62 000 in 2018, Stellenbosch's real GDPR per capita is well above that of the Cape Winelands District's figure of R50 000 as well as that of the Western Cape.

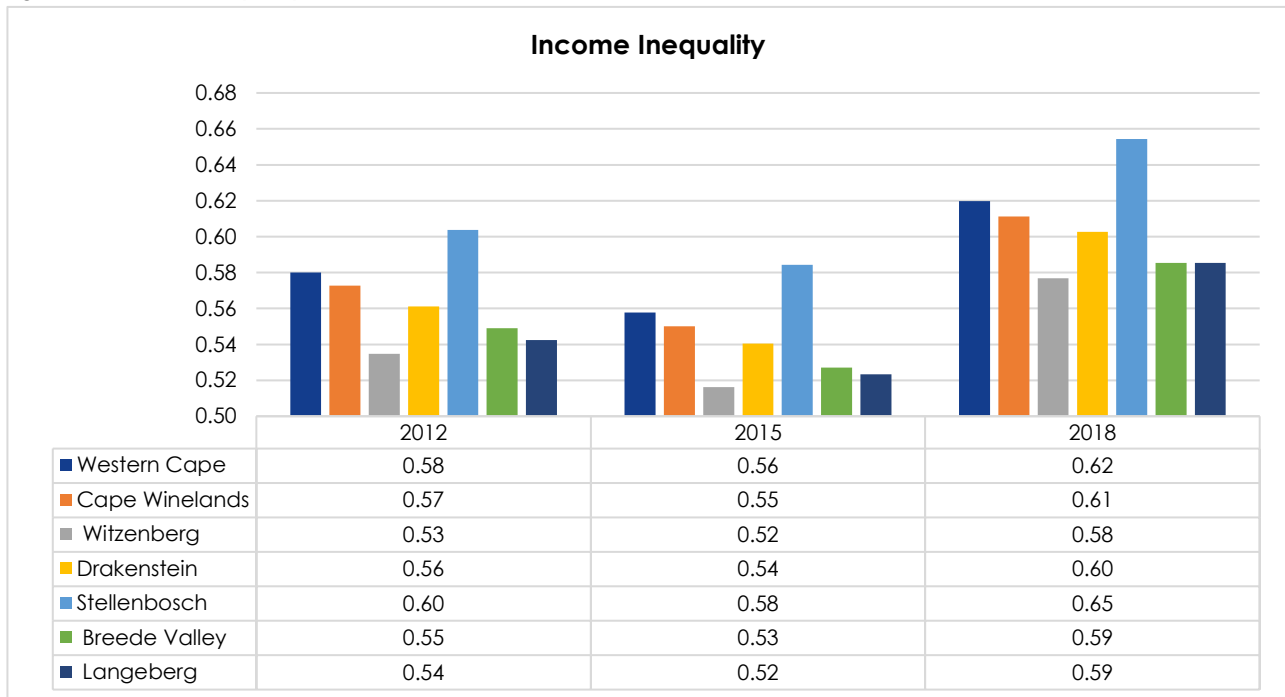
Figure 11: GDPR Per Capita



b) Income Inequality

The National Development Plan (NDP) has set a target of reducing income inequality in South Africa from a Gini coefficient of 0.7 in 2010 to 0.6 by 2030. Income inequality has increased in Stellenbosch between 2012 (0.60) and 2018 (0.65) with the exception of 2012, when it dropped below 0.58. Furthermore, income inequality levels were the highest in Stellenbosch for 2018 with a Gini coefficient of 0.60 when compared to neighbouring municipalities across Cape Winelands District and the Western Cape. These disparities in income are certain to worsen across the ensuing MTREF given the potential aftereffects of the COVID-19 pandemic.

Figure 12: Income Inequality



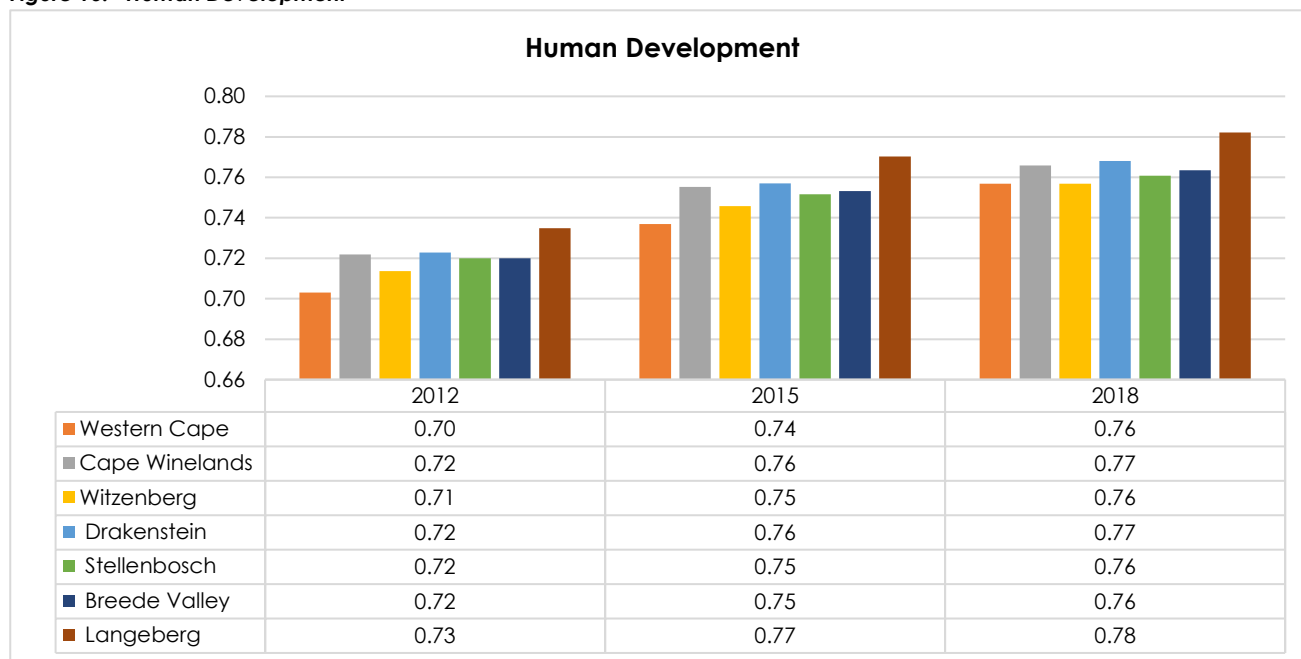
c) Human Development

The United Nations uses the Human Development Index (HDI) to assess the relative level of socio-economic development in countries. Indicators that measure human development are education, housing, access to basic services and health.

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 from 0.72 in 2012 to 0.76 in 2018. The trend for the Cape Winelands District and the Western Cape in general has been similar between 2012 and 2018. Naturally, per capita income as per definition is expected to mimic the trend of HDI and this is clearly displayed in the graph above. In short, what this graph illustrates is that for the most part an increase in GDP per capita across a particular region is generally accompanied by an improvement in HDI levels with a short lag.

Figure 13: Human Development



1.6.17 Basic Service Delivery

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



This section considers to what extent this has been achieved by reflecting on the latest available information from Quantec Research for 2019. The latest official statistics was collected by Statistics South Africa for the 2016 Community Survey; the 2022 Census will provide the updated official statistics, once official released. The information on free basic services is obtained from Statistics South Africa's Non-Financial Census of Municipalities survey findings.

a) Housing and Household Services

With a total of 52 374 households in the Stellenbosch municipal area, only 73.4 per cent had access to formal housing, the lowest access level when compared to the other municipalities in the Cape Winelands District area; the District average was 81.2 per cent. The area also had highest proportion of informal households in the District, a total of 24.5 per cent compared with the District average of 17.0 per cent.

Subsequently, service access levels were high in the area, with access to piped water inside / within 200m of the dwelling at 94.5 per cent, access to a flush or chemical toilet at 91.2 per cent, access to electricity (for lighting) at 92.4 per cent and the removal of refuse at least weekly by local authority at 86.7 per cent of households.

1.6.18 Safety and Security

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

Within the Stellenbosch area, the murder rate (per 100 000 people) increased from 37 in 2019 to 39 in 2020. The murder rate for the CWD increased from 39 in 2019 to 42 in 2020 (per 100 000 people).

Table 7: Murder cases per 100 000

Murder (per 100 000)		
2017/18	2018/19	2019/20
39	37	39

a) Sexual Offences

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

In 2020, there were 204 reported sexual offences in the Stellenbosch area compared to 231 in 2019. In 2020, there were 966 reported cases in the Cape Winelands District in total compared to 880 in 2019.

Table 8: Sexual Offences per 100 000

Sexual Offences (per 100 000)		
2017/18	2018/19	2019/20
114	231	204

b) Drug-related Offences

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

Drug-related incidences within the Stellenbosch area decreased from 2 563 cases in 2019 to 2 166 cases in 2020. The CWDs drug-related offences decreased sharply from 11 225 in 2019 to 7 895 in 2020. When considering the rate per 100 000 people, at 1 172 crimes per 100 000 people in 2020, the Stellenbosch area rate is above that of the District (837).

Table 9: Drug Related Offences per 100 000

Drug Related Offences (per 100 000)		
2017/18	2018/19	2019/20
1 754	1 358	1 172

c) Driving under the influence (DUI)

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

The number of cases of driving under the influence of alcohol or drugs in the Stellenbosch area shows a decrease from 309 in 2019 to 237 in 2020. This translates into a rate of 123 per 100 000 people in 2020, which is above the District's 100 per 100 000 people in 2020.

Table 10: DUI Offenses

Driving under the influence (per 100 000)		
2017/18	2018/19	2019/20
169	164	123

d) Road user fatalities

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

The number of road user fatalities in the Stellenbosch municipal area decreased from 37 in 2018/19 to 35 in 2019/20. The number of fatal crashes remained constant at 34 across the same reference period.

Table 11: Road user fatalities

Road user fatalities (actual cases)		
2017/18	2018/19	2019/20
29	37	35

e) Residential Burglaries

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

The 2019/20 crime statistics released by SAPS and Stats SA indicate that the number of residential burglaries fell by 6.7 per cent in South Africa. Within the Western Cape Province, burglaries at residential areas decreased by 8.5 per cent between 2019 and 2020. Residential burglary cases within the Stellenbosch area also decreased from 1 363 in 2019 to 1 242 in 2020.

When considering the rate per 100 000 populations, with 644 cases per 100 000 in 2020, Stellenbosch's rate is above the district rate of 587 per 100 000 in the same reporting year.

Table 12: Residential Burglaries per 100 000

Residential burglaries (per 100 000)		
2017/18	2018/19	2019/20
975	722	644

1.6.19 Economy and Labour Market Performance

a) Sectoral Overview

In 2018, the economy of Stellenbosch was valued at R16.2 billion (current prices) and employed 78 701 people. Historical trends between 2014 and 2018 indicate that the municipal area realised an average annual growth rate of 1.4 per cent which can mostly be attributed to the tertiary sector that registered a positive annual growth rate of 2.1 per cent.



In terms of sectoral contribution, the wholesale and retail trade, catering and accommodation (R3.3 billion), finance, insurance, real estate and business services (R3.5 billion), and manufacturing (R2.7 billion) sectors were the main drivers that contributed to the positive growth in the local economy. These sectors are also estimated to have performed well in 2019, particularly the finance, insurance and real estate services and the wholesale and retail trade, catering and accommodation sectors,

which are both estimated to have grown by 2.4 per cent. Employment creation in the wholesale and retail trade, catering and accommodation sector mirrored the high growth rate, with 400 new jobs created. In 2019, the transport, storage and communication sector were also an important source of job creation (169 jobs).

Despite its important role in the local economy, particularly as one of the main sources of employment, the agriculture, forestry and fishing sector experienced below-average performance between 2014 and 2018 and is estimated to have contracted by 8.9 per cent in 2019. This contraction led to the loss of 113 jobs. The agriculture, forestry and fishing sector are still recovering from the provincial drought.

b) Formal and Informal Employment

It is estimated that Stellenbosch's total labour force in 2019 amounted to 78 701 workers of which 56 601 (71.9 per cent) are in the formal sector while 22 100 (28.1 per cent) are informally employed.

Most of the labour force consisted of semi-skilled (43.8 per cent) and low-skilled (32.3 per cent) workers. The skilled category contributed 23.9 per cent to total formal employment and grew on average by 2.5 per cent, while the semi-skilled and low-skilled categories grew at 2.8 and 0.4 per cent respectively. Evidently, the demand for skilled labour is on the rise which implies the need to capacitate and empower low-skilled and semi-skilled workers.

c) Unemployment

Stellenbosch (11.3 per cent) has the second highest unemployment rate in the Cape Winelands District. It is also higher than the District average (11.3 per cent) but considerably lower than the Western Cape rate of 19.4 per cent. Stellenbosch's high unemployment rate is based on the narrow definition of unemployment i.e. the percentage of people that are able to work, but unable to find employment. The broad definition generally refers to people that are able to work, but not actively seeking employment.

Table 13: Economic Sector Overview

SECTOR	GDP			Employment		
	R Million value 2018	Trend 2014 - 2018	Real GDP growth 2019e	Number of jobs 2018	Average annual change 2014 - 2018	Net change 2019e
Primary Sector	931,4	-1,0	-8,9	10 725	55	-113
Agriculture, forestry and fishing	901,2	-1,1	-9,1	10 694	55	-111
Mining and quarrying	30,2	1,8	-2,6	31	0	-2
S3secondary sector	3 755,6	-0,3	-1,6	12 224	121	-443
Manufacturing	2 651,6	-0,9	-1,5	7 965	-8	-138
Electricity, gas and water	234,3	-0,3	-1,9	156	3	-1
Construction	869,8	2,1	-1,9	4 103	126	-304
Tertiary sector	11 489,0	2,1	1,4	55 752	1 304	449
Wholesale and retail trade, catering and accommodation	3 344,9	2,4	0,9	20 460	603	400
Transport, storage and communication	1 782,3	3,9	1,5	3 432	95	169

SECTOR	GDPR			Employment		
	R Million value 2018	Trend 2014 - 2018	Real GDPR growth 2019e	Number of jobs 2018	Average annual change 2014 - 2018	Net change 2019e
Finance, insurance, real estate and business services	3 489,6	2,4	2,3	13 577	427	35
General government	1 770,1	0,1	0,7	7 925	62	124
Community, social and personal services	1 102,2	0,9	0,3	10 358	117	-279
Stellenbosch	16 176,0	1,4	0,1	78 701	1 480	-107

Table 14: Skill Levels Formal employment

Skill Levels Formal employment	Skill Level Contribution 2018 (%)	Average growth (%)	Number of jobs	
			2018	2019
Skilled	23,9	2,5	13 495	13 719
Semi-skilled	43,8	2,8	24 673	25 127
Low-skilled	32,3	0,4	18 433	18 513
Total	100,0	2,0	56 601	57 359

Table 15: Informal Employment

Informal Employment	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Number of informal jobs	22 703	20 515	20 431	20 545	21 736	22 101	23 474	21 672	22 615	22 100	21 235
% of Total Employment	33,3	31,2	30,6	29,9	30,5	30,6	30,7	28,4	29,0	28,1	27,0

Table 16: Unemployment Rates

Unemployment rates	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Drakenstein	11,2	12,6	12,9	12,6	12,2	12,6	11,6	12,6	13,2	13,1	14,2
Langeberg	5,1	6,1	6,3	6,2	5,9	6,2	5,4	6,1	6,4	6,5	7,2
Stellenbosch	8,2	9,4	9,7	9,6	9,3	9,6	8,9	9,9	10,3	10,3	11,3
Witzenberg	5,8	6,8	6,9	6,6	6,1	6,4	5,4	5,9	6,2	6,2	6,7
Breede Valley	8,6	9,9	10,1	9,8	9,4	9,7	8,6	9,5	9,9	9,9	10,7
Cape Winelands	8,4	9,7	9,9	9,7	9,2	9,6	8,6	9,5	9,9	9,9	10,7
Western Cape	14,2	15,5	15,7	15,8	15,7	16,0	16,1	17,3	18,1	18,0	19,4

1.6.20 Public Infrastructure Spending

Spending on Social Infrastructure aids in social development and has the spill-over effect of enabling economic growth. The Western Cape Government (WCG) will spend 22.5 per cent (R49.174 million) of its infrastructure budget on social infrastructure.



As displayed in the pie chart the WCG will be allocating 7.1 per cent of the budget (R15.430 million) towards education in the municipal area. Spending on education is crucial as it can serve to improve education outcomes and skills levels within a community, and more importantly alleviate poverty through increased long-term income for individuals.

A healthy and resilient community increases productivity and reduces pressures on government resources. As such the Department of Health has allocated 0.8 per cent (R1.668 million) of infrastructure spending on health. A further R32.076 million (14.7 per cent) has been allocated by the WCG towards Human Settlements, serving to reduce housing backlogs. This was complemented by R10.361 million in spending on housing infrastructure by the municipality.

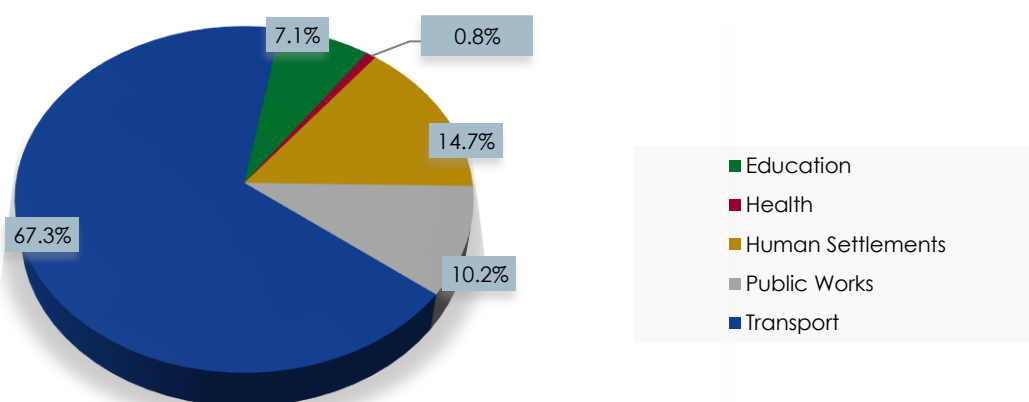
Community safety has been prioritised by the WCG due to high levels of crime in the Western Cape. Crime has a negative impact on the quality of lives of individuals, but also on the economy by deterring private investment and causing business losses. It further creates a burden on government resources in terms of justice system costs, victim assistance and replacement of assets. The municipality has as such allocated R6.7 million of its capital budget on community and public safety. The municipality has also made R14.330 million available for sports and recreation and R3.190 million for social development which will serve to improve the quality of life of individuals within the municipal area.

a) Spending on Economic Infrastructure

Economic infrastructure is defined as infrastructure that promotes economic activity. Considering the sluggish economic growth throughout the country, spending on economic infrastructure is crucial to stimulating economic activity.

The WCG allocated R169.256 million (77.5 per cent) towards economic infrastructure, more specifically towards transport (R147 million) and public works (R22.256 million). Transport and public works infrastructure go a long way towards unlocking the region's economic potential, especially due to it being a tourist destination and its proximity to the City of Cape Town economic hub. The municipality contributes a further R54.0 million towards road transport. As part of their economic infrastructure allocation, the municipality will also contribute R52.5 million towards planning and development and R1.8 million towards environmental protection.

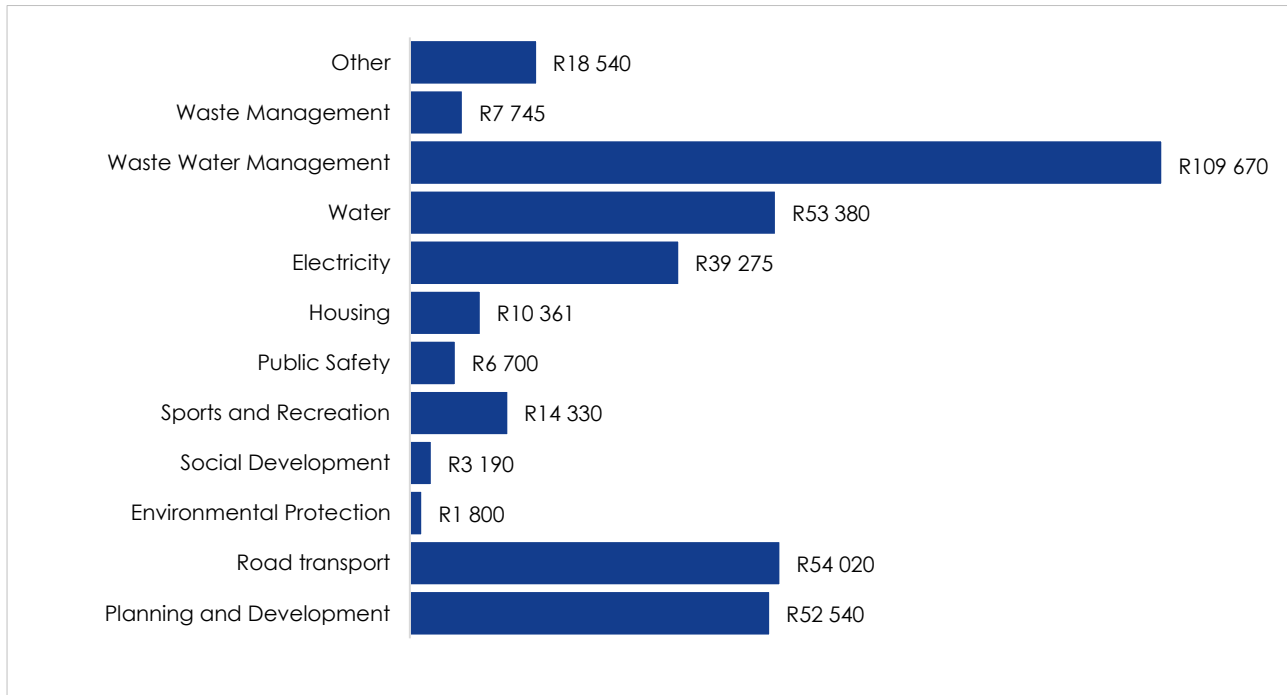
Figure 14: Spending on Trading Services



Basic services are crucial to improving the living conditions of citizens within the municipal area and enabling economic activity for businesses via access to water, electricity, sanitation and refuse removal. The majority of the municipality's infrastructure budget is allocated towards the provision of

basic services. The majority of spending on trading services have been allocated towards wastewater management (R109.7 million). This was followed by water management (R53.4 million), electricity (R39.3 million) and waste management (R7.7 million).

Figure 15: Municipal Infrastructure spend ('000)



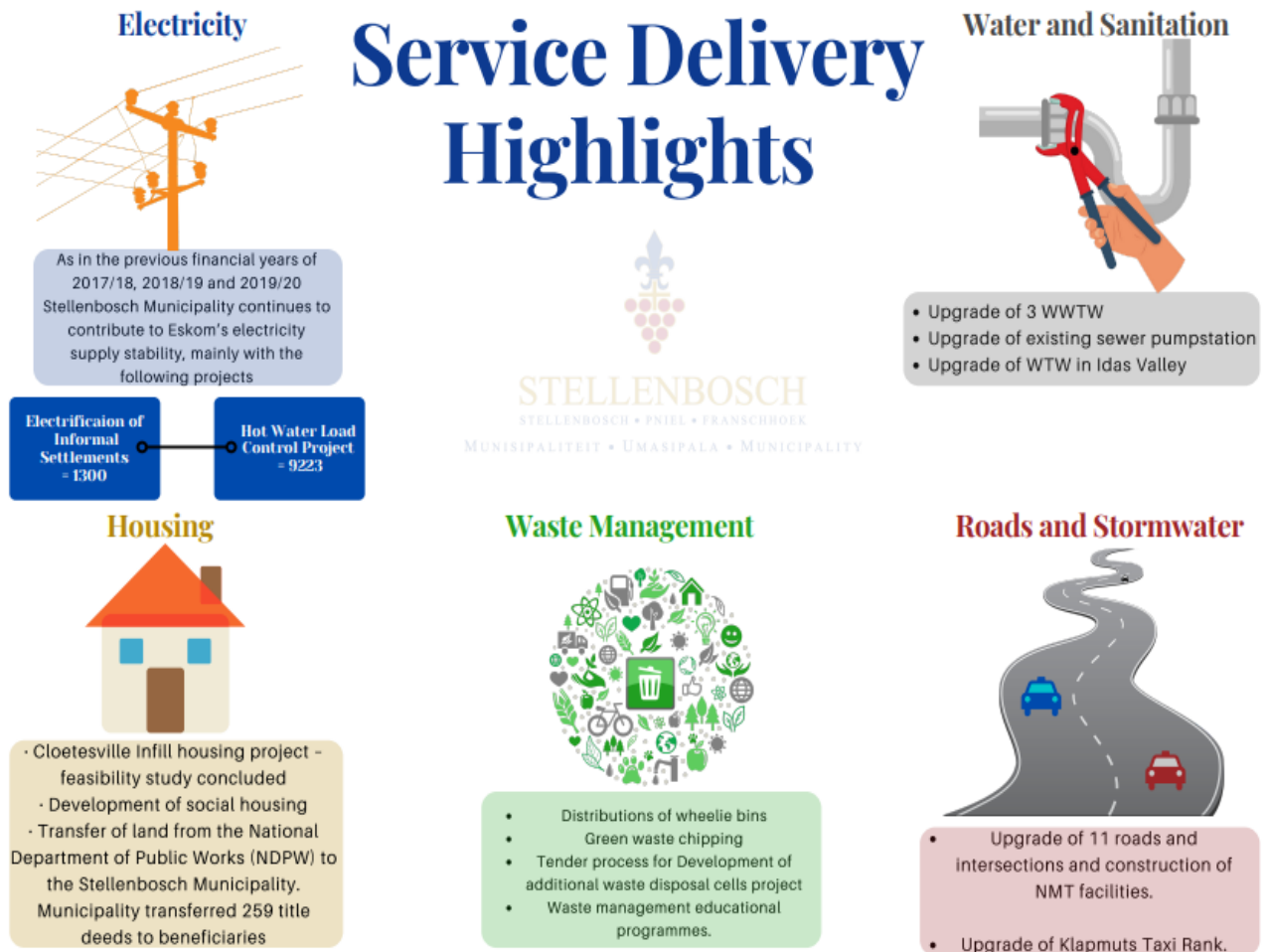
Source: Western Cape, Socio-Economic Profile 2020

1.7 Basic Service Delivery Highlights and Challenges

1.7.1 Key Basic Services Delivery Highlights

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

Figure 16: Basic Services Highlights



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

1.7.2 Key Basic Services Challenges

The following general challenges were experienced by the municipality:

Table 17: Key Basic Service Challenges

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

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

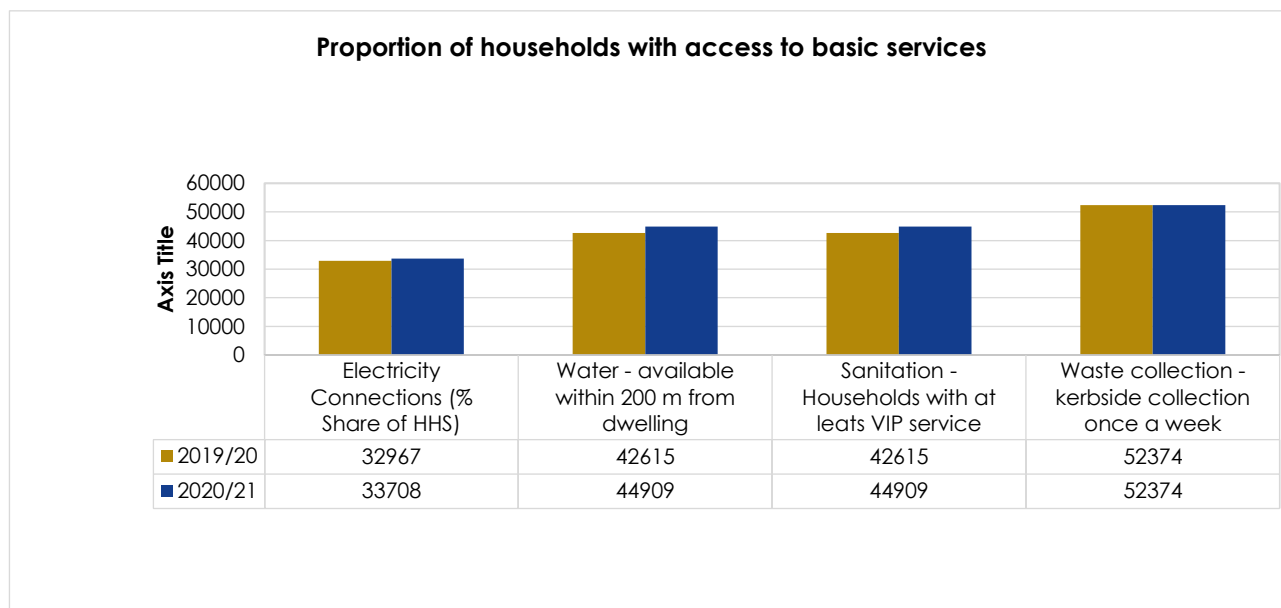
1.8 Proportion of Households with Minimum Access to Basic Services

The source of the information below indicates municipal statistics:

Table 18: Households with minimum level of Basic Services

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

Figure 17: Proportion of households with access to basic services



1.9 Financial Viability Highlights

Table 19: Municipal Viability Highlights

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

1.10 Financial Viability Challenges

Table 20: Financial Viability Challenges

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

1.11 Financial Overview

Table 21: Financial Viability and Management Financial Overview (000')

Details	Original budget	Adjustment Budget	Actual
	R'000		
Income			
Grants (Operating and Capital)	291 976	291 571	264 637
Taxes, Levies and Tariffs	1 099 680	1 073 680	1 319 673
Other	301 816	241 521	212 811
Sub-Total	1 693 473	1 830 891	1 797 121
Less Expenditure	1 887 464	1 830 891	1 809 977
Net surplus / (deficit)	-193 991	-224 118	-12 856

1.11.1 Operating Ratios

Table 22: Operating Ratios

Detail	Expected norm	Actual	Variance
Employee Cost	25 %- 40 %	31.77%	8.23%
Repairs and Maintenance	8%	4.88%	3.12%
Finance Charges	6%-8%	1.34%	6.66%

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

1.11.2 Total Capital Expenditure

Table 23: Total Capital Expenditure (000')

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

1.12 Municipal Standard Chart of Accounts

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

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

1.13 Organisational Development Overview

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

Table 24: Organisational development highlights

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

The municipality regarding municipal transformation and organisational development experiences the following general challenges:

Table 25: Organisational development challenges

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

1.14 MFMA Competencies

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

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

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

Table 26: Financial Competency Development: Progress Report

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

1.15 COVID-19

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

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

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

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

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

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

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

Table 27: COVID-19 Risk Register

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

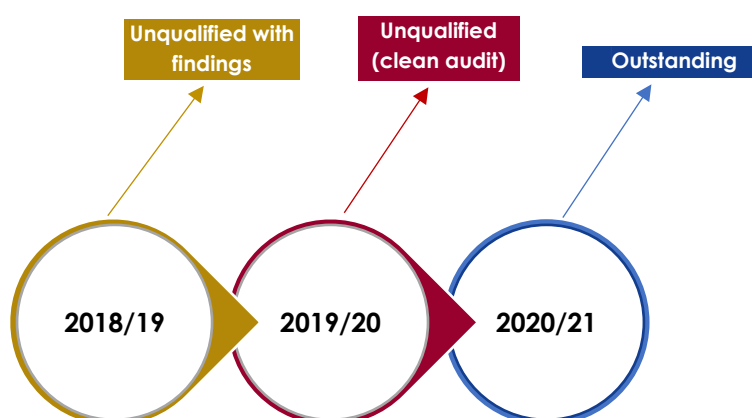
Risk	Description	Action
	The lockdown has placed mandatory need for social distancing and a ban on gatherings and meetings.	A council resolution delegated all functions to the MM and Executive during the disaster period to ensure continuity.
	Some of the regulatory governance processes has been severely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

1.16 Auditor General Report

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

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

Figure 18: Audit outcomes from 2018/19 - 2020/21



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

CHAPTER 2: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

2.1 Introduction

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

2.2 National Key Performance Indicators - Good Governance and Public Participation

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

Table 28: National KPI - Good Governance and Public Participation

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

2.3 Performance Highlights - Good Governance and Public Participation

Table 29: Highlights of Good Governance and Public Participation

Highlight	Description
Council	Council has remained stable and well-functioning throughout 2020/21.
Audit Outcomes	Clean Audit for the 2019/20 financial year. The audit outcome for the 2020/21 financial year is still outstanding.
Institutional Transformation	The new organisational structure was approved and the placement process is largely completed.
S.80 and S.79 Committees of Council	The establishment of functional S.80 and S.79 Committees of Council and held meetings regularly.
Public Participation	Public participation sessions were held with all 22 ward committees in September 2019 and in April 2020. Despite the outbreak of the COVID-19 pandemic in March 2020, public participation was moved to online platforms and hybrid spaces. Interested and affected parties were encouraged to participate online and to provide feedback on the IDP and Budget through the newly developed Stellenbosch Citizen App and email. Council introduced the hybrid venues to conduct public participation.
Communication	Stakeholder engagement has improved significantly and media releases / media responses for local, regional and national publications and broadcasters are released on a weekly basis.

Highlight	Description
	Activity on our social media platforms and municipal website has improved. Social media platforms have grown significantly and now reaches a much larger, ever-growing audience.
Compliance	The municipality adhered to all laws and regulations in terms of compliance.

2.4 Challenges - Good Governance and Public Participation

Table 30: Challenges of Good Governance and Public Participation

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

2.5 Public satisfaction with municipal services

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

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.6 Political Governance Structure

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

2.6.1 Council – 01 July 2020 to 30 June 2021

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

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

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

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

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

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

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

2.6.2 Executive Mayoral Committee

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

The Executive Mayoral position were occupied as follows:

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

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

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

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

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

Table 35: Executive Mayoral Committee Meetings 2020/21

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

2.6.3 Portfolio Committees

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

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

2.6.3.1 Planning and Economic Development Portfolio Committee

Table 36: Planning and Economic Development Committee

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

Table 37: Planning and Economic Development Meetings

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

2.6.3.2 Infrastructure Committee

Table 38: Infrastructure Services Portfolio Committee

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

Table 39: Infrastructure Services Portfolio Committee meeting

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

2.6.3.3 Finance Portfolio Committee:

Table 40: Finance Portfolio Committee

Period 1 July 2020 – 30 June 2021	
Name of member	Capacity
PR Crawley [Ms]	Portfolio Chairperson
A Florence	Committee Member

Period	
1 July 2020 – 30 June 2021	
Name of member	Capacity
J Hamilton	Committee Member
RS Nalumango [Ms]	Committee Member
MD Oliphant	Committee Member

Table 41: Finance Portfolio Committee Meeting Dates

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

2.6.3.4 Community and Protection Services Portfolio Committee

Table 42: Community and Protection Services Portfolio Committee

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

Table 43: Community and Protection Services Portfolio Committee Meeting Dates

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

2.6.3.5 Corporate Services Portfolio Committee

Table 44: Corporate Services Portfolio Committee

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

Table 45: Corporate Services Portfolio Committee Meeting Dates

Meeting dates	Number of reports
None	

2.6.3.6 Human Settlements Portfolio Committee

Table 46: Human Settlements Portfolio Committee

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

Table 47: Human Settlements Portfolio Committee Meetings

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

2.6.3.7 Rural Management and Tourism Portfolio Committee

Table 48: Rural Management and Tourism Portfolio Committee

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

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

Table 49: Rural Management and Tourism Portfolio Committee Meeting Dates

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

2.6.3.8 Youth, Sport and Culture Portfolio Committee

Table 50: Youth, Sport and Culture Portfolio Committee

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

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

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

2.6.3.9 Parks, Open Spaces and Environment Portfolio Committee

Table 52: Parks, Open Spaces and Environment Portfolio Committee

Period 1 July 2020 – 30 June 2021	
Name of member	Capacity
XL Mdemka [Ms]	Portfolio Chairperson

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

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

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

2.6.4 Section 79 Committees

2.6.4.1 Municipal Public Accounts Committee (MPAC)

Table 54: MPAC Committee

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

Table 55: MPAC Committee Meeting Dates

Meeting dates	Number of reports
05 November 2020	3
18 March 2021	3
29 June 2021	8

2.6.4.2 Appeals Committee

Table 56: Appeals Committee

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

Table 57: Appeals Committee Meeting Dates

Meeting dates	Number of reports
None	

2.6.4.3 Local Labour Forum (LLF)

Table 58: Local Labour Forum (LLF)

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

Table 59: Local Labour Forum Meeting Dates

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

2.6.4.4 Employment Equity Committee

Table 60: Employment Equity Committee

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

Table 61: Employment Equity Committee Meeting dates

Meeting dates	Number of reports
None	

2.6.4.5 Councillor Disciplinary Committee

Table 62: Councillor Disciplinary Committee Portfolio Committee

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

Table 63: Councillor Disciplinary Committee Portfolio Committee meeting dates

Meeting dates	Number of reports
None	

Table 64: Councillor Disciplinary Portfolio Committee Meeting Dates

Meeting dates	Number of reports
22 February 2021	1

2.6.4.6 Rules Portfolio Committee

Table 65: Rules Portfolio Committee

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

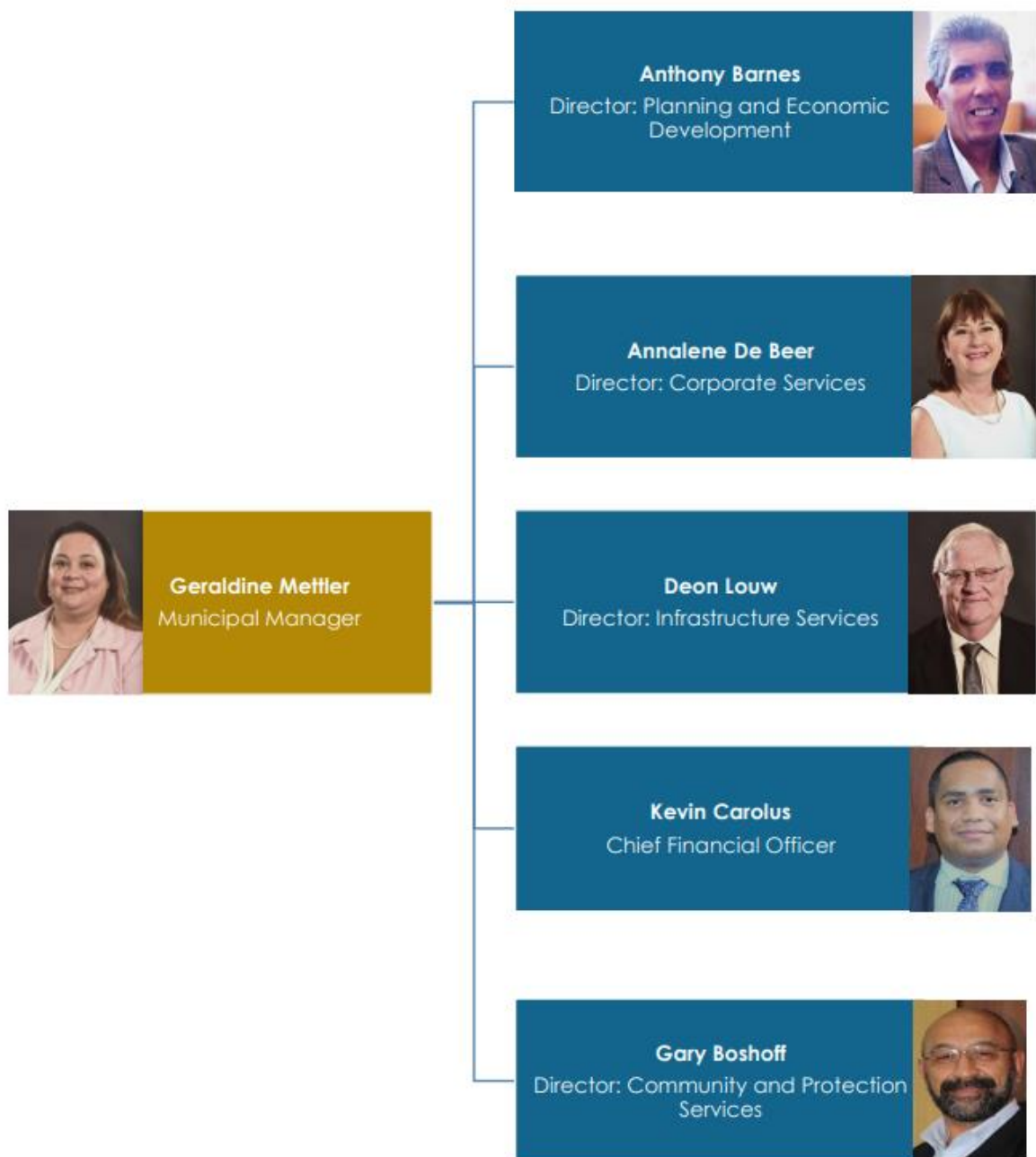
Table 66: Rules Portfolio Committee Meeting dates

Meeting dates	Number of reports
None	

2.7 Strategic Governance Structure

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

Figure 19: Top Management Structure



COMPONENT B: PUBLIC ACCOUNTABILITY

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

The participation outlined above is required in terms of the:

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

2.8 Intergovernmental Relations

2.8.1 National Intergovernmental Structures

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

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

2.8.2 Provincial Intergovernmental Structures

a) Office of the Municipal Manager

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

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

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

b) Financial and Corporate Services

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

The Municipal Court is in full operation and collaborates with the Department of Justice on a regular basis.

c) Planning and Economic Development

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

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

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

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

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

- ‡ The Informal Settlements Department furthermore collaborates between various Municipal Departments and Stats SA. The collaboration is aimed at regularising the municipality's data collection efforts into a format that is acceptable to Stats SA and that the collected data eventually will meet the standards as required by Stats SA.

d) Infrastructure Services

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

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

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

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

e) Community and Protection Services

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

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

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

The municipality engages in numerous partnerships to facilitate service delivery.

Table 67: Municipal Partnerships

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

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

2.8.3 Ward Committees

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

Figure 20: Main duties of the ward committees



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

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

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

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

Composition of Ward Committees:

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

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

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

The year 2020 will undoubtedly be remembered as a year that changed the world. The COVID-19 pandemic has undeniably brought about profound changes on all levels of society. These changes, inter alia, demand new ways of thinking about development and public participation.

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

Table 68: Ward 1 Committee Members

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

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

Table 69: Ward 2 Committee Members

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

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

Table 70: Ward 3 Committee Members

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

Ward 4: Pniël, Kylemore and Johannesdal

Table 71: Ward 4 Committee Members

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

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

Table 72: Ward 5 Committee Members

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

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

Table 73: Ward 6 Committee Members

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

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

Table 74: Ward 7 Committee Members

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

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

Table 75: Ward 8 Committee Members

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

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

Table 76: Ward 9 Committee Members

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

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

Table 77: Ward 10 Committee Members

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

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

Table 78: Ward 11 Committee Members

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

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

Table 79: Ward 12 Committee Members

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

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

Table 80: Ward 13 Committee Members

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

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

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

Table 81: Ward 14 Committee Members

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

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

Table 82: Ward 15 Committee Members

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

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

Table 83: Ward 16 Committee Members

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

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

Table 84: Ward 17 Committee Members

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

Ward 18: Klappmuts and surrounding farms

Table 85: Ward 18 Committee Members

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

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

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

Table 86: Ward 19 Committee Members

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

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

Table 87: Ward 20 Committee Members

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

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

Table 88: Ward 21 Committee Members

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

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

Table 89: Ward 22 Committee Members

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

2.8.3.1 Functionality of Ward Committees

The purpose of a ward committee is to:

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

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

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

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

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

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

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

Table 90: Ward Committees and their functionality

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

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

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

COMPONENT C: CORPORATE GOVERNANCE

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

2.9 Risk Management

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

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

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

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

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

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

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

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

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

As the so called "second wave" started to take hold late 2020, early January 2021 the strategic risk register was reviewed again. Information was drawn from what was happening internationally, our own precautions implemented in South Africa by National and Provincial Government, the actual impact on the economy and most important from the Joint Operation Committee (JOC).

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

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

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

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

a) Likelihood rating scale

Table 91: Risk likelihood rating scale

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

b) Risk management grid

Table 92: Risk management grid

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

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

2.9.1 Strategic Risks Identified

Table 93: Risk register

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

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

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

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

2.9.2 Anti-Corruption and Anti-Fraud

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

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

The Anti-Fraud and Corruption Prevention Policy underwent a process of consultation with key internal stakeholders and the Audit and Audit Performance Committee. The intention of the policy is to strengthen fraud and corruption prevention at all levels within the municipality and re-invest the management of fraud and corruption to management at all levels.

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

2.10 Functions of the Audit and Performance Audit Committee

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

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

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

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

The responsibilities of the APAC are further to review the:

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

The committee members are as follows:

Table 94: Members of the Audit and Performance Audit Committee

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

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

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

2.11 Internal Auditing

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

The internal audit unit of a municipality must: –

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

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

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

2.11.1 Risk Register and Three-Year Strategic Plan

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

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

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

2.11.2 Annual Risk Based Audit Plan

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

Table 96: Annual Risk-Based Audit Plan

Audit Activity	Status
DoRA Compliance	Combined Assurance – AG
MGRO 1 and 2 (MGAP)	Report submitted to PT
IA follow up review:	
<ul style="list-style-type: none"> Risk Management: Follow up 	Completed - refer to QAR
<ul style="list-style-type: none"> Applications for Building Plans 	Final report submitted
<ul style="list-style-type: none"> Applications for Re-zoning 	Final report submitted
AG Audit Action plan 2019/20	Final report submitted
Quarterly Key Control reviews (SORR):	
<ul style="list-style-type: none"> Quarter 4 Quarter 1 Quarter 2 Quarter 3 	AG to set up SORR with IA
Performance Management:	
Pre-determined Objectives	
<ul style="list-style-type: none"> Quarter 4 	Final Report submitted
<ul style="list-style-type: none"> Quarter 1 	Final Report submitted
<ul style="list-style-type: none"> Quarter 2 	Final Report submitted
<ul style="list-style-type: none"> Quarter 3 	Final Report submitted
Performance Management System	Final Report submitted
Performance Reviews: MM and Directors (mid-year and annual assessments)	Final Report submitted
Information Technology:	
<ul style="list-style-type: none"> ITGC, Applications review and support services equipment 	Approved roll over 2021/22
<ul style="list-style-type: none"> Review of Cobit compliance 	Final Report submitted
Other:	
Stores Inventory Review	IA provided direct assistance on behalf of the AG(SA)
Contracts Management	Approved roll over 2021/22
Asset Management	Approved roll over 2021/22
Allowances (Overtime, Standby and Scarcity Skills)	Final Report submitted
COVID-19: Compliance	Phase 1: Final Report submitted Phase 2: Final Report submitted
Quality Assessment Review	Final Report submitted
Mont Rochelle (Ad-hoc review)	In progress – approved roll over 2021/22

2.11.3 PMS Audits

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

2.11.4 Functions of the Audit and Performance Audit Committee

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

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

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

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

The responsibilities of the APAC are further to review the:

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

The committee members are as follows:

Table 97: Members of the Audit and Performance Audit Committee

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

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

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

2.12 Supply Chain Management

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

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

2.12.1 Competitive bids in excess of R200 000

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

Table 98: Bid Committee Meetings

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

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

Table 99: Attendance of Members of Bid Specification Committee

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

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

Table 100: Attendance of Members of Bid Evaluation Committee

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

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

Table 101: Attendance of Members of Bid Adjudication Committee

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

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

2.12.2 Awards made by the Bid Adjudication Committee

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

Table 102: Ten Highest Bids Awarded by Bid Adjudication Committee

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

2.12.3 Awards made by the Accounting Officer

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

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

Table 103: Awards made by the Accounting Officer

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

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

2.12.4 Objections Lodged

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

Table 104: Objections Lodged

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

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

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

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

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

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

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

2.12.6 Deviation from normal Procurement Processes

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

Table 106: Deviation from Normal Procurement Process

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

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

2.12.7 Disposal Management

The system of disposal management envisages the following:

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

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

2.12.8 Supply Chain Management Performance Management

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

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

2.12.9 Service Providers Strategic Performance

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

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

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

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

2.12.10 B-BBEE Compliance Performance Information

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

a) Management Control

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

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

b) Skills Development

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

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

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

2.13 By-Laws and Policies

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

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

Table 109: Budget Related Policies Reviewed

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

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

Table 110: Bylaws reviewed

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

2.14 Website

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

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

Table 111: Website Checklist

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

2.15 Communication

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

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

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

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

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

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

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

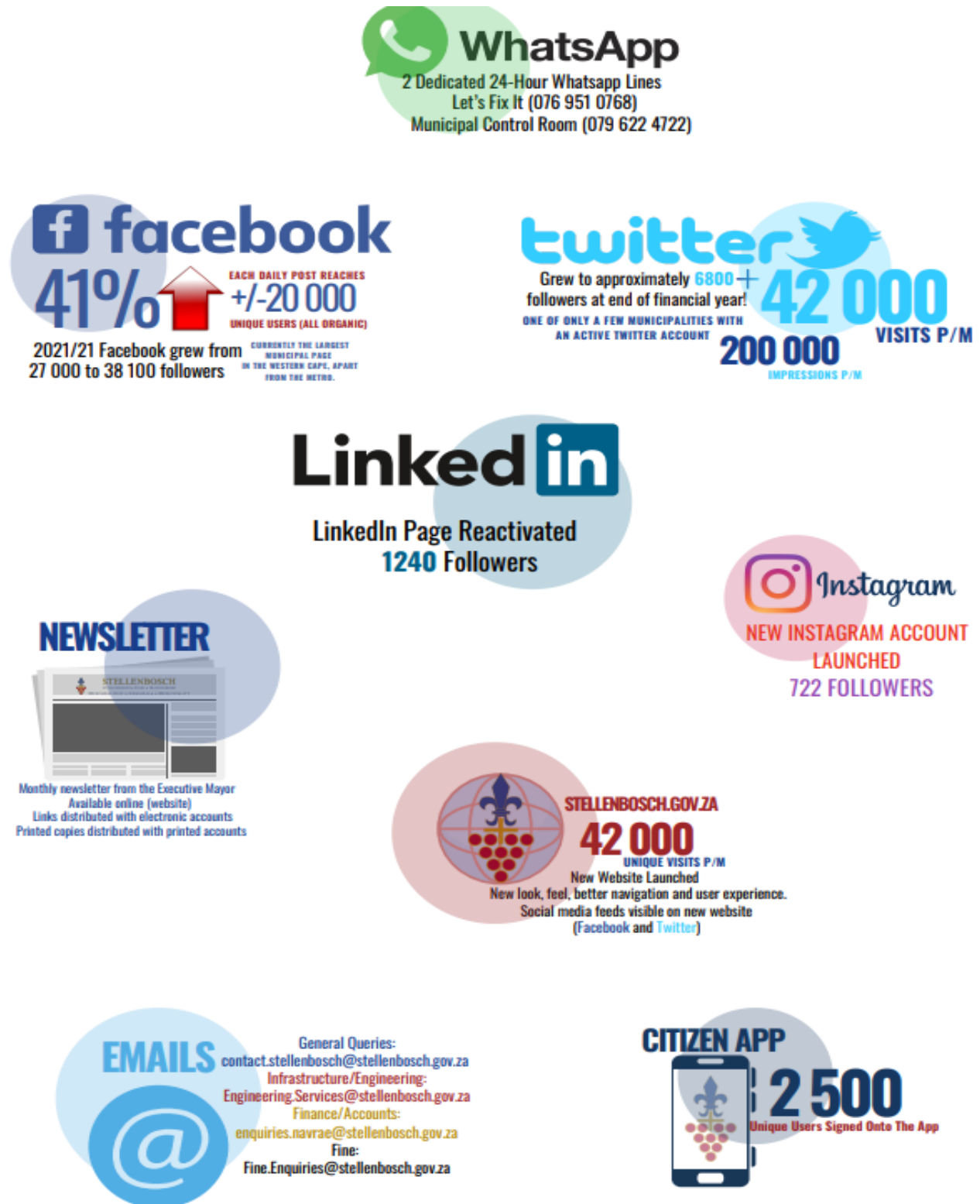
Below is a communication checklist of the compliance to the communication requirements:

Table 112: Communication Activities

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

The image below illustrates the volume of visiting our social space:

Figure 21: Social media activity



CHAPTER 3: SERVICE DELIVERY PERFORMANCE

3.1 Overview of performance within the organisation

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

In order to improve on performance planning, implementation, measurement and reporting, the municipality implemented the following actions:

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

COMPONENT A: BASIC SERVICES

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

3.2 Municipal Functions

3.2.1 Analysis of Functions

The municipal functional areas are as indicated below:

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

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

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

3.3 National Key Performance Indicators – Basic Service Delivery

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

Table 114: Basic Service Delivery

KPA and Indicators	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Basic Service Delivery*						
The percentage of households earning less than R6,500 per month with access to free basic services (In the case of Stellenbosch Municipality- number of registered Indigent households are being reported)	6 486	5 686	6 453	6 813	7 011	7 283
Service for water, sanitation and refuse removal (Average)	7 042	5 686	6 453	6 813	7 011	7 283

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

3.4 Water Provision

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

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

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

After the drought disaster and a good rainfall season during 2020, the municipalities in the Western Cape lifted water restrictions. Stellenbosch Municipality is currently on level 0 water restriction and water tariff. Stellenbosch Municipality supplies water to the consumers in their area of jurisdiction through the following six water supply systems:

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

The total population supplied with water in the Stellenbosch Municipal area amount to approximately 192 879 people. Water is also supplied to a fairly extensive industrial area.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Table 115: Western Cape Dams

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

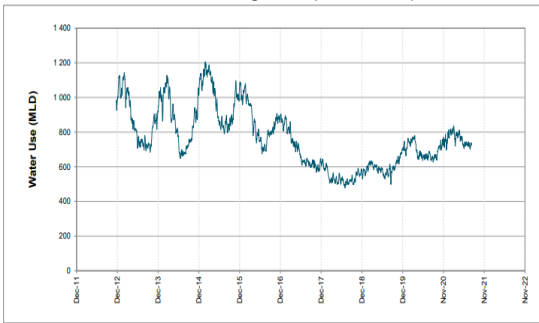
The table and graphs below depict the Stellenbosch dams and overall water usage trends:

Stellenbosch's own Dams

Table 116: Stellenbosch dams

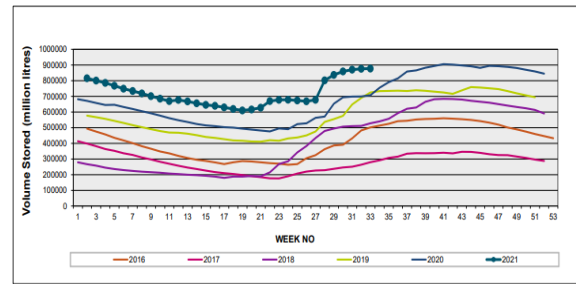
Ida's Valley 1	100	100	100
Ida's Valley 2	100	100	103

Overall Water Usage Trend (2010 - Present)



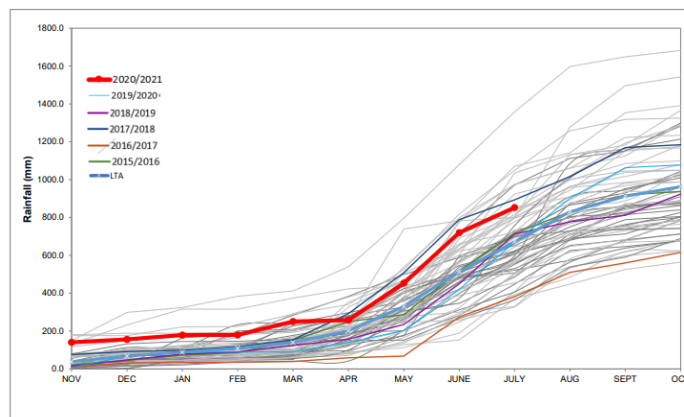
WCSS means Western Cape Water Supply System
MLD means million litres per day
More information on Water Saving and Restrictions is available on the City of Cape Town's 'ThinkWater' website

WCSS Comparative Storage Graph



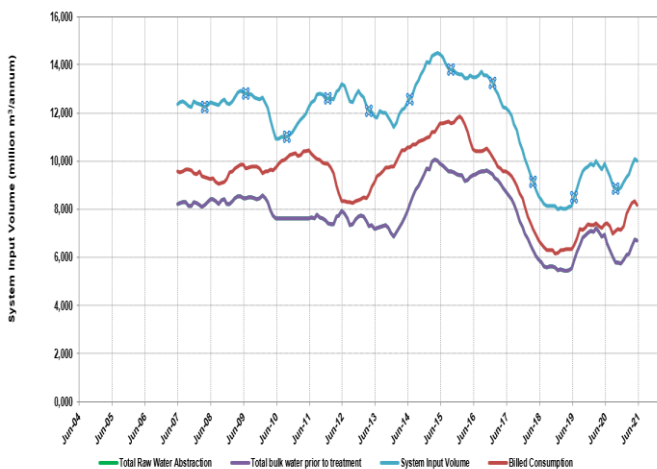
Accumulated Monthly Rainfall at Wemmershoek

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

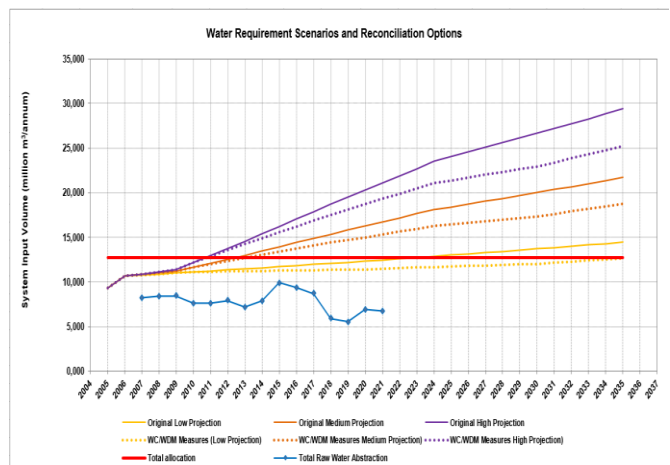


Groundwater is now seen as a potential water source and will be investigated and evaluated after the new water resources study is completed.

Water Consumption Volume (12 month rolling)



Water Requirement Scenarios and Reconciliation Options



3.4.1 Service Statistics – Water Services

The table below outlines water usage totals per category:

Table 117: Total Use of Water (Mℓ)

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

3.4.2 Water Service Delivery Levels

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

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

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

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

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

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

Table 118: Water Service Delivery Levels

Description	2015/16 (audited)	2016/17 (audited)	2017/18	2018/19	2019/20	2020/21
Household						
Water: (above minimum level)						
Piped water inside dwelling	37 902	37 989**	38 027**	40 321	42 615	44 909
Piped water inside yard (but not in dwelling)	3 596	3 596	3 596	3 596	3 596	3 596
Using public tap (within 200m from dwelling)	8 491	9 238	9 699	11 327	12 955	10 504
Other water supply (within 200m)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Minimum Service Level and Above Sub-Total	49 989	50 823	51 323	55 244	59 166	59 009
Minimum Service Level and Above Percentage	99.75	99.75	99.75	99%	98,93%	*
Water: (below minimum level)						
Using public tap (more than 200m from dwelling)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Other water supply (more than 200m from dwelling)	125	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
No water supply	405	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Below Minimum Service Level Sub-Total	530	0	0	581	632	1 263
Below Minimum Service Level Percentage	1.06	0	0	1%	1,07%	*
Total Number of Households (formal and informal)	48 002	48 002	52 374	55 825	59 798	52 220

*Calculation to be provided

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

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

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

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

3.5 Wastewater (Sanitation) Provision

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

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

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

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

Table 120: Sanitation service delivery levels

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

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

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

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

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

The table below indicates the total number of employees in the water services unit:

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

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

3.6 Major projects implemented

The table below indicates all major projects implemented for water and wastewater services:

Table 123: Major projects implemented

Project Name	Scope	Project Cost	Benefit, Impacts and Goals achieved	Other Comments
Water Conservation and Water Demand Management (Wc/Wdm) Initiatives				
Water Treatment Works Ida's Valley	Upgrading of the existing works to increase the current treatment capacity as well introducing colour removal.	R100M	Various upgrades and modifications to treatment works processes to be made in order to increase treatment capacity.	Consultant was appointed and the project is currently in the inception phase.
Extension of the Stellenbosch Wastewater Treatment Works (SWWTW).	The extension of the Stellenbosch Wastewater Treatment Works (SWWTW) is one of the largest projects in Stellenbosch history.	R480M	Increased Treatment capacity to 35 MI/day Resolves the critical need for present and future WWT demand in the area. Enable economic development in the area Support the housing provision pipeline.	Phase 1 consist of constructing new 27MI/day MBR lane. Phase 2 the existing plant will be upgraded to BNR (Biological Nutrient Removal) system with capacity of 8MI/day. Project has reached 100% completion. With further investigation into a tanker discharge facility.

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

3.7 Electricity

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

a) The Demand Side Management

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

b) Hot Water Load Control Project

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

c) Alternative Energy

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

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

Stellenbosch Municipality is now exploring least-cost electricity pathways that are accessible to mitigate against loadshedding amongst other aspirations.

d) Electrification of Informal Settlements

Through the Integrated National Electrification Programme (INEP) grant received, the municipality

managed to construct electricity network in Enkanini to cater for 1 300 connections, the contractor is still on site implementing the project.

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

e) Pniël take-over

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

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

3.7.1 The Electricity Service Delivery Statistics

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

Table 124: Stellenbosch Municipality notified demand per intake point

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

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

3.7.2 Electricity Losses

The electricity losses as at 30 May 2021 were 9.8%.

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

Preliminary findings on the investigations indicate the following:

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

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

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

Letters to all the affected customers are being prepared and will be issued, stating what had occurred and how this is to be rectified in order to collect the revenue that was not collected as a result of under-billing.

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

Table 125: Access to basic electricity

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

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

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

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

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

The table below indicates the total number of employees in the electricity section:

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

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

3.8 Waste Management, Refuse Collections, Waste Disposal and Recycling

3.8.1 Waste Management

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

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

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

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

Staffing within the Department is major challenges with only 34% of the positions filled.

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

3.8.2 COVID-19

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

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

3.8.3 Area Cleaning

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

Area cleaning service is provided by means of blue bags and black bags. Where the municipality faces severe illegal dumping, it provides its plant machinery (digger loaders and tipper trucks) to clean and clear such areas.

The area cleaning section has seen an increase in the illegal dumping of builders' rubble and green waste within the hotspot area.

Before



After



EPWP Employment opportunities 2020/21 financial year

Table 128: EPWP employment opportunities

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

3.8.4 Refuse Collection

Refuse collection is completed according to a weekly schedule for formal households, commercial properties and industries. The municipality supplies 240 wheelie bins to all service points but that excludes informal settlements where communal skips are provided and collected, this is a service that is provided 7 days a week.

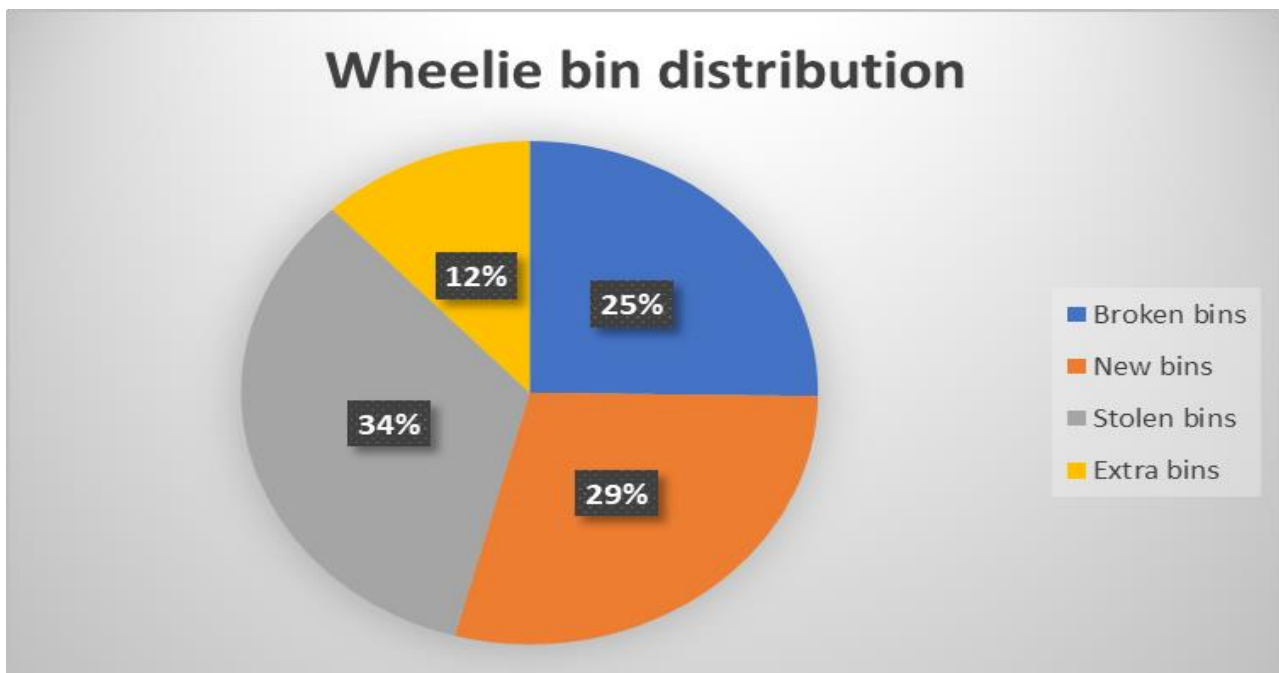
Wheelie 240 litre bins

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

Table 129: Refuse bins distribution

Bins	Total
Broken bins	208
New bins	239
Stolen bins	279
Extra bins	99
Total	823

Figure 22: Wheelie bin distribution



3.8.5 Waste Disposal and Waste

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

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

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

Photo: New MRF building at the opening



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

a) Green waste chipping

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



Photo: Area allocated for chipping of Green Waste

b) Door to door recycling collection

Due to the contractor that abandoned operations, the municipality had to render this service with help of an external service provider. This situation offered major challenges in rendering this service, with a resultant decline in recycling initiatives. A new contractor has been appointed in the last quarter of the financial year and manages and operates the newly completed Materials Recovery Facility (MRF) and offers the service of collection of recyclables as per description above.

Disposal Stellenbosch landfill



Photo: Stellenbosch Landfill Site

The Stellenbosch landfill situated in Devon Valley Road is essentially in care and maintenance phase and receives limited waste. Cell three has filled up since August 2019. Work is currently under way to license a new cell at the site (see details below).

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

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

The Devon Valley Landfill Site received the following quantities of waste which was recorded by the weighbridge at the site:

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

Table 130: Landfill statistics for incoming waste in tons

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

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

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

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

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

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

The contractor appointed to operate and manage the site has made use of the builders' rubble and soil on site to build a ring road that may serve the purpose of a fire break and access to various points on the premises.

In addition to the normal activities described above, gas monitoring has been identified as a need and noted as such in audits conducted on site. Gas monitoring wells have now been installed and totals to 13. The installations of these wells formed part of the service rendered by an appointed contractor who is also tasked to conduct gas monitoring activities as per legislative requirement.



Photo: Drilling of well on-site



Photo: One of the installed gas monitoring wells

c) Klapmuts Transfer Station

The Klapmuts Refuse Transfer Station (RTS) has a design capacity of 150 tons per day transfer capacity. Since August 2019 this facility has been utilised at near capacity to transfer waste to VHWMF. Waste from all areas are being transported in collection vehicles to the site, and is transferred into open top 30m³ bins for onward transport using three containers at a time, by way of bulk transport to VHWMF by an appointed contractor that renders this service.

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

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



Photo: Klappmuts Transfer Station

d) Franschhoek drop off

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

e) Relocation of Eskom Power Lines

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

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

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

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

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

Progress has been made with the municipality and affected landowners signing the servitude agreement with Eskom. All but one agreement has been signed. Hopefully this phase will be completed during August 2021 and Eskom will be able to register the new servitudes.

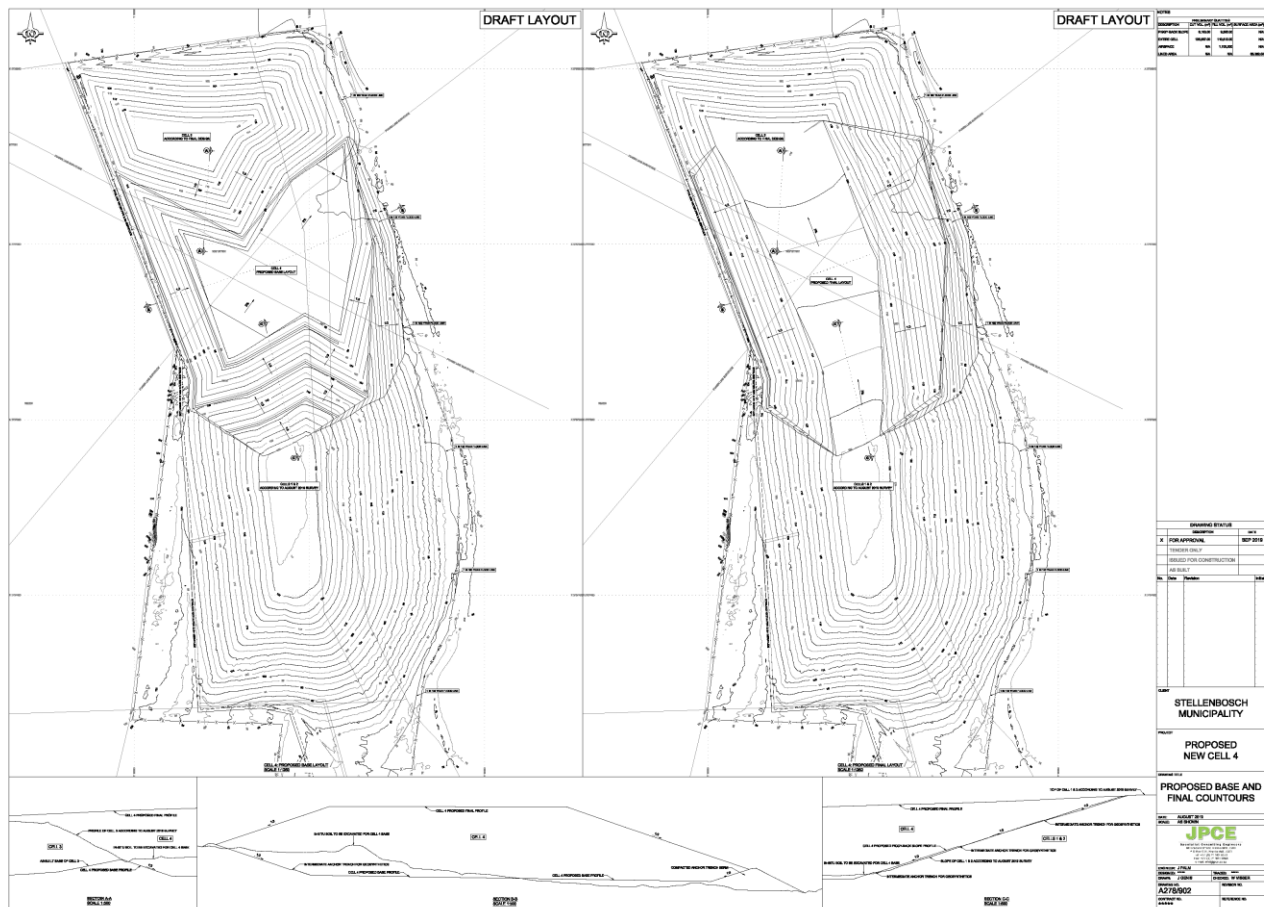
Thereafter the project will be ready for final approval, design and updating of the quotation which will be sent to the municipality. Any outstanding funding will need to be paid over to Eskom to ensure that the project can proceed to tender and construction.

f) Development of additional waste disposal cells project

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

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

Figure 23: New waste disposal cells between cells 1 and 2 and cell 3



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

i) Landfill gas extraction, flaring and electricity generation

Review of Landfill gas extraction and utilisation project:

A number of investigations into the use of the landfill for harvesting and the beneficial utilisation of landfill gas has been undertaken. The most recent study document in a report dated 12 June 2017 recommends the extraction, flaring and electricity generation. The GasSim peak landfill gas generation rate was established as 515 Nm³/hr in 2017. This investigation has indicated that at least 0,5MW of electricity generation could be sustained from the landfill for some 10 years.

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

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

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

This study will ensure that the municipality does not embark on a project with significant funding requirements that does not show potential to realise the projected benefits with regard to carbon

mitigation and energy production through the installation of a landfill gas well field, flaring station and electricity generation.

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

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

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

Compliance

(i) Internal audits

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

(ii) External audits

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

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

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

(iii) Monitoring Committee

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

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

h) Waste Managers Officers Forum

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

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

i) Social Engagement and Environmental clean-ups

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

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

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

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

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

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

j) Involvement with Professional and Educational Institutions

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

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

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



Relevant Site Photographs

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

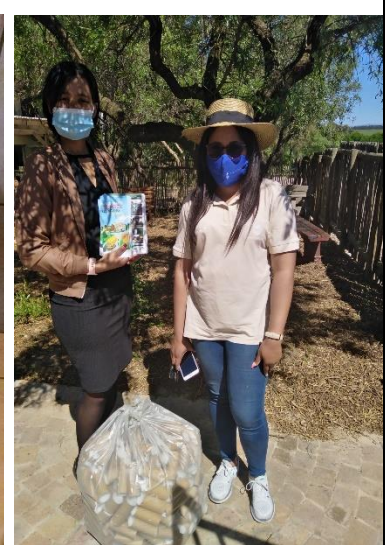


Photo 2: Stellenbosch Municipality donated the toilet paper rolls to Spark Lynedoch Primary school.



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



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



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



Photo 6: Kayamandi library environmental corner.

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

Table 131: Service delivery levels of waste management

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

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

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

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

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

The table below indicates the total number of employees in the waste management section:

Table 133: Total number of employees in the waste management department

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

3.9 Integrated Human Settlements

3.9.1 Housing Development

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

Over the 2020/21 financial year, the Department: Housing Development managed a capital expenditure budget of R11 979 000 (of which R9 979 000 was Human Settlements Grant funding). The Department: Housing Development which main function is to plan for future housing developments, in accordance with the Housing Pipeline planned the following multi-year projects:

a) Erf 7001, Cloetesville

This particular goal of this development is the delivery of medium to upper (GAP) housing market (not for BNG housing units). There is an urgent need for the property to be developed so as to create an integrated urban development (Cloetesville), providing for housing choice together with appropriate economic and social amenities.

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

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

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

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

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

Figure 24: Erf 7001, Cloetesville



The Public Participation Process received a considerable amount of inputs / comments which served before Council pertaining to the proposed disposal (through a land availability agreement) of municipal land, Erf 7001, Cloeteville and the appointment of a turnkey developer / implementing agent in order to facilitate the delivery of gap housing units.

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

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

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

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

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

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

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

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

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

Figure 25: Map illustrating the location of each the sites



Table 134: Housing sites

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

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

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

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

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

The site in its regional location is indicated on Figure 3: Regional Location. Portion 4 of Farm 527, has been rezoned for residential purposes allowing for a mix of residential types. Phase 1 of the development consisting of 162 subsidised housing opportunities has recently (November 2016) been completed.



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

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

The Call for Proposal followed a 2-stage approach to appoint a suitable developer (Stage 1: Concept Proposal and Functionality (ability to deliver on project requirements) and Stage 2: Financial Proposal and Feasibility).

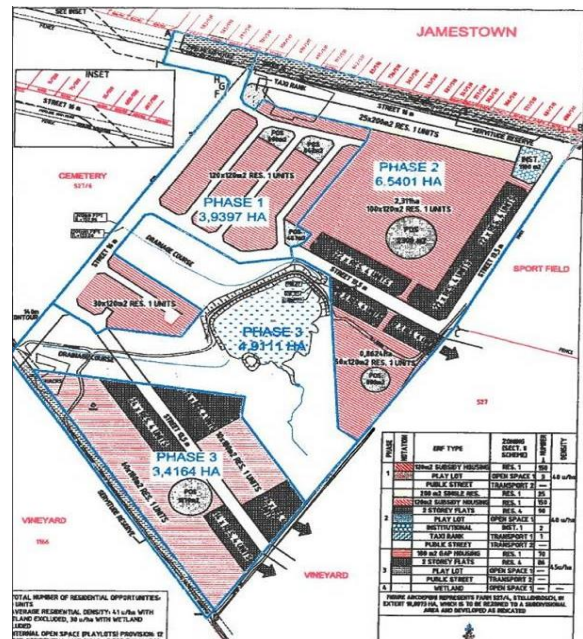


Figure 4: Approved Development Plan for Portion 4 of Farm 527

The proposals for Stage 1 have been scrutinised and assessed on the concept proposal and ability of Bidders to deliver on project requirements. Only those Bidders whose bids are assessed as having achieved the minimum required score (70%) will be considered responsive.

The tender was advertised in 2018 when the 2017 urban edge was still applicable. Council subsequently adopted the new Spatial Development Framework (SDF) in 2019 which substantially change the urban edge in Jamestown. This result in a much bigger area for the Jamestown human settlement development that is plan and will lead to a substantial change in scope of the tender which were advertised in 2018. Therefore, the change in scope and other procurement requirements resulted in the cancellation of the bid.

A new tender was advertised to undertake a broad conceptual urban design framework for a portion of Portion 7 of Farm 527 and Remainder Farm 527, Jamestown and to obtain town planning and development rights.

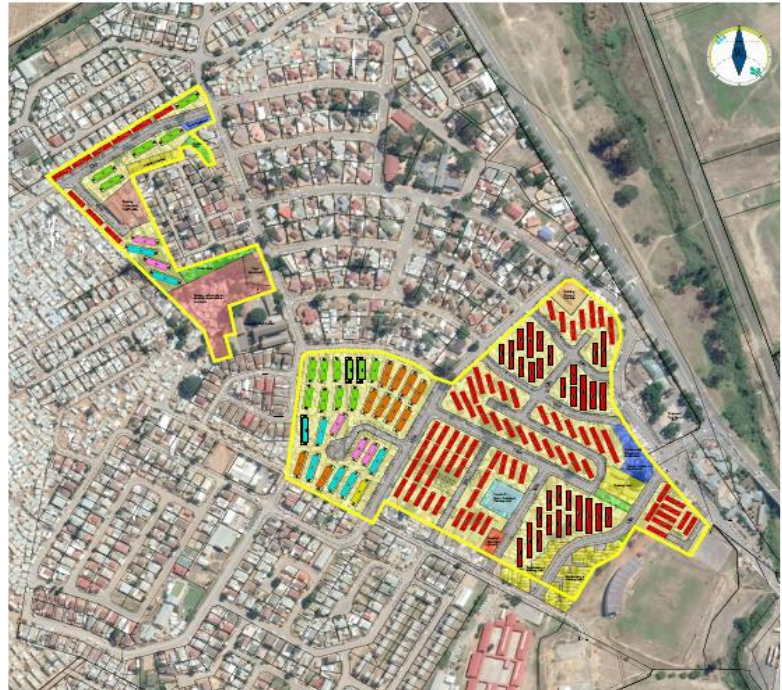
d) Kayamandi Town Centre

The Kayamandi Town Centre project has been developed over a number of years. The project is still in its planning stage whereby development rights must be obtained. This project must be viewed as a multi-year project.

A service provider with the necessary multi-disciplinary team of professional consultants was appointed to conduct a feasibility study to assess the redevelopment of the town centre of Kayamandi in order to provide a holistic development picture of Kayamandi. The latter resulted in a framework for possible future development opportunities in Kayamandi and environs.

The required process for township establishment took longer than anticipated primarily due to the impact of COVID-19 on processes, the challenges on the ability to interact with relevant stakeholders and also certain aspects in the planning process that arose and now requires additional input.

The proposed typology mix is such that it will enhance the beauty and character of the Kayamandi Town Centre in that it will provide for a mix of typologies to accommodate the old and the young. The proposal for walk-up units is also to provide maximum densification within the available limited space.



The proposed town planning layout consists of ±1800 housing opportunities (2 to 3 storey BNG walk-ups). The development parameters will include a mix of housing typologies, business units and community facilities. This design methodology was utilised to suit the demand and the needs of the affected community.

The community agreed upon on a relocation strategy must be followed to effectively address the challenges facing Kayamandi.

The aim would be to unpack the developmental opportunities of Kayamandi and recommend a relocation strategy for the families moving to the temporary units / site that has been earmarked for this process (Northern Extension).

The proposed land uses in the feasibility study / urban design concept can be accommodated within this zoning. It is therefore proposed that this zoning is used when the study is rezoned during the land use planning application processes.

The proposed land use concept takes into consideration the following issues:

- ✚ The general slope of the area – the gradient is such that it has an impact on the number of opportunities;
- ✚ the safety concerns with regards to the communal living; and
- ✚ the impact of the COVID-19 pandemic – social distancing requirements.

The planning application process is anticipated to be completed during the 2022/23 financial year.

e) Langrug, Franschhoek

Langrug informal settlement is located in the north-eastern area of Franschhoek and falls within the jurisdiction of the Stellenbosch Municipality. On the southern side of the settlement is Groendal formal housing developments down to Franschhoek town. On the eastern side is the Mooiwater low-income housing development. On the northern side of Langrug is a nature reserve that is located on the upper part of the mountain slope on which Langrug informal settlement encroaches.

The community experiences locational risks such as being located on a slope, in an area that is prone to floods and being at risk of rock falls. The settlement has varied access to basic services. The Langrug informal settlement is viable for in-situ upgrading.

Living conditions at informal settlements are typically poor with residents facing a range of basic livelihood challenges, such as poor access to basic sanitation, low to no potable water supply, inadequate electricity provision, detrimental solid waste accumulation in public spaces, frequent shack fires, safety and security risks; to name a few. Langrug informal settlement is no exception to these deplorable living conditions. Furthermore, and due to the growing number of informal housing and population in the settlement coupled with the lack of availability of land for housing in the Franschoek Area, there is a growing need at Langrug for additional basic services and amenities (roads, water, sanitation, electricity etc.), the management of grey and black water emanating from households, and the development of housing projects in the settlement.

According to the Stellenbosch Municipality's Spatial Development Framework (SDF) that was approved in July 2019, Franschoek is viewed as having less livelihood potential. Hence, the focus is on improving living conditions of existing residents as opposed to significant new growth. According to the Stellenbosch Municipality's Informal Settlement Strategy for Langrug, the municipality is planning to supply Upgrading of Informal Settlements (UISP) services. The municipality is also providing electricity over time to informal structures without electricity as part of the Municipality's ongoing Electrification Programme. The Medium-Term Revenue and Expenditure Framework (MTREF) is continuously updated to provide for such opportunities. The municipality is planning to undertake detailed planning studies to unlock housing development opportunities, develop a phased approach implementation plan premised on detailed designs for the provision of basic services and formalisation of Langrug, apply for development rights and installation of basic services, and identify suitable land for decanting.

In light of the above challenges, there are various projects and interventions which have been identified for planning and eventual implementation. The objective of these projects is to upgrade Langrug incrementally and to, as far as possible, formalise existing development patterns to improve the delivery of basic services.

Hereunder is a summary of the medium to long term projects:

- ✚ The construction of phase 2 emergency access road and the installation of underground services;
- ✚ Re-blocking of sections to improve access and basic services;
- ✚ Upgrading of the bus route;
- ✚ Relocation and subsequent rehabilitation of the dam area;
- ✚ To commence with the re-blocking of Langrug, a decanting site on Erf 3229 Franschoek (Mooiwater) is being developed (basic services), the process of which is currently underway; and
- ✚ Cancellation of the existing General Plan and consolidation to create one land unit. This project is managed by the Department: Informal Settlements.

The Department: Project Management Unit submitted the feasibility study and costing for Erf 3229, Mooiwater, Langrug to the Department: Housing Development to submit the Project Initiation Document (PID) to the Provincial Department of Human Settlement.

The dam be pumped, as and when required, by the Department: Road and Stormwaters.

f) Northern Extension, Kayamandi

The Northern Extension of Stellenbosch is situated north of Kayamandi, adjacent to Cloetesville and the Welgevonden Estate. The sites are located on the western side of the R304 (main arterial from the North) to Stellenbosch.

A service provider was appointed by Stellenbosch Municipality to appoint the necessary multidisciplinary team of professional consultants to conduct a due diligence assessment to assess whether it is suitable for the expansion of mixed-use development to the north of Kayamandi.

The specific site has been suggested by the Stellenbosch Municipality for the northward extension of the urban area of Stellenbosch. The intention was to determine the feasibility of establishing a multiple-use development, providing ±5000 – 6000 residential opportunities in the Northern Extension of Stellenbosch.

The feasibility study includes identifying developable land within the study area (different farmland identified). The development potential of the said site was evaluated from an engineering, planning and environmental perspective. The subsequent planning applications following this feasibility study will include the rezoning of the given properties from Agricultural" for the required Zoning Scheme By- Laws suitable for the proposed residential densities and mix-use development.

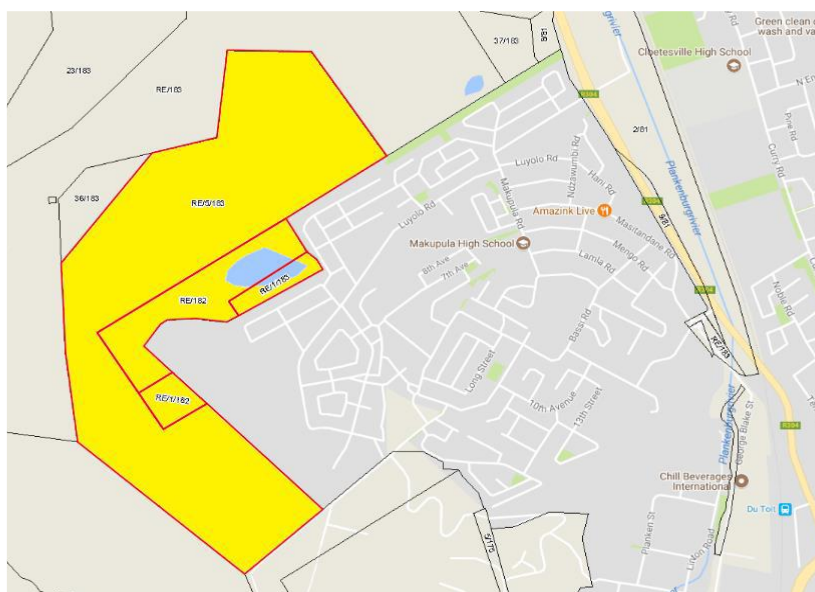


Figure 7: Locality plan

The subject properties are as follows:

Table 135: Total farms measured in extent

FARMS	MEASURING IN EXTENT
Farm 183 A	35.54ha
Farm 183 B	11ha
Farm 183 C	8.5ha
Farm 183/23	20.5ha
TOTAL	75.54ha

Table 136: Total farms measured per HA

FARMS	MEASURING PER HA
Remainder Farm 182, Stellenbosch	7.296ha
Portion 1 of Farm 182, Stellenbosch	1.4175ha
Portion 1 of Farm 183, Stellenbosch	1.3856ha
Portion 5 of Farm 183, Stellenbosch	50.8432ha
TOTAL	60.9449ha

The Department: Housing Development advertised a tender to appoint a service provider to undertake a Broad Conceptual Urban Design framework for the Northern Extension and to obtain

town planning and development rights. This project timeframe for completion is 2022/23 financial year.

It should be noted, that a portion of the development of the northern extension has been identified as a possible relocation area for redevelopment of the Kayamandi Town Centre.

g) Erf 64, Kylemore

The identified property is 15.5ha in the extent of which the municipality requires ± 8 ha for residential purposes.

Various meetings were held with the National Department of Public work (NDoPW) and it was indicated that the Directorate: Investment Analysis will conduct a feasibility study as part of the relevant business process of the Department of Public Works and Infrastructure (DPWI). Upon completion of the feasibility study, the relevant report and recommendations have been submitted to the Directorate: Disposals (Land Reform and Human Settlements) to inform their submission for Ministerial approval.

The feasibility study was completed during the 2019/20 financial year and awaited the transfer of Erf 64, Kylemore to the Municipality. It should be noted that pre-feasibility studies



Figure 8: Locality plan of Erf 64, Kylemore

were conducted more than 10 years ago and need to be reviewed and amended where necessary.

The Housing Development Agency (HDA) has been appointed via an Implementation Protocol agreement to assist with the transfer of land from the National Department of Public Works (NDPW) to the Stellenbosch Municipality and to further attend to the required applications to obtain land use rights, the registration of diagrams / general plans with the Surveyor General and the relevant applications to the Provincial Department of Human Settlements (PDoHS).

The project is ongoing.

h) La Motte, Franschhoek

La Motte is a former Bosbou Hamlet situated approximately 3.5 km north-west of Franschhoek town, on the Robertsvalei Road, close to where it intersects the R45. Originally built to house forestry workers, the village is made up of the original dwellings and a range of community facilities. During the construction phase of the Berg River Water Scheme, new houses were built adjacent to the existing settlement to temporarily house the construction workers; these houses have been transferred to identified beneficiaries.

The Stellenbosch Municipality and the community of Franschhoek have been proactive in addressing the need for affordable and subsidised housing and several initiatives have successfully been implemented.

Through a tender process, a service provider was appointed and a feasibility study has been concluded.



The Department of Public Works, as custodians of the relevant portions of land, has been engaged to start the necessary procedures that would lead to the transfer of the subject properties into the name of Stellenbosch Municipality, for housing purposes.

The Municipality is currently awaiting feedback from the National Department of Public Works. The Housing Development Agency (HDA) has been appointed via an Implementation Protocol agreement to assist with the transfer of land from the National Department of Public Works (NDPW) to the Stellenbosch Municipality and to further attend to the required applications to obtain land use rights, the registration of diagrams / general plans with the Surveyor General and the relevant applications to the Provincial Department of Human Settlements (PDoHS).

i) Farms 81/2 and 81/9, Stellenbosch

In terms of the implementation of Social Housing Programmes, the Stellenbosch Municipality has identified Portions 2 and 9 of Farm No 81 Stellenbosch. This site is located between the Cloetesville and Kayamandi settlements. Its boundary is framed by the R304 to the west and the railway line to the east. The Plankenburg River traverses the site along the eastern boundary. The southern boundary of the property includes portions of the Kayamandi Tourism Centre, as well as a bridge over the railway line. The northern boundary is framed by the Mount Simon residential development.



A feasibility study has been done during January 2020 to determine the development potential of the site. Council approved the feasibility report on 12 February 2020 for Social Housing (rental stock).

The Department: Housing Development liaised with the Provincial Department of Human Settlements (PDoHS), Social Housing Regulation Authority (SHRA) and National Association of Social Housing Organisations (NASHO) to obtain inputs in the finalisation of the specifications and criteria for a Call for Proposal.

Service providers have been appointed to undertake a geotechnical investigation, flood line studies and a traffic impact assessment on the site.

In terms of the geotechnical investigation, the property is regarded as being favourable on a certain portion of the site, for residential development. Other areas on the site have average to poor soil conditions factors that reduce the suitability of the land for development. This is caused due to the extent of uncontrolled fill, the existing topography and soil corrosion.

In terms of the floodline study, it is evident from the 1:100-year flood line that most of the land on the west side of the Plankenburg river is above the flood level and would be suitable for residential development. The only area on the west side of the river that is affected by the 1:100-year flood is the lower ground around the tributary that flows in from the Watergang Dam to the North of Kayamandi, roughly 200 metres south of the Mount Simon residential estate. This should be considered when planning the development in this area.

The Traffic Impact Assessment (TIA) report concludes in support of a proposed Residential Development (3-4 storey walk-up flats) on Erven 81/2 and 81/9, Stellenbosch.

j) Erf 2183, La Rochelle, Klapmuts

Erf 2183, Klapmuts is located along Gomas Street, Klapmuts, approximately 1.5km off the R310 that links Stellenbosch to the N1. The site is located on the south-eastern edge of the town of Klapmuts and is bordered by vacant land to its southern and eastern boundaries, with a proposed new housing development on the western and northern boundaries towards Mandela City, Klapmuts. To provide in the dire housing need in the Klapmuts area, especially for current backyarders, this property was identified as a possible option for a "site-and-service" housing project.



The scope of work for the tender advertised, entails the subdivision of Erf 2183, La Rochelle, Klapmuts into residential erven of approximately 40m² to 50m² in terms of the Stellenbosch Municipal Land Use Planning By-law (2015), the submission of all diagrams to the Surveyor-General's office for approval and registration as well as the submission of all documents to the Department Human Settlements: Western Cape Government for the relevant funding for this incremental housing project.

The approved Stellenbosch Municipality Spatial Development Framework proposes that government land assets should be utilised to enable residential densification and infill development. These government land parcels should also enable integration between informal settlements and established areas.

k) Botmaskop

The Botmaskop site comprises a portion of Remainder Erf 3363 Stellenbosch and a portion of Remainder Erf 3931 Stellenbosch. The site abuts Helshoogte Pass and Simonsberg Road, between Ida's Valley, Simonswyk and Uniepark / Rozendal. The study area is approximately 40 hectares in extent, with road access to two sides, without having to inconvenience existing neighbourhoods. In addition, it is within walking distance from a primary and secondary school and abuts large open spaces. The site forms part of the social housing restructuring zone as approved by Council.



The site belongs to the Stellenbosch Municipality and is utilised primarily for forestry (to be phased out) and an open space. No planning for the development of the site has been done to date.

In the context of the locality of the site and immediate surrounds, as well as identified housing needs, it is believed that the Botmaskop site presents an ideal opportunity to provide housing opportunities for a variety of income groups. The exact nature and extent can only be determined after a feasibility study has been concluded. A development at Botmaskop offers a chance for reversing the segregated neighbourhood layouts in Stellenbosch as it creates an infill opportunity for social and middle-income housing.

Access to the site poses very few problems. The capacity of bulk services would have to be tested against a final development model. The approved Stellenbosch Municipality Spatial Development Framework earmarks the site for mixed use community and residential infill. The proposal will entail a mixed-use development and the estimated yield will be based on the following housing typologies:

GAP / FLISP Housing: This option is geared towards outright ownership. The housing typology could be single story residential units, duplex residential units, 2-3 story walk ups or a combination.

Social Housing: This option is geared towards lease options and will be managed by a Social Housing Institution. The housing typology could be single story residential units, duplex residential units, 2-4 story walk ups or a combination.

It is envisioned that the development will include both GAP / FLISP Housing and Social Housing. The number of units per price category will be determined based on the required analysis and assessments from the feasibility study which is underway.

On conclusion of the feasibility study, a developer and / or a Social Housing Institution will be provided the opportunity to develop the Botmaskop site for a range of housing typologies, aimed at creating opportunities for residents who need long term rental housing as well as outright ownership. Council

has to make an informed decision on a development proposal, given that it entails the possible disposal of municipal land.

A tender was advertised, and a service provider was appointed during the 2020/21 financial year to undertake a feasibility study for Botmaskop, being a portion of the Remainder Erf 3363 and a portion of the Remainder Erf 3931 Stellenbosch.

l) Maasdorp Village, Franschhoek

The Maasdorp Forest Village comprising Portions 27 and 28 of Farm La Motte No 1041 Paarl is located north of the intersection of Main Road 191 (R45) and Divisional Road 1351 approximately four kilometres north east of Franschhoek.

The site currently accommodates approximately 32 formal houses and outbuildings. The site is currently zoned for Agricultural purposes and must be rezoned and subdivided to enable formal township establishment accommodating the existing households and as otherwise may be determined by further investigations and community engagements.



During June 2018, a service provider was appointed to attend to the township establishment process for Maasdorp Forest Village, Franschhoek: Portions 27 and 28 of Farm La Motte No 1041 Paarl, and future expansion on Portions 3 and 7 of Farm La Motte No 1041, Franschhoek; the project has later been referred to only as the detailed planning and design for the Township Establishment of Maasdorp Forest Village.

Community engagements, a traffic impact study, engineering services reports and a geotechnical investigation have been completed together with draft plans of subdivision for further consideration. The required process for Township Establishment took longer than anticipated primarily due to the impact of COVID-19 on processes, the challenges on the ability to interact with relevant stakeholders and also certain aspects in the planning process that arose and now requires additional input. Due to the socio-economic impact of COVID-19 and the relevancy of the socio-economic profile on the feasibility of proposed property extents and accommodation of original Maasdorp residents on these properties, the necessity to update the socio-economic survey and engineering services costing for efficient decision-making purposes on the development proposal, was identified. The submission of the land use applications, is pending, requiring only a mere update of a socio-economic survey and engineering services.

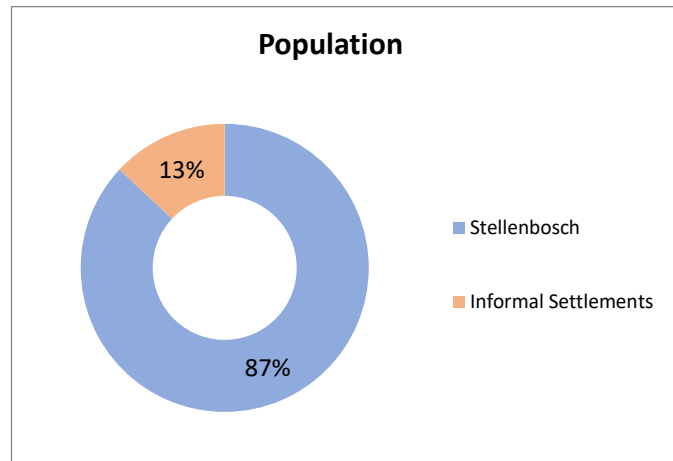
m) Faire Donne Estate, Franschhoek

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

Herewith below an extract of the approved Council Resolution:

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

- (i) potential beneficiaries must reside or work in the Franschhoek Valley or be in the service of Stellenbosch Municipality for at least for 3 years;*
- (ii) preferential treatment will be given to First Time Home Owners;*
- (iii) preferential treatment will begin to previously disadvantaged individuals in the allocation process, if they qualify in term of 3.3.1; and*
- (iv) should the need (people who qualify) outweigh the demand, then the criteria listed above will be converted into a point system in determining the final list of qualifying beneficiaries.”*



Thereafter, the Department: Housing Development received a number of 136 applications for the 50 available plots, of which 48 was successfully registered in the Deeds Office. In accordance with the Sales Agreements, the potential beneficiary has two (2) months to secure the necessary funding.

3.9.2 Informal Settlements

The management of the Informal Settlements has been done for the last number of years in accordance with a Council approved strategy. In essence, provide increased access to basic services as far as possible, enumerate / survey all informal settlements on a regular basis in order to inform development documents and lastly to upgrade informal settlements as far as possible under the pillar of dignified living.

a) Informal Settlements population

According to the most recent surveys undertaken by Informal Settlements Department (ISD) and independent service providers, the population of informal settlement dwellers is approximately 19 710 residents. This is approximately one sixth (1/6) of the municipal population of approximately 153 000 residents (Census 2011) (refer to figure 1 below).

b) Development proposals / strategy

The Informal Settlements Department (ISD) developed a development strategy for every informal settlement within the municipal area. These full strategies are included under Cluster 1 to Cluster 5.

The strategy is premised on 3 pillars,

- i) a synopsis of existing basic services. This synopsis includes an analysis of the shortfalls in service provision,
- ii) Cryptic demographic information of the head of households, as well as a desktop risk analysis of the settlement,

- iii) the third pillar / component consist of development proposals. These proposals are aligned with 3 strategic documents, i.e. the IDP, SDF and the housing pipeline.

The development proposals are furthermore aligned with the budget cycle of the municipality, as well as the housing pipeline which is aligned amongst others with the provincial budgeting cycle

In essence the strategy is divided into three time periods:

- i. The **short-term** deals projects that are identified and will be completed during the 2017/18 financial year.
- ii. **Medium term** deals with projects that are identified and / or in various stages of implementation. These projects will be completed before the MTREF period ending in the 2020/21 financial year.
- iii. Lastly, the **long-term** projects are closely linked to long term projects that were identified in the Housing Pipeline. The Informal Settlement Strategy document will be reviewed annually.

c) Emergencies

The Department: Informal Settlements assists the Department: Disaster Management in emergencies by verifying the data that is collected about the victims of the emergency. These emergencies are usually fire incidents in the informal settlements or flooding incidents and excessively strong winds.

d) Housing Statistics

Table 137: Households with Access to Basic Housing - Source StatsSA 2011

Year	Total households (Including formal and informal settlements)	Households in formal settlements	Percentage of households in formal settlements
2017/18	52 374*	26 506	50.60%
2018/19	52 374*	34 071	65.1%
2019/20	52 374*	34 071	65.1%
2020/21	52 374*	36 017	65.1%

The following table shows an **increase** in the number of people on the housing waiting list. There are currently approximately **17 652** applicants on the waiting list.

Table 138: Housing waiting list as at 30 June

Year	No. of people on Housing waiting list	% Housing waiting list increase
2014/15	18 833	0.6% (Decrease due to sanitisation of the waiting list data).
2015/16	18 791	0.2% (Decrease due to sanitation of the waiting list data).
2016/17	18 953	7.7% (Increase based on the previous year's "sanitised" figures. This is as a result of new applications received).
2017/18	16 482	13.04% (Decrease due to sanitisation of the waiting list data).
2018/19	16 231	The Department rolled out an updating of the waiting list programme which resulted in all the deceased applicants being removed and duplicate applications removed and this has resulted in the decrease of the total number of active applicants on the waiting list.
2019/20	16 590	2.21% (Increase due to new applications received).
2020/21	17 652	6% (increase) is due to the drive by the department which targeted farm dwellers and those who never registered their names on the housing demand database.

3.9.3 Housing Administration

a) Transfer of housing stock

During the period under review the municipality continued with the process to deal with historic backlog and transfer of properties to beneficiaries of state subsidised houses. A process action plan was devised in terms of which administrative procedures would be streamlined. Panel attorneys were appointed to transfer the properties identified. A total of 259 title deeds were transferred for the period of the financial year. The transfers were in the following areas:

Table 139: Transfer of housing stock

Area	Total
Cloetesville	12
Kayamandi	44
Franschhoek	06
Klapmuts	38
Kylemore	2
Pniël	17
Ida's Valley	85
Mooiwater	50
Tenantville	3
Kylemore	2
Total	259

The Department: Housing Administration is conducting continuous Housing Consumer Education Programmes with affected beneficiaries and addressing issues around title deeds. The municipality has also appointed temporary field workers to assist with beneficiary administration which includes tracing of beneficiaries and conducting occupation surveys to ensure that title deeds are registered in the correct person. There is also a panel of attorneys appointed to specifically deal with the title deeds restoration programme

The municipality partnered with an NGO which assists municipalities to deal with the historic backlog in terms of transfer of properties. The NGO provides funding for the temporary appointment of staff to enhance capacity and also provides funding to the municipality of R500 per title deed registered. The donation is used to appoint the field workers to assist with the beneficiary administration of the transfer processes.

Table 140: Total properties registered at deeds office (during 2020/21)

Total properties registered at deeds office (during 2020/21)	
Historical project title deeds registered	105
New project title deeds registered*	154
Total erven	259

* Funding for the title deeds was provided through the Title Deed Restoration Programme. It is only given for houses of subsidies approved.

b) Waiting list administration



The municipality continues with the “data-cleaning” process pertaining to applications that appear on the waiting list where vital information is outstanding. The area-based approach which was used where staff members went out to the various areas and invited applicants to workshops during of which the applicant's information was updated. The whole of Stellenbosch municipal area was covered during this programme of the updating of the housing demand database.

The agreement with the Western Cape Department of Human Settlements to assist with the data clean-up of the Stellenbosch municipal waiting list continues. The waiting list is being updated and verified on a regular basis by the Western Cape Department of Human Settlements to ensure that the number of people deemed to be on a “waiting status” are a true reflection of those persons who still require housing assistance within the greater Stellenbosch area.

There is a total of 17 652 applicants in the system, there is an increase due to new application received and captured on the system.

This new online database system and the mobile app was launched in August 2019. The mobile app makes it easier for applicants to use their smartphones to submit housing applications in the comfort of their own homes on the Housing Demand Database. The Housing Demand Database System is being updated regularly to ensure that Council has credible data for planning for future housing projects to be implemented. The municipality continues to make use of the online housing demand database.

c) Administration of public rental stock

On 25th June 2014, Council adopted a Policy for the Administration of Public Rental Stock. This document was the culmination of collaboration between stakeholder departments within the municipality. The purpose of the policy is to ensure effective management of well-maintained assets that will improve the quality of life for residents. The Department: Housing Administration is currently busy with the review of the Human Settlements Administration and Allocation Policy which will include the allocation and management of the Public Rental Stock and will be adopted by Council after due public participation processes have been completed to solicit comments from the public.

The Department: Housing Administration implemented the caretaker programme in all of our public rental stock to deal with the increase in anti-social behavioural -problems. This programme was implemented to ensure that communities “take” their neighbourhoods back to their hands and also to improve the communication between the municipality and the tenants. The total number of caretakers appointed for all the public rental flats was eleven (11).

d) Housing consumer education (HCE)

A total of thirteen (13) workshops were held with mainly tenants in our rental stock. The Housing Consumer Education (HCE) workshops are also used to address issues around anti-social behavior in the public rental flats. The HCE programmes were also held for beneficiaries of houses that were built between 1994 and 2010. These are houses that form part of the Title Deeds Restoration Programme. These beneficiaries are advised about security of tenure, issues of inheritance and drafting of a Will. The HCE workshops were also held with beneficiaries of the Ida's Valley Housing Project during 2020/21 financial year to educate them about homeownership, writing of a Will and By-laws governing properties. Housing Consumer Education workshops will be concluded for the Longlands Housing Project beneficiaries during the 2021/22 financial year.

Figure 26: Housing Consumer Education and Public Participation



e) Job Creation

Housing Administration started the roll-out of a job creation programme via the EPWP project. 25 job opportunities were created as follows:

- ✦ Thirteen (13) EPWP workers appointed to assist with cleaning of the rental units and this resulted in the decrease in complaints received from tenants as our grounds are in a neater state; and
- ✦ Twelve (12) temporary field workers were also appointed to assist with the transfer of state subsidised houses and to eradicate the historic backlog in terms of transfer of these houses. The field workers assisted with beneficiary verification processes and occupancy verification due to the fact that the properties that we are currently busy transferring are historic and have many issues which some of these is missing beneficiaries and deceased estates.

The tables below indicate the total number of employees in the housing section:

Table 141: Total employees in the Integrated Human Settlements department

Job Level*	Posts*	Employees*	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	0	0	100%
14 – 17	3	3	0	0%
9 – 13	28	14	14	50%
4 – 8	23	7	16	69.5%
3 – 0				
Total	55	24	30	54.5%

Table 142: Total employees in the New Housing department

Job Level*	Posts*	Employees*	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	1	0	0%
14 – 17	1	0	1	100%
9 – 13	3	0	3	100%
4 – 8	0	0	0	0%
3 – 0	0	0	0	0%
Total	5	1	4	80%

Table 143: Total employee in the Housing Administration

Job Level*	Posts*	Employees*	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	0	0	0	0%
14 – 17	1	1	0	0
9 – 13	12	9	3	25%
4 – 8	8	7	1	12.5%
3 – 0	9	7	2	22.20%
Total	30	24	6	20%

Table 144: Total employees in the Informal Human Settlements

Job Level*	Posts*	Employees*	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	0	0	0	0%
14 – 17	1	1	0	0%
9 – 13	6	2	4	66%
4 – 8	9	4	5	55%
3 – 0	0	0	0	0%
Total	16	7	9	56.25%

The table below indicates the capital expenditure for New Housing as at 30 June 2021:

Table 145: Capital Expenditure as at 30 June 2021: New Housing

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Enkanini Planning	3 000 000	90 000	-97%
Northern Extension: Feasibility	3 400 000	2 575 873	-24.24%
Kylemore Erf 64	992 335	-983 800	-0.86%
La Motte Old Forest Station (±430 services and ±430 units)	1 200 000	-	-100%
Kayamandi Town Centre: Planning (±700 units)	1 000 000	1 000 000	0%

Only the 5 largest capital projects are listed

New Housing spent, **55.26%** of the capital budget for the financial year.

3.10 Property Management

This Department is responsible for the management of municipal-owned land and buildings, i.e. acquisition, awarding of rights and disposal thereof, excluding any housing rental stock and housing projects. The management of office accommodation is also done by this department.

The following properties were transferred to 3rd parties, i.e. transferred from Stellenbosch Municipality(disposals):

Table 146: La Motte Transfers

Erf No.	Date Registered	Purchase Price
233	02/07/2021	R170 000
234	10/09/2020	R140 000
237	17/08/2020	R200 000
254	07/10/2020	R120 000
255	27/10/2020	R130 000
256	22/07/2020	R150 000
264	20/05/2021	R200 000
265	15/10/2020	R120 000
266	15/03/2021	R130 000
267	01/10/2020	R160 000
270	17/11/2020	R150 000
271	24/11/2020	R190 000
283	18/09/2020	R120 000

The following property was bought by Stellenbosch Municipality and was transferred to us:

Table 147: Property bought and transferred

Erf No.	Purchaser	Date Registered	Purchase Price
1852, Stellenbosch	Stellenbosch Municipality	2020-07-08	R51 360 000

The following new Lease agreements were concluded:

Table 148: Lease agreements concluded

Property Description	Lessee
Lease area 502L, Stellenbosch	Stellenbosch Flying Club
Lease area 502N, Stellenbosch	Stellenbosch District Riding Club
Portion of Rem Erf 235, Stellenbosch	Bergzicht Training Centre
Erf 3389, Stellenbosch	Historical Homes of SA
Erf 1693, Franschhoek	Franschhoek Tennis Club
Erf 2885, Franschhoek	Franschhoek Bowling Club
Portion of Rem Erf 23, Franschhoek	Franschhoek Methodist Church
Portion of Farm 1653, La Motte	La Refuge

The following property transactions were approved by Council, but not yet transferred):

Table 149: Property transactions approved by Council during 2020/21

Property Description	Purchaser
Erf 758 Kaya Mandi	The United Methodist Church of SA
Erf 718, Kaya Mandi	PGWC (clinic)
Portion of Farm Rem Farm 502, Stellenbosch	PGWC (Aeronautical School)
Portion of Farm 1653, La Motte	PGWC(School)
Portion of Erf 342, and Remainder Erf 1331 Klapmuts	PGWC (clinic)
Erf 1523, Kaya Mandi	Seventh Day Adventist Church
Erven 4810,4811 and 3648, Onder-Papegaaiberg, Stellenbosch	To be confirmed

A new draft policy for the management of encroachments was compiled, but still needs to be considered by Council.

Municipal Buildings Maintenance and Project Management

This department is also responsible for the maintenance of all Council-owned buildings and the construction / project management of all upgrading and or new facilities. Some of the highlights of the past financial year include the following:

- ✦ Completion of phase three of Cloeteville Flats (multi-year project valued at R10.8m);
- ✦ New public ablution facilities in Franschhoek;
- ✦ New sport Clubhouse in La Motte;
- ✦ Upgrade of Cloeteville Hall;
- ✦ Upgrade of Stellenbosch Townhall Kitchen and Bar Area;
- ✦ Hard and Soft landscaping at Klapmuts MPC; and
- ✦ Various fencing projects.

The planning phase of the following projects were finalised or started with:

- ✦ Redevelopment of ex Kleine Libertas precinct;

- ‡ Stellenbosch Traffic Offices;
- ‡ Upgrade / conversion of residential unit into office space in Simonsbergweg / Stellenbosch;
- ‡ Upgrade of Kayamandi Corridor;
- ‡ Upgrading of Kayamandi Library;
- ‡ Upgrading of various heritage buildings, incl. Voorgelegen, Rhenish Complex and Bergzicht buildings;
- ‡ Upgrading of Makapula Hall;
- ‡ Upgrading of van der Stel Complex;
- ‡ Structural Upgrade to Jamestown Ward Office / Library;
- ‡ Structural Upgrade Ida's Valley Pavilion;
- ‡ Structural Upgrade Raithby Pavilion; and
- ‡ Structural Upgrade Franschoek Municipal Depot.

Various projects / acquisitions were processed under the following term tenders:

- ‡ Furniture, Tools and Equipment;
- ‡ Hygienic Services;
- ‡ Fencing;
- ‡ Maintenance and Replacement of air conditioners;
- ‡ Maintenance of Lifts; and
- ‡ Pest Control.

The following term tenders were awarded:

- ‡ New Term tender for the rental of indoor plants; and
- ‡ New Term tender Furniture, Tools and Equipment.

Table 150: Service Data Statistics – Property Management

Details	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Encroachment Agreements: New	23	22	16	2	0	0
Encroachment Agreements: Renewals	7	5	0	0	0	0
Lease Agreements: New	4	1	0	1	1	1
Lease Agreements: Renewals	-	2	2	0	1	8
Sales Agreements	2	3	0	0	3	7
Servitudes	29	-	-	5	2	1

The table below indicates the capital expenditure for Property Management and Building Maintenance Section as at 30 June 2021:

Table 151: Capital Expenditure as at 30 June 2021: Property Management and Building Maintenance

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Purchasing of land	46 960 585	46 224 000	-1.57%
La Motte Clubhouse	3 050 000	3 050 000	0%
Upgrading of Traffic Offices: Stellenbosch	2 848 787	2 205 424	-22.58%
Upgrading of Eike Town Hall	2 735 187	2 732 955	-0.08%
Structural Improvement: General	2 397 244	1 766 295	-26.32%
<i>Only the 5 largest capital projects are listed</i>			

Property Management have spent, **93.94%** of the capital budget for the financial year.

The table below indicates the total number of employees in the Property Management and Building Maintenance Section:

Table 152: Total number of employees in the Property Management and Building Maintenance Section

Job Level*	Posts*	Employees*	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
		Number		
18 – 22	1	1	0	0%
14 – 17	0	0	0	100%
9 – 13	12	7	5	41.6%
4 – 8	13	7	6	46.1%
3 – 0	1	1	0	0%
Total	27	16	11	40.7%

3.11 Free Basic Services and Indigent Support

Access to Free Basic Services

The following table indicates the percentage of average registered indigent households that have access to free basic municipal services. The total indigent households exclude all informal households and include formal households that have been registered as indigent households. The total i.t.o. free basic electricity includes only indigent households claiming 100 kWh from the Stellenbosch Municipality. It also does not include the totals where the electricity distribution is conducted by ESKOM.

In accordance with the approved indigent policy of the municipality, all households earning less than R6 500 per month will receive the free basic services as prescribed by national policy and in terms of Stellenbosch Municipality's Indigent Policy.

The table below indicates the number of HH receiving free basic services:

Table 153: Access to Free Basic Services

Year	Number of Households								
	Total no. of HH	Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse Removal	
		Access	%	Access	%	Access	%	Access	%
2018/19	52 374*	6 813	13.01	6 813	13.01	4 833	9.23	6 813	13.01
2019/20	52 374*	7 012	13.38	7 012	13.38	4 932**	9.42	7 012	13.38
2020/21	52 374*	7 283	100%	7 283	100%	5 189	100%	7 283	100%

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

Services subsidised are:

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

Free Basic Services per basic service

The provision of free basic services is summarised in the tables below:

Table 154: Free basic electricity to indigent HH

Electricity			
Financial year	Indigent Households		
	No. of HH	Unit per HH (kwh)	Value R'000
2017/18	6 453	100	6 216
2018/19	6 813	100	8 415
2019/20	4932**	100	6 888
2020/21	5 198	100	7 711

*Average for the year
**Only Indigent consumers who claimed free units

Table 155: Free basic water services to indigent HH

Water			
Financial year	Indigent Households		
	No. of HH	Unit per HH (kl)	Value R'000
2013/14	5 095*	6	2 949
2014/15	5 757	6	4 783
2015/16	6 486	10	7 760
2016/17	5 686	10	7 280
2017/18	6 453	10	2 391
2018/19	6 813	6	2 634
2019/20	6 666	6	2 741
2020/21	7 283	6	3 178

*Average for the year

Table 156: Free basic sanitation to indigent HH

Sanitation			
Financial year	Indigent Households		
	No. of HH	Service per HH per week	Value R'000
2017/18	6 453	102.98	8 330
2018/19	6 813	112.25	9 177
2019/20	6 666	135.99	9 518
2020/21	7 283	145.73	11 075

*Average for the year

Table 157: Free basic refuse removal services to indigent

Refuse Removal			
Financial year	Indigent Households		
	No. of HH	Service per HH per week	Value R'000
2017/18	6 453	1	8 662
2018/19	6 813	1	9 543
2019/20	6 666	1	10 878
2020/21	7 283	1	17 926
*Average for the year			

COMPONENT B: ROADS, TRANSPORT AND STORMWATER

3.12 Roads

This component includes: roads, transport, traffic engineering and wastewater (stormwater drainage).

a) Transportation Planning and Traffic Engineering

The municipality has compiled its Draft Non-Motorised Transport (NMT) Master Plan and Policy. The Draft NMT Master Plan and Policy is a review consolidation, and update of the NMT policy and masterplans which were compiled in 2015.

The NMT Master Plan and Policy strives to promote and encourage alternative modes of transport such as walking and cycling. The aim of the NMT Master Plan and Policy is to analyse the capacity of current network, identify current and future NMT needs, and recommend improvements that will ensure an effective NMT network.

The NMT Master Plan and Policy further strives to position NMT as a consistent long-term municipal priority. The strategic objective and implementation plan are the implementation of a coherent, logical and integrated NMT network for Stellenbosch by 2024.

The 2019 – 2020 update of the 2016 Comprehensive Integrated Transport Plan (CITP) has also been compiled. The 2019/20 update considers recent amendments to the SDF and proposes more effective approaches to improving transport, including public transport, freight and NMT within Stellenbosch.

The main road networks through Stellenbosch currently operate at capacity and at times beyond capacity, resulting in traffic congestion. Analysis on the road networks and assessments of the public transport operations and facilities are periodically carried out to identify shortcomings and opportunities for improvements. The municipality has compiled its Draft Road Master Plan (RMP), the aim of the RMP is to analyse the capacity of the current network, to identify current and future needs and to recommend infrastructure improvements that will aid in establishing an effective road network.

Stellenbosch Municipality, in collaboration with Stellenbosch University, continues with research and development to establish a real-time traffic signal control system for Stellenbosch. This research project will assist in addressing everyday congestion through the application of Smart Transportation technology namely Traffic-Adaptive-Signal-Control (TASC). TASC refers to the real-time control of signalised intersections and enables the real-time adjustment of traffic signal timing in order to increase vehicle flows through intersection and thereby reducing congestion.

b) Road Construction and Intersection Upgrades

To reduce the effects of congestion, improve traffic flow and increase traffic safety at intersections within Stellenbosch, various intersections were upgraded by the municipality through the intersection improvement programme that had commenced about 8 years ago.

The following has been completed in the 2020/21 financial year:

- ‡ The modification of the R44 / Paradyskloof intersection and extension of Skuilplaats Road to Trumali Road; and
- ‡ The upgrading of Technopark Intersection with R44 and the Technopark Access Road.

The following Roads and Intersection Upgrades at the construction phase at the end of the 2020/21 financial year:

- ‡ Upgrading of the R44 / Helshoogte Intersection;
- ‡ Upgrading of the Oude Libertas Road and Adam Tass Road Intersection;
- ‡ Upgrading of Vredenderg Road and Adam Tas Road Intersection; and
- ‡ Realignment of Devon Valley Road and upgrading Devon Valley and Adam Tas Road Intersection.

c) Gravel Road Upgrading to Asphalt Surface Standards

The municipality had previously commenced with a gravel Road Upgrading Programme where gravel roads in the municipality's residential settlements are being upgraded to permanent asphalt standards. In the previous financial year gravel roads were upgraded in the Wemmershoek and La Motte residential settlements. During 2020/21 financial year, the municipality has completed the upgrading of the following roads in Franschhoek:

- ‡ Pepler;
- ‡ Haumann;
- ‡ Naude;
- ‡ Louis Botha; and
- ‡ Cabriere.

d) Non-Motorised Transport (NMT)

In line with our NMT Master Plan, NMT Infrastructure is annually rolled out and implemented to ensure continuous expansion of the NMT Network. During the 2019/20 financial year, sidewalks have been constructed in the following areas, namely Stellenbosch CDB and Noordwal Oos Street, Paradyskloof, Ida's Valley and Onder-Papagaaiberg. During the 2020/21 financial year NMT facilities were constructed at the following areas:

- ‡ R44 non-motorised transport (NMT) facility linking Blaauklippen and Jamestown;
- ‡ Cloeteville: Waaiepalm Street, Kloof Street, Crombi Road and Last Road;
- ‡ Ida's Valley: Davy's Street and Old Helshoogte Road;
- ‡ Pniël: Silwermyl Street;
- ‡ Stellenbosch CBD: Noordwal Wes Road and Louw Street; and
- ‡ Stellenbosch: Merriman Ave.

e) Public Transport

To facilitate and improve local public transport services, the municipality had commissioned the construction of a new Taxi rank in Groendal Franshoek, and the upgrading of existing taxi ranks in Kayamandi and Klapmuts.

The following taxi rank had been completed in the 2020/21 financial year:

‡ Klapmuts Taxi Rank.

The following taxi ranks are at the final stages of the construction phase, at the end of the 2020/21 financial year:

‡ Groendal Taxi Rank; and

‡ Kayamandi Taxi Rank.

f) Stormwater

The municipality's Stormwater Master Plan was updated in a previous financial year. Improvements as identified in the Master Plan are implemented annually, and the system is periodically maintained to ensure preparedness for the winter season.

The municipality's By-Law on Stormwater was promulgated in May 2021. The By-Law on Stormwater regulates stormwater systems in built-up areas and regulates activities which may have a detrimental effect on the development, operation or maintenance of the stormwater system.

The By-Law also aims to improve the management of stormwater systems by reducing the probability and impacts of flooding, protecting natural aquatic environments and maintaining acceptable water quality within the system.

g) Bridges

Planning for the reconstruction of the Distillery Road Bridge in Bosmans crossing, Stellenbosch had commenced in the previous financial year. The Distillery Road Bridge is the only access road into Bosman's Crossing, a small mixed development area within Stellenbosch comprising of various commercial developments and apartment complexes. Designs for the bridge are complete, and all necessary approvals for the reconstruction of the bridge have been attained. The procurement process for the appointment of a contractor had commenced towards the end of the financial year.

Planning and design had previously commenced for the construction of a pedestrian bridge that would link Kayamandi with Cloetesville. The proposed bridge would create a safe passage for pedestrians between the two communities, crossing the R304, the railway line and the Plankenbrug River. Designs for the bridge is complete and necessary approvals for the construction of the pedestrian bridge have been attained. Implementation will commence once project prioritisation and procurement processes (for the appointment of a contractor), have be concluded.

3.12.1 Roads Statistics

The following graphs give an overview of the total kilometres of roads maintained and new roads tarred: *Tarred (Asphalted) Roads*.

Figure 27: Tarred Roads

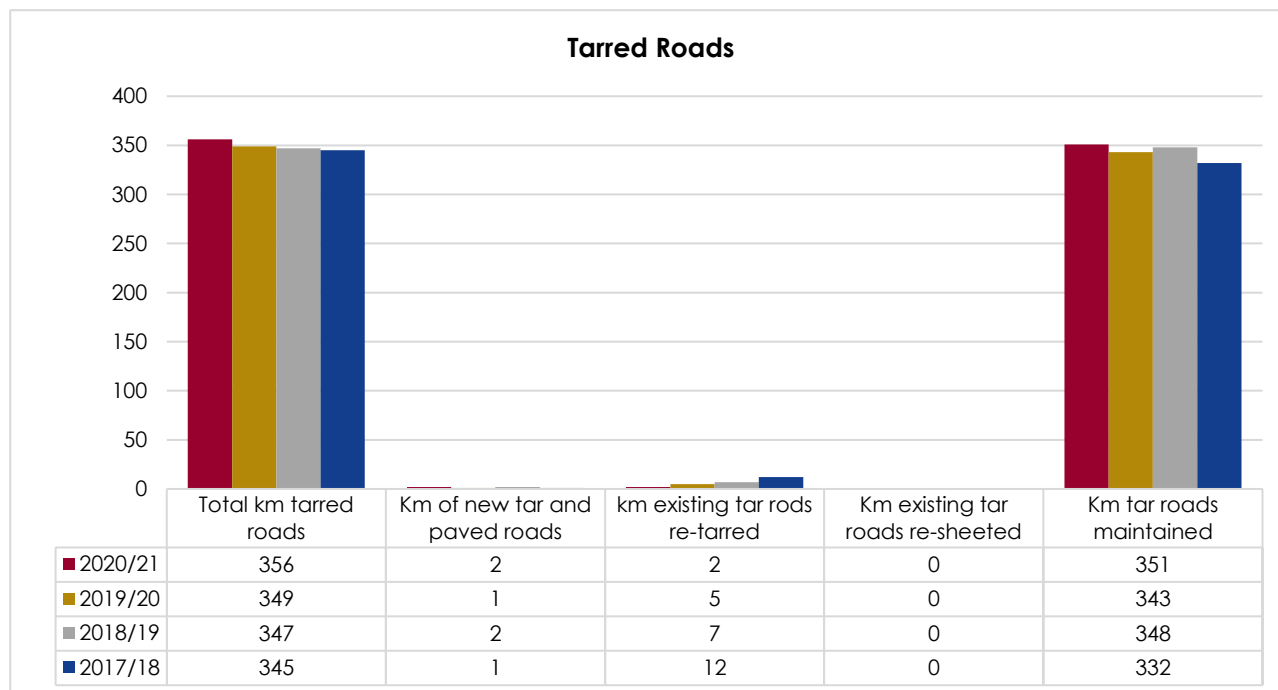
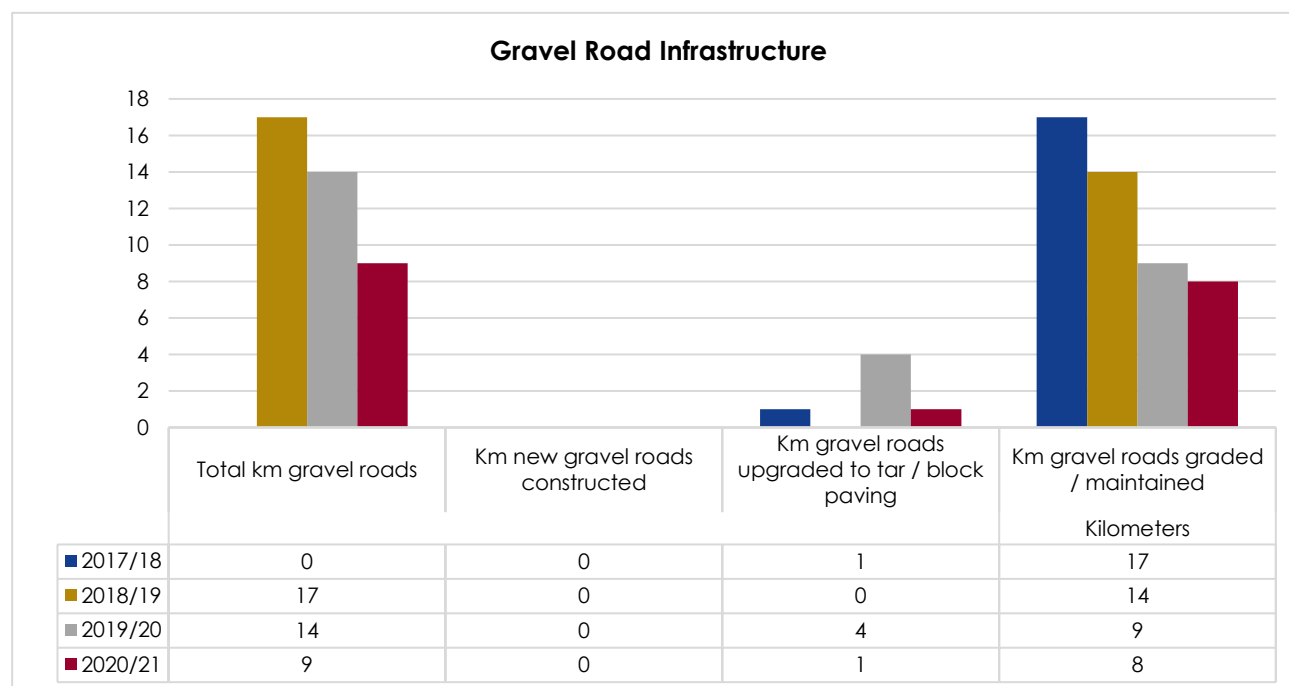


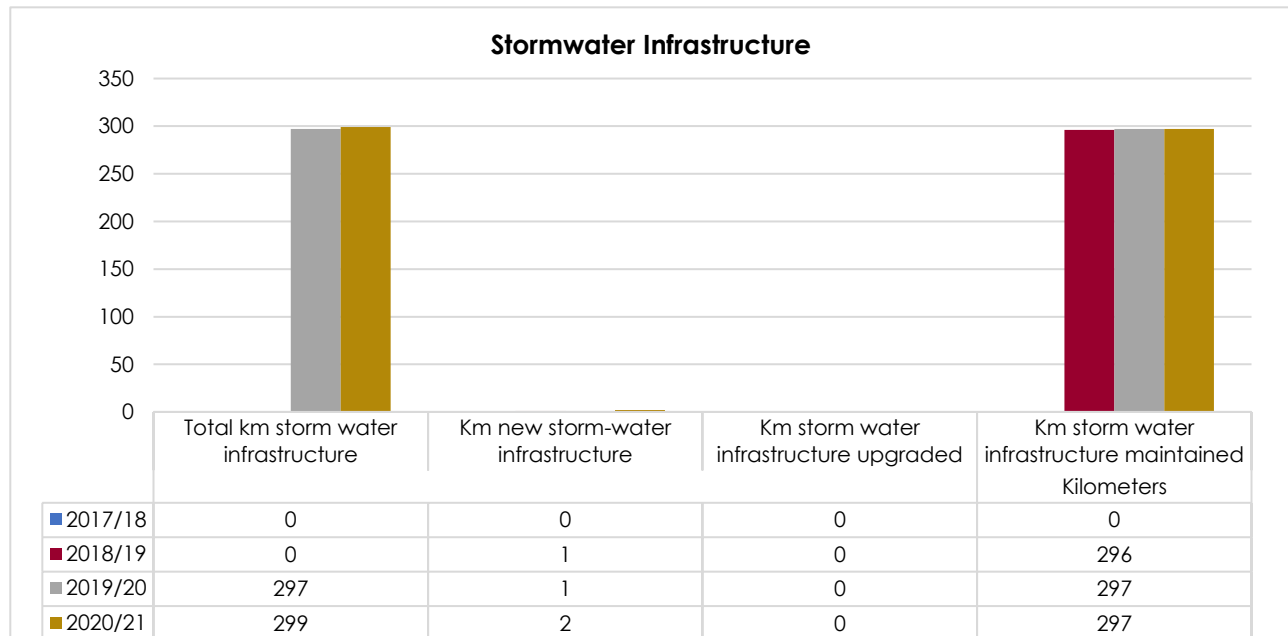
Figure 28: Gravel road infrastructure



3.12.2 Stormwater Infrastructure

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

Figure 29: Stormwater Infrastructure



The table below indicates the capital expenditure for Roads and Transport / Stormwater services as at 30 June 2021:

Table 158: Capital Expenditure as at 30 June 2021: RTS

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Adhoc Reconstruction of Roads (WC024)	15 755 412	15 519 995	-1.49%
Schuilplaats Road Link	4 077 911	4 063 368	-0.36%
Specialised Vehicles	2 013 225	2 013 225	0%
Bridge Rehabilitation	3 102 451	3 102 447	0%
Reseal Roads - Stellenbosch and Surrounding	2 178 000	2 178 000	0
<i>Only the 5 largest capital projects are listed</i>			

Roads and Stormwater spent **95.61%** of the capital budget for the financial year.

The table below indicates the total number of employees in the roads and transport section:

Table 159: Total number of employees in the roads and transport section

Job Level*	Posts*	Employees*	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	1	0	0%
14 – 17	3	3	0	0%
9 – 13	34	19	15	44.1%
4 – 8	28	16	12	42.8%
3 – 0	91	63	28	30%
Total	157	102	55	35.0%

3.13 Development Services and Project Management Development Services, Asset Management and Systems and Project Management Unit (PMU)

The Development Services, Asset Management and Systems and Project Management Unit (PMU) is the department responsible for Technical Information Management, Asset Management, Wayleave Management, Development Services and Project / Programme Management in the Directorate: Infrastructure Services.

During the 2020/21 financial year, the department successfully facilitated the adoption of eight Asset Management Improvement projects over the medium term (i.e. 3-5 years) as indicated in the Asset Management Maturity Assessment performed in the previous financial year. The department continued to provide operational services in terms of wayleave applications, building plan assessments, land use applications and project management.

3.13.1 Project Management Unit (PMU)

Over the 2020/21 financial year, the PMU managed a capital expenditure budget of R29.2M (of which R14.4M was Human Settlements Grant funding). Multi-year projects included Basic Improvements:

- ✚ Langrug, Ida's Valley IRDP / FLISP;
- ✚ Kayamandi: Zone O (±711 services);
- ✚ Klapmuts TRA (298 Nutec Structures);
- ✚ Klapmuts: Erf 2181 (298 serviced sites);
- ✚ Longlands Vlottenburg (±144 Services and ±144 units);
- ✚ Smartie Town, upgrading of The Steps / Orleans Lounge; and
- ✚ Watergang Farm upgrading.

The Project Management Unit also renders assistance to other municipal departments to implement their projects. The PMU department is currently assisting departments with the following capital projects:

- ✚ Roll out of optical fibre – Roads and Stormwater Department;
- ✚ La Terra substation – Electrical Services Department;
- ✚ Taxi rank: Franschhoek – Transport Planning and Public Transport;
- ✚ Taxi rank: Kayamandi – Transport Planning and Public Transport;
- ✚ Taxi rank: Klapmuts – Transport Planning and Public Transport;

- ‡ Jamestown Cemeteries – Community and Protection Services; and
- ‡ Integrated National Electrification Programme – Electrical Services Department.

The PMU is also responsible for the administration of the Integrated Urban Development Grant. The Integrated Urban Development Framework (IUDF) marks a new deal for South Africa's cities and towns. It sets a policy framework to guide the development of inclusive, resilient and liveable urban settlements while addressing the unique conditions and challenges facing South Africa's cities and towns. The key outcome of the IUDF is spatial transformation and to create a growth model of compact, connected and coordinated cities and towns.

Within the IUDF's Intermediate City Municipality (ICM) programme, which targets 39 municipalities, support is provided for the municipalities in the middle size and density range of the continuum. The purpose of the ICMs support strategy is to help translate IUDF policy into practical programmes of action in the ICMs. Stellenbosch Municipality again achieved 100% IUDG expenditure (an allocation of R46 906 000 for the 2020/21 financial year).

3.13.2 Asset Management and Systems

Maximising municipal infrastructure management supports the current Strategic Focus Areas as well. Foremost is in Strategic Focus Area 5: Good Governance and Compliance. As the 13th largest economy nationally, the greater Stellenbosch area and municipality is a significant seat of power and deliverer of services. Deciding what to do, when, where, and whose benefit it is the difficult task that infrastructure asset management addresses. Enhanced infrastructure capabilities also augment the achievement of the other four Strategic Focus Areas, i.e. 1: Valley of Possibility, 2: Green and Sustainable Valley, 3: Safe Valley and 4: Dignified Living.

A sound financial basis is central to implementing any strategy. The greater Stellenbosch area is no exception. In order to deliver on the needs of its citizens, the municipality is required to manage revenue streams sustainably. It also needs to ensure that funds available are utilised for identified projects that have been correctly prioritised, and that value for money is achieved. The range of services to be provided is vast in scope, and citizens and enterprises' needs vary significantly. Given the depth of need in many communities and limited resources, tough choices have to be made. An Enterprise Asset Management System will deliver the information that will aid this type of decision making.

As such, Stellenbosch Municipality is positioning itself to adopt an Enterprise Asset Management System, i.e. Cityworks which is built exclusively on Esri's ArcGIS technology. The Cityworks web GIS-centric platform can help to streamline the care and maintenance of infrastructure assets. Using the ArcGIS geodatabase as the authoritative system of record, Cityworks can leverage the inherent power of GIS through spatial analysis of work activities and mobile field operations. Cityworks and ArcGIS together offer a system of record, a system of engagement, and a system of insight for asset management. Additionally, once asset data is verified and established as correct, Stellenbosch Municipality can begin to understand their infrastructure's health. Cityworks would assist the municipality in identifying and prioritising risk, preparing for emergency events, and gaining new operational insights.

This will only be possible through the result of improvements it has to make to its asset management practices. The municipality is building on its sound performance in financial asset management to establish, in particular, improved physical asset management (that focusses on infrastructure-based service delivery) and is in line with recognised good industry practice; the integration of these two domains. These AM improvement projects have been endorsed by the MM and Directors over the

medium term (i.e. 3-5 years) as was indicated in the Asset Management Maturity Assessment performed in the previous financial year.

Wayleave Management also falls under this section. The collective value of services infrastructure contained within the Public Road Reserve and the road itself amounts to a considerable value. This infrastructure needs to be maintained, periodically rehabilitated and replaced from time to time. Such activities can result in considerable delays, inconvenience, danger and additional costs to the road users and municipality itself if not well planned and coordinated. This activity is coordinated through the wayleave management function.

Unfortunately, most of the posts in this function remain vacant. This function is performed by staff seconded partially or entirely from within the Department – regardless, 89% of applications received during the 2020/21 financial year were processed (compared with 62% of applications in 2019/20 financial year).

The monthly and annual applications are summarised the table below, Wayleave Applications.

Table 160: Wayleave Applications

Activity	2020/21												Total
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Wayleave Applications - Received	15	18	19	20	32	2	23	24	27	15	32	13	240
Wayleave Applications - Commented on	28	10	25	15	10	11	6	23	36	13	27	9	213
% completion to date:													88.8 %

3.13.3 Development Services

The *Manager: Development Services* comments on behalf of the Directorate: Infrastructure Services on all land-use applications, submitted to Council in terms of the Stellenbosch Land-Use Planning Bylaw of 2015. Land-use applications include land-use changes such as rezonings, subdivisions, consent uses, increase in bulk and departures and normally leads to further development of a property.

The approval of proposed land-use changes is evaluated in terms of the availability of bulk services. Should Council be in a position to supply such services, an application can be supported. If not, then an application for a land-use change will not be supported by the Directorate: Infrastructure Services. Thus, any planned development will be brought under the attention of Development Services section by Town Planning to determine if bulk services will be available and if not, by when the budget will allow for such bulk infrastructure to be implemented.

The Section: Development Services is also responsible to co-ordinate and approve the final handover of newly serviced stands through the approval of engineering services clearance certificates.

The figures for the different Land Use Applications for the 2020/21 financial year are outlined in the below.

Table 161: Land-use Applications

Activity	2020/21												Total
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Building Plans- Received	74	56	100	95	75	52	15	73	26	38	49	89	742
Building Plans- Commented on by due date	52	34	53	41	50	28	5	44	23	11	39	51	431
Land-use Applications - Received	15	31	23	29	20	25	4	8	11	11	5	12	194
Land-use Applications - Commented on by due date	7	21	13	10	7	10	0	6	7	4	4	9	98
DCs received for completed developments	Excluding VAT - R9.4m												
Total of aforementioned requests received													936
Total of aforementioned requests commented on													529
% completion by due date:													56.5 %

Additionally, Development Charges or DCs are calculated by this Department and set as a development condition for new developments. Social and economic development has a positive impact on the municipality's finances as it increases revenue from property rates, fees, service charges and tariffs by expanding the base of ratepayers. However, development associated with this economic growth impacts the demand for municipal infrastructure services as well as social infrastructure services such as clinics, schools and other public amenities. Therefore, infrastructure is needed to support sustainable social and economic development in Stellenbosch.

Development charges are a more targeted and more fair way of ensuring that the primary beneficiaries of infrastructure make an appropriate and fair contribution to that cost, without unduly burdening the municipality's ratepayers. Development Charges are thus an important form of capital contribution raised by the municipality to pay for infrastructure upgrades required in support of new developments. This section thus also performs a project management function by ensuring that developer-created infrastructure is completed according to the municipality's Engineering standards and guidelines.

A summary of the annual DCs management in 2020/21 is:

- ‡ DCs Calculated: R45.3M;
- ‡ DCs received by the municipality: R9.4M;
- ‡ Assets created in lieu of DCs: R6.8M; and
- ‡ Total value created for the municipality in 2020/21: R16,2M.

COMPONENT C: PLANNING AND DEVELOPMENT

3.14 Town- and Spatial Planning

a) Stellenbosch and an appropriate approach to spatial development and management

The Municipal Spatial development framework is a core component of, and part of the Integrated Development Plan as stipulated in Section 26(e) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) and Section 20(2) of the Spatial Planning and Land Use Management Act, 2013 (Act No. 16 of 2013). The spatial planning system in the Republic of South Africa consists of the following components:

- ‡ Spatial development frameworks to be prepared and adopted by national, provincial and municipal spheres of government;
- ‡ Development principles, norms and standards that must guide spatial planning, land use management and land development;
- ‡ The management and facilitation of land use through the mechanisms of land use schemes, i.e. zoning scheme bylaws; and
- ‡ Procedures and processes for the preparation, submission and consideration of land development applications and related process.

Section 8 of SPLUMA stipulate that the norms and standards must, amongst others:

- ‡ Promote social inclusion, spatial equity, desirable settlement patterns, rural revitalisation, urban regeneration and sustainable development;
- ‡ Ensure that land development and land use management processes, including applications, procedures and timeframes are efficient and effective;
- ‡ Include: -
 - (i) A report on and on analysis of existing land use patterns;
 - (ii) A framework for desired land use patterns;
 - (iii) Existing and future land use plans, programmes and projects relative to key sectors of the economy; and
 - (iv) Mechanisms for identifying strategically located vacant or under-utilised land and for providing access to, and the use of land.

Based on the above it is clear that the Municipal SDF is not just mostly a technical document, but in fact the strategic spatial representation of the IDP, and also must determine a capital expenditure framework ("CEF") for the municipality's development programmes, depicted spatially. The Municipal SDF "as part of" and "a core component of" the IDP further "*must include sectoral requirements, including budgets and resources for implementation*", thereby guiding the municipal infrastructure and development budget. We present the critical underlying narrative here and argue that adhering to it, through numerous individual actions and decisions – across sectors of society – is at the core of managing development and land use in Stellenbosch better, at the heart of a better future for all.

"Stellenbosch Municipality is a special place; all of it ... its various settlements, its nature areas, farms, education institutions, its innovative corporations, small businesses, its places to visit, its places to live, its festivals, its history ... its people. In terms of its space – activities in space, landscapes, urban places, streets, and buildings – Stellenbosch Municipality continue to impress and bring opportunity, joy, and contentment; in different ways, to visitors and residents alike. Many would love to live here, work here, or visit more often. Stellenbosch Municipality has been judged as a place of high opportunity.

Numerous factors combine to a recognition that this place can contribute more to growing societal needs, in its region, and our country. If one lives here, the chances are that you can make a good livelihood. Stellenbosch Municipality is truly a place of opportunity.

Many who live within the municipal area do not have adequate shelter, or the opportunity to work. Many study here, but cannot enjoy university life to its full extent, because there is limited residential opportunity for students. Then again, many struggle in traffic every day, on congested roads, wasting time and money for fuel, even if privileged enough to own a private vehicle.

Stellenbosch Municipality's challenges increasingly impact on all, albeit in different ways. Citizens respond to challenges differently. Many owners of agricultural land have indicated a desire to develop their land for other, predominantly urban activities. These thoughts already involve a large land area, comparable to the size of Stellenbosch town. Others, tired of waiting for a housing opportunity here or elsewhere – and government support – invade land, staking a claim, the right to a place to live, on virgin land, even if the land is not suitable for development because of its agricultural and / or environmental value, is prone to risk, or allocated to someone else. Some, with the necessary material means, elect to close themselves off, to obtain a place to live in gated communities, secure from perceived threat to body and property.

The Stellenbosch Municipal Area grows, both naturally, and because more people are attracted here. Those drawn include the poor, middle- to higher income groups, and large corporations. Stellenbosch Municipality has a special quality of accommodating hope, good opportunities, and a better life; the perception is that your needs can be met faster, your children can get access to a school promptly, or, your journey to work will be less cumbersome.

In terms of how we manage development and space, we know what direction to take. We know that we should adopt a more precautionary approach to nature and agricultural land, we know that we should contain and compact settlements, we know that we should provide more choice in shelter and housing opportunity, and that we should focus on public and non-motorised transport.

This knowledge is also embedded in policy, from global conventions to national, provincial and local frameworks, including the Stellenbosch Municipal Integrated Development Plan that include the Stellenbosch Municipality Spatial Development Framework, 2019, the legal plan which directs the municipal budget and resource allocation. It requires new ways of thinking, acting, living and doing. Higher densities, leaving the car, more interaction between groups of society sharing public space, more partnership in unlocking development opportunity, and so on.

The potential of Klappmuts to accommodate enterprises, dependent on good intra- and inter-regional logistic networks is acknowledged. Landowners realise that overcoming the resource constraints, infrastructure constraints, and the cross-subsidisation required for more inclusive development – the extent of energy needed – necessitates joint work, joint planning, and implementation of a scale and nature not yet experienced in Stellenbosch. Corporations realise that they have broader responsibility – not only in contributing to good causes concerning nature, education, or the arts, but in actively constructing better living environments. We realise that we have to forge, establish and maintain active working partnerships to make our towns better. We also have the benefit of history. In times past, we have, as Stellenbosch Municipality, changed our destiny, did things for the better. Starting with an individual idea, a thought, often through an individual, great things were done. With such ideas and actions, the town established a university, saved historic buildings and places, launched cultural celebrations with broad reach, safeguarded unique nature areas, provided families with homes, begun corporations with global reach. When a fire destroyed

homes, they were rebuilt promptly with collective energy and purpose. When children needed schooling, and government could not provide, some established schools.

Often, these initiatives started outside of government, albeit assisted by the government. They were started by those who thought beyond current challenges, without necessarily being able to project outcomes over time in full. They just understood that one step might lead to another. Not all the technical detail was resolved, not everything understood in its entirety. They merely acted in terms of core principles. As matters unfolded and new challenges emerged, the principles guided them.

The *Municipal Spatial Development Framework, 2019* recognises that the spatial decisions and actions of many make what settlements are. It asks us to understand that plans cannot do everything, predict everything. It asks all to consider action with a few core beliefs, principles, or concepts, geared towards the common good.

b) Specifically, it asks us to consider seven principles:

1. First, maintain and grow the assets of Stellenbosch Municipality's natural environment and farming areas.

Humanity depends on nature for physical and spiritual sustenance, livelihoods, and survival. Ecosystems provide numerous benefits or ecosystem services that underpin economic development and support human well-being. They include provisioning services such as food, freshwater, and fuel as well as an array of regulating services such as water purification, pollination, and climate regulation. Healthy ecosystems are a prerequisite to sustaining economic development and mitigating and adapting to climate change. The plan provides for activities enabling access to nature and for diversifying farm income in a manner which does not detract from the functionality and integrity of nature and farming areas and landscapes.

2. Second, respect and grow our cultural heritage, the legacy of physical artefacts and intangible attributes of society inherited from past generations maintained in the present and preserved for the benefit of future generations.

Cultural heritage underpins aspects of the economy and differentiates places. Culture is a dynamic construct; forever emerging in response to new challenges, new interactions and opportunity, and new interpretations. Spatially, we must organise Stellenbosch in a manner which also sets the stage for new expressions of culture.

3. Third, within developable areas – areas not set aside for limited development owing to its natural or cultural significance – allow future opportunity to build on existing infrastructure investment, on the opportunity inherent in these systems when reconfigured, augmented or expanded.

Infrastructure represents significant public investment over generations, not readily replicated over the short term. It represents substantial assets for enabling individual and communal development opportunity of different kinds. From a spatial perspective, movement systems are particularly significant. Elements of the movement system, and how they interconnect, have a fundamental impact on accessibility, and therefore economic and social opportunity. Specifically, important is places of intersection between movement systems – places which focus human energy, where movement flows merge – and where people on foot can readily engage with public transport.

4. Fourth, clarify and respect the different roles and potentials of existing settlements.

All settlements are not the same. Some are large, supported by significant economic and social infrastructure, offer a range of opportunity, and can accommodate growth and change. Others are small and the chance to provide for growth or change is minimal. Generally, the potential of settlements to help change and growth relates directly to their relationship with natural assets, cultural assets, and infrastructure. We must accommodate change and growth where existing assets will be impacted on the least or lend itself to generating new opportunity.

5. Fifth, address human needs – for housing, infrastructure, and facilities – clearly in terms of the constraints and opportunity related to natural assets, cultural assets, infrastructure, and the role of settlements.

We must meet human need in areas where the assets of nature will not be degraded, where cultural assets can be best respected and expanded, and where current infrastructure and settlement agglomeration offers the greatest opportunity. Generally, we can help human need in two ways. The first is through infill and redevelopment of existing settled areas. The second is through new green-field development. We need to focus on both while restricting the spatial footprint of settlements outside existing urban areas as far as possible.

6. Sixth, pursue balanced communities. All settlements should be balanced.

That means they should provide for all groups, and dependent on size, a range of services and opportunities for residents. It also says they should provide for walking and cycling, not only cars.

7. Finally, focus energy on a few catalytic areas that offer extensive opportunity and address present risk.

Planning cannot attempt to treat all areas equally. Some areas offer more opportunity for more people than others. We need to focus on the areas and actions where a significant number of people will benefit, where we will meet their needs. There is also a need to focus on areas of 'deep' need, notwithstanding location, where limited opportunity poses a risk to livelihoods. Some informal settlements and poorer areas may not be located to offer the best chance for inhabitants, yet services need to be provided and maintained here. However, significant new development should not occur in these places, exacerbating undesirable impacts or further limiting the opportunity for people to pursue sustainable livelihoods. Spatial plans are 'partial' frameworks for action. They deal with space. Command of space is not enough to develop or manage a settlement in the interest of all. Each spatial principle, each concept, requires parallel actions in other sectors, including how we form institutions for execution, how we transport people, how we fund things, where we focus resources, and so on. The spatial principles must help us to think through these implications, action by action, decision by decision."

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

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

- ‡ The measures required to ensure that settlements provide for a range of housing types and income groups (in a balanced manner);
- ‡ Establishing regular public transport services between settlements, including services between

the expanded smaller settlements and Stellenbosch town; and

- ✦ Understanding to what extent settlements can provide local employment, in this way minimising the need for transport to other settlements.

d) Other local planning initiatives

Ideally, each of the settlements in SM should have a LSDF, applying the principles of the MSDF in more detail. The priority for LSDFs should be determined by the position and role of settlements in the SM settlement hierarchy, but should start with the Adam Tas Corridor Development Area and Klappmuts.

e) Institutional Arrangements

The SM has limited staffing resources within the Directorate: Planning and Economic Development, which include the departments of Development Management (Land Use Management and Building Development Management); Development Planning (Spatial Planning, Economic Development and Tourism, Development Information ("GIS") and Heritage Resource Management) and Integrated Human Settlements (Housing Development, Informal Settlements and Housing Administration) SM have appointed two (2) Senior Managers in the position for Development Management and Development Planning, and the position of the Senior Manager: Integrated Human Settlements is an unfunded post and remains vacant. Work occurs within the framework set by annually approved Service Delivery and Budget Implementation Plans (aligned with the IDP), decision-making processes and procedures set by Council, and a suite of legislation and regulations guiding spatial planning, land use management, and environmental management (including SPLUMA, LUPA, and the National Environmental Management Act).

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

- ✦ The extent to which the main argument and strategies of the MSDF are incorporated into annual reports, annual IDP reviews, future municipal IDPs, and so on;
- ✦ The annual review of the MSDF as part of the IDP review process;
- ✦ The extent to which the main argument and strategies of the MSDF inform sector planning and resource allocation;
- ✦ The extent to which the main argument and strategies of the MSDF inform land use management decision-making;
- ✦ Alignment with and progress in implementing the municipality's Human Settlement Plan and Comprehensive Integrated Transport Plan; and
- ✦ The mutual responsiveness of the *m*SDF and national, provincial and regional plans, programmes and actions (including the extent to which MSDF implementation can benefit from national and provincial programmes and funding). Over and above institutional arrangements in place, it appears that two aspects require specific focus in support of the MSDF.

f) Inter-municipal planning

The first relates to inter-municipal planning. As indicated elsewhere in the MSDF, SM (and other adjoining municipalities) appears to experience increasing challenges related to development pressure in Cape Town. This pressure is of different kinds. The first is pressure on the agricultural edges of Stellenbosch Municipality through residential expansion within Cape Town. The second is migration to SM (whether in the form of corporate decentralisation, or both higher and lower income home seekers), leading to pressure on available resources, service capacity, and land within and around the settlements of SM. While municipal planners do liaise on matters of common concern, there

appears to be a need for greater high-level agreement on spatial planning for “both sides” of municipal boundaries. The spatial implications of pressure related to migration to SM could be managed locally, should there be agreement to redevelop existing settlement footprints rather than enabling further greenfields development (as a general rule).

However, the municipality’s increased resource needs to accommodate new growth – a non-spatial issue – should be acknowledged and addressed.

g) Private sector joint planning

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

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

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

h) Land Use Management

Continually ensure timeous consideration of land-use applications in order to streamline development processes. Municipality to strengthen integrated development planning, spatial planning and economic planning. The Department: Development Management has made significant strides in addressing and reducing the backlog i.r.o. the processing of land use applications. The number of land use applications classified as backlog applications have been reduced significantly, which in turn has the resultant impact of creating economic development opportunities within the Stellenbosch Municipality.

The table below indicates the capital expenditure for planning and development services as at 30 June 2021:

Table 162: Capital Expenditure as at 30 June 2021: Planning and Development

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Furniture, Tools and Equipment	163 000	42 302	-23.67%

Planning and Development have spent, **25.95%** of the capital budget for the financial year.

The table below indicates the total number of employees in the development management section:

Table 163: Total number of employees in the development management section

Job Level*	Posts*	Employees*	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	3	3	0	0%
14 – 17	19	14	5	35.7%
9 – 13	30	18	12	40%
4 – 8	14	9	5	35%
3 – 0	0	0	0	0%
Total	66	44	22	33.3%

3.15 Local Economic Development (LED)

The table below indicates the highlights within the section

Table 164: LED Achievements

Achievement / Highlight	Description	Financial years		
		2018/19	2019/20	2020/21
Business Interventions	Business registrations	37	37	29
	Municipal Database Registrations	27	n/a	181
	Advice to walk-ins	1795	n/a	334
	Workshops	12	15	1
	Business Licences	13	2	22
Mentorship	No mentorship activities were completed for the first two quarters of the financial year, as it was planned for the latter part of the financial year, however this could not happen because of the pandemic and lockdown regulation that was in place.	n/a	n/a	0
Tendering Process Training	This was planned for the third quarter of the financial year; however, this could not take place due to the pandemic.	n/a	n/a	0
Informal Trading	The LED: Unit has implemented various informal trading sites that will be completed in the new financial year including Cloetesville, Kayamandi, Klappmuts and a process to advertise for the sites to be occupied will be followed. The Informal trading by-law is in the process of being drafted and will be circulated for public comment in the new financial year.	n/a	n/a	n/a
Enterprise Development and Support	Training for Stellenbosch-based entrepreneurs has been hampered because of the pandemic however, virtual meeting was held with various sectors of the economy including	n/a	n/a	3

Achievement / Highlight	Description	Financial years		
		2018/19	2019/20	2020/21
	tourism and agriculture to ascertain the impact of the pandemic on these sectors. The municipality partnered with Ranyaka and Stellenbosch Network and provided three (3) SMME training workshop during the 4 th quarter of the financial year. Assistance was provided to SMME with PPE to ensure compliance with health protocols during the pandemic. The Unit has been very active with the processing of informal trading permits during the lockdown to ensure that these micro businesses could trade.			
Vacant Agricultural Property	The two (2) vacant land that was advertised during November / December 2020 is currently being evaluated line with the Policy on the Management of Municipal Agricultural Land. The Municipal Council during July 2021 approved the re-establishment of the Operational Committee who will assist with the evaluation of the applications received in order to provide recommendations to Council for allocation of the land parcels.	n/a	n/a	2

3.15.1 Economic Development and Tourism Challenges

The table below gives a brief description of all the challenges within the Section: Economic Development and Tourism during 2020/21:

Table 165: LED Challenges

Description	Actions to address
Human Resources insufficient to drive an effective economic development and tourism programme.	The current organogram for the Directorate: Planning and Economic Development remains a huge challenge, coupled with the high vacancy rate, especially within the Section: Economic Development and Tourism. This high vacancy rate makes it extremely challenging for the Section to perform its function to create and coordinate the creation of an enabling environment within the economy of the Stellenbosch Municipality.
Slow processing of land use applications impacts negatively on new investments and economic growth in the municipal area.	Appointment of the Senior Manager: Development Management has resulted in a significant reduction of the amount of land use applications classified as backlog applications. The current pressure for development within the municipal area has however, even with the pandemic not significantly slowed down, and has resulted in a further increase in development applications and building plan approvals, therefore interventions may be required in dealing with the high influx of such development applications and processes.
Implementation of Infrastructure Projects	The LED: Unit is currently partnering with the Project Management Unit of the municipality to implement the Kayamandi Informal Trading Site. The Section will further not implement any further infrastructure projects as this is not the constitutional mandate of the section.
Current entrepreneurship development initiatives show minimal or minor impact on new venture creation.	Establish partnerships with the private sector to ensure uptake of new entrants into the mainstream of the economy. The municipality's procurement must also be used to ensure local business are given opportunities to partner with big business to nurture and grow new businesses.

3.15.2 EPWP Job Creation 2020/21

The Expanded Public Works Programme (EPWP) could not meet the expected target of 1300 as planned for the year 2020/21 due to COVID-19. This caused significant delays in a number of projects and to some instances failure to start projects. Below is a depicted table that illustrates the job creation of EPWP for the year 2020/21.

Table 166: Job Creation through EPWP* Projects

EPWP Projects	Number of jobs created	
External EPWP Grant Projects		
IG: LED	28	
IG: Ward Office Cleaners	21	
IG Cleaning of Stormwater	12	
IG: School Safety	11	
IG: Community Development	5	
IG: Jan Marais	6	
IG: Tittle Deeds	12	
IG: Disaster Field Workers	6	
IG: Fire and Disaster	13	
IG: Jonkershoek Picnic Site	4	
IG: Sport Clerk:	1	
IG: Cleaning Warriors	4	
IG: Parks Wardens Stellenbosch	30	
Wheelie Bins	1	
Cleaning of Libraries	2	
IG: Integrated River	15	
IG: Mountain Trails	14	
Total Projects	Total Jobs	185
Municipal Funded Projects		
Municipal Stock Take	6	
Integrated Fire	14	
Municipal Store	2	
Kayamandi Backyard Survey	13	
Biodiversity Veld Rehabilitation	12	
Klapmuts Backyard Survey	14	
Klapmuts Taxi Rank	18	
Rectification of 161 Houses in Cloetesville	14	
Environmental Clerk	1	
Municipal Asset Stock	6	
Alien Species WCO24 (Cemeteries)	6	
Urban Forestry	24	
IG: Parks and Franschhoek Wardens	18	

EPWP Projects	Number of jobs created	
Forest Guards	26	
Economic Tourism Cleaners	4	
Area Cleaning	867	
Ornamental Horticulture	27	
Rental Stock Maintenance	13	
Inkanini Electrical	36	
Total Projects	Total Jobs	1 027
Total Projects Overall	Total Projects Overall	1 212

The table below indicates the total number of employees in the Led section:

Table 167: Total number of employees in the LED Section

Job Level*	Posts*	Employees*	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	0	0	0	0
14 – 17	1	1	0	100%
9 – 13	7	1	6	85.7
4 – 8	2	1	1	50%
3 – 0	0	0	0	0
Total	10	3	7	70%

3.15.3 Tourism

a) Aim and function of Tourism Section:

- ✚ Contextualise the strategic goals of tourism promotion and development funding.
- ✚ Regularise the operational functioning of external bodies appointed or supported by the municipality in its constitutional mandate toward both tourism and economic development.
- ✚ Ensure co-ordination of the activities of the funded entities.
- ✚ Ensure efficient oversight of funding and outcomes.
- ✚ Acknowledge and leverage private sector and independent initiatives.
- ✚ Develop sustainable tourism events and brands.
- ✚ Enable sponsorship opportunities for commercialisation of events, brands and other opportunities.
- ✚ Smooth cyclical tourism numbers by establishing developing and implementing off-peak tourism products and initiatives.
- ✚ Develop and package opportunities and venues for business tourism.
- ✚ Enable market participation for local business.
- ✚ Enable training, mentorship and employment opportunities for local citizens.
- ✚ Quantify return on investment into events and funded entities.

b) Highlights:

- ✚ The impact the Support Stellenbosch Campaign had on keeping the tourism sector afloat during the COVID-19 pandemic, which primarily focus on domestic tourism and ensuring the patrons visit Stellenbosch was hugely successful in comparison to other tourism destination within the Cape Winelands District.
- ✚ Visit Stellenbosch partnered with the municipality to improve the tourism experiences and

attributes within the Dwarsrivier Valley, which involved engagement with the major tourism and events stakeholders within the Dwarsrivier.

- Memorandum of agreement were signed with Visit Stellenbosch and Franschhoek Wine Valley Tourism based on the policy to for funding of organisation rendering a municipal function with condition to integrate the sector and ensure new entrance into this sector are supported and developed.

Challenges: Tourism

- Impact of COVID-19 on the tourism industry has had a severe negative impact on the sector, especially as international travelling was to a large extent prohibited since the start of the lockdown on 27 March 2020.

The table below indicates the capital expenditure for the Led and Tourism section as at 30 June 2021:

Table 168: Capital Expenditure as at 30 June 2021: LED and Tourism

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Establishment of Informal Trading Sites: Kayamandi	4 287 007	-	-100%
Establishment of Informal Trading Sites: Klapmuts	274 614	249 041	-9.31%
Establishment of Informal Trading Sites: Groendal	1 080 422	1 253 616	-16.03%
Establishment of informal trading markets Cloetesville	507 000	505 709	-0.25%
Furniture tools and equipment	352 000	287 437	-3.75%
<i>Only the 5 largest capital projects are listed</i>			

Local Economic Development and Tourism have spent, **34.72%** of the capital budget for the financial year.

3.15.4 Heritage and Resource Management

The Section: Heritage Resources Management is mandated to enable, facilitate and manage cultural heritage development within the Stellenbosch municipal area through the formulation and implementation of long-term cultural heritage plans, strategies, policies and guidelines, which is appropriately integrated with the applicable sectoral plans of the municipality and aligned with the requirements of the National Heritage Resources Act, Act 25 of 1999.

Part of this work was to update the Stellenbosch Municipality Heritage Inventory, which was done in partnership with the Stellenbosch Heritage Foundation. The municipality intends to further expend on this partnership to ensure that the heritage inventory is continually updated.

The Section has also undertaken a process to review and amend the Stellenbosch Municipality Signage, Advertising and Poster Bylaw with the Directorate: Engineering Services. This bylaw will be adopted and promulgated during the next financial year.

3.15.5 Development Information

The Section is responsible for managing, coordinating and controlling the professional and technical processes associated with Geographic Information Systems (GIS) in respect of the municipality, Management of Information Systems (MIS) through research and evaluation of best practices and cost effective approaches and provides guidance and advice on the functionalities to internal

departments in order to ensure that broader goals and service delivery objectives are accomplished and quality and professional standards maintained in accordance with agreed timeframes, budgets and appropriate legislation.

The Section has assisted the Directorate: Planning and Economic Development with the development of the electronic and online submission of building plan- and land use applications. Through this process, the Section have developed the Building Plan Application Management System ("BPAMS") and the Town Planning Application Management System ("TPAMS"). These systems will provide residents and potential developers to submit their development applications online, and also to monitor the progress of their respective applications.

Currently, BPAMS is fully operational and will be launch with TPAMS during the next financial year.

COMPONENT D : COMMUNITY AND SOCIAL SERVICES

3.16 Libraries

Libraries are facing literacy challenges in the 21st century and even more critical challenges with the current global COVID-19 pandemic. Public libraries have always been seen as beacons of hope, courage, pillars of education, and gathering places for their communities. Over the last two decades, there has been a rapid-fire pace at which technological and societal change has occurred. This has caused many people to question the relevance of and need for libraries. The libraries Department therefore finds itself continuously assessing the needs of its communities in order to develop relevant services and programs to meet these needs. In order for libraries to make a cultural shift and become more purposeful, this report includes the data gathered for decision making and strategic planning, all in an effort to measure library impact on the communities it serves.

Stellenbosch Municipality Libraries Department comprises of eight Public Libraries and two School / Public libraries.

Table 169: Total number of libraries

Total number	Description
Total Number of Libraries in the WCO24 Area	<ul style="list-style-type: none"> ↓ 8x Public Libraries ↓ Kayamandi, Cloetesville, Ida's Valley, Jamestown, Stellenbosch, Pniël, Groendal and Franschhoek ↓ 2x School / Public Libraries ↓ Koelenhof and Klapmuts
Total number of library staff (Permanent)	<ul style="list-style-type: none"> ↓ Library Manager 1 ↓ Senior Librarians 7 ↓ Senior Library Assistant 4 ↓ Library Assistants 22 ↓ Library Aid / Cleaner 8 ↓ IT Cadet 1 ↓ Admin Assistant 1 ↓ Book Shelver 1
Total number of vacancies (including Conditional Grant Funded vacancies)	<ul style="list-style-type: none"> ↓ Senior Librarians 4 ↓ Senior Library Assistant 3 ↓ Library Assistants 16 ↓ Library Aid / Cleaner 3 ↓ IT Cadet 1 ↓ Admin Assistant 1

The Stellenbosch libraries were closed to the public between March-October 2020 due to the COVID-19 pandemic. Although library buildings were physically closed to the public, staff continued to provide limited services to the public as from August 2020. These services included photocopy facilities, "curb side" and drop-off services for circulation of physical materials, telephonic requests and renewals.

Library halls were and still continue to be used as quarantine rooms for returned library items. All outreach and marketing activities were suspended. The number of patrons allowed into the building is limited to fifty percent of its capacity.

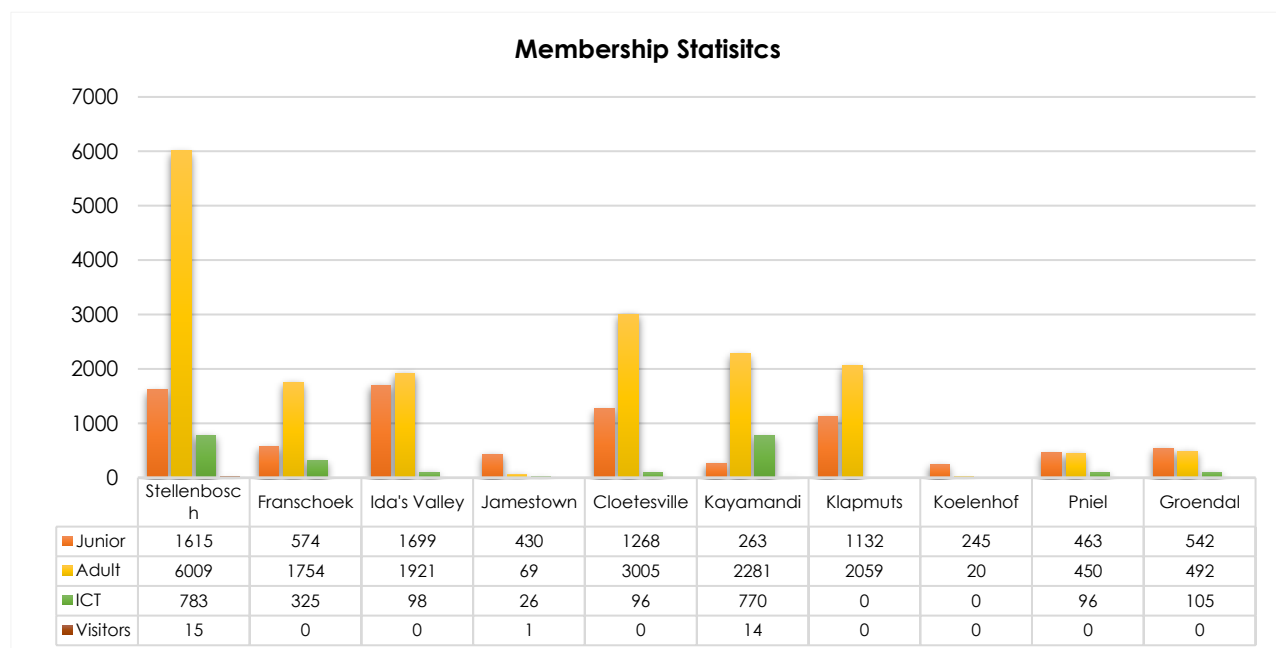
During the COVID-19 lockdown period, the libraries started the kerbside service for patrons in August 2020. To further assist patrons, Wi-Fi Internet access outside the library buildings was made available to users during the COVID-19 pandemic who had limited access library service. The number of people that visited the library grounds and car-parks to access research and study materials,

health and recreational information or just to chat to family and friends highlighted the need for upgrading our infrastructure.

A number of 13 weeks that, due to the Coronavirus (COVID-19) pandemic the libraries were physically closed and the public could not enter, when it otherwise would have been open. Due to the hard lockdown regulations, a total number of 5 220 hours were used to open libraries to the public for the year under review. The unit implemented an operational schedule of 17 weeks and has limited public occupancy practices for in-person services at the library in response to the Coronavirus (COVID-19) pandemic.

The graph below illustrates the membership statistics for the year under review:

Figure 30: Libraries membership statistics



a) Statistics

Table 170: Library services

Type of service	2018/19	2019/20	2020/21
Libraries			
Number of libraries	9	11	10
Library members	142 616	26 293	28 620
Books circulated	323 200	192 503	53 025
Exhibitions held: Adults	312	304	225
Exhibitions held: Children	316	232	160
Internet access points	32	36	20
Internet sessions granted to library users	53 013	17 818	5406
Children's programmes	243	447	25
Number of children attending programmes	4 512	11 121	458
Visits by school groups	254	47	18
Book group meetings for adults – old age homes	102	128	0

Type of service	2018/19	2019/20	2020/21
Libraries			
Primary and Secondary Book Education sessions	975	25	7
Patrons visits @ Library	398 200	271 621	56 548
Library Hall usage	356	545	48
Total number of Project and Pamphlet files developed	N/A	696	170
Total number of books reviewed	N/A	214	209
In-House usage	N/A	77 783	1 868
Book group meetings for adults – old age homes	N/A	128	0
Primary and Secondary Book Education sessions	N/A	25	0

b) Libraries partnerships

The table below indicates all the libraries and its partnerships within the Stellenbosch area:

Table 171: Libraries partnerships

Cloetesville		
Little Builders	Nora Tyers Crèche	Support creche with story time sessions and literacy activities.
Pniël		
Community Development Department	Stellenbosch Municipality	Partnership involved hosting community outreach activities together. Target group was adults and the elderly. Held a Mental Health wellness day in March 2021 to highlight the effect of COVID-19 on mental health. The library assisted Community Development with identifying speakers and for the event as well as interested community members. The library provided the venue and Community Development department created the programme, provided catering and gifts.
Ida's Valley		
E'Bosch Heritage Project	Existing partnership	New partnerships could not be formed due to the COVID-19 pandemic. Libraries were closed for most of 2020/21 due to national Lockdown Levels. Currently the Western Cape has the highest number of new infection cases and the public is very cautious about entering library spaces.
Groendal		
Mphozisi Qalekiso Arts Foundation	New Partnership	Worked together to celebrate Africa Day in Groendal
Kayamandi		
Lokxion Foundation	New Partnership	Partnership to encourage youth to read and write poetry
Stellenbosch / Jamestown / Franschhoek / Klapmuts / Koelenhof / Kayamandi		
Due to the COVID-19 Pandemic and the limited services the libraries Department offered patrons, there were no new partnerships formed for the 2020-21 year. Partnerships with the creches and schools were also suspended.		

c) Challenges facing Libraries

Slashed budgets for public libraries is making it harder to keep technology updated, provide great resources, fund new projects and even keep the library doors open.

It is evident that more people are turning to digital resources like eBooks, podcasts and online databases for their information however this doesn't mean that libraries are becoming obsolete. Instead, we are taking advantage of this to invest in digital resources and giving a wide variety of people access to them.

Unfortunately, many people still see Libraries as a place to simply spend a day curled up with a good book. The biggest challenge facing libraries are that with diminishing funding and the rapid advancement of technology libraries are finding it difficult to shake off their analog image in move towards a digital world. The Libraries Department has taken steps to bridge this gap by opening up a makerspace and marketing it to our patrons, and the introduction of an eBook service.

Librarians have an incredible opportunity to be the catalysts of change within their communities. Stellenbosch libraries have been offering career fairs and IT skills workshops to the everyday act of promoting literacy and numeracy skills, housebound services to the elderly and sick persons in the communities. Stellenbosch libraries are all about impact are all about impact on its communities. COVID-19 presents libraries with both a challenge and an opportunity to reconnect with patrons in thoughtful and innovative ways.

However, with community needs for change and the introduction of digital services we are faced with the challenge of qualified and skilled staff. Libraries are highly under resourced in terms of qualified personnel, physical and digital resources which ultimately results in low patronage of our library facilities.

As lockdowns are gradually lifted, libraries are looking to reconfigure the contactless circulation services provided during the lockdown going forward. Many of the "new services" over this period will most likely become a part of libraries regular services. Others services may need to be removed, re-packaged or re-adjusted. Libraries need to be digitally agile during this period in order to remain connected with existing patrons while also expanding digital services to attract a new community of COVID-19 and lockdown-affected patrons requiring online services and information. Digital and non-print technologies will ensure patron engagement throughout lockdown and into the future. With 4IR on our doorstep, libraries are the places where communities are looking to for information to help them the transition from the analogue to a new and exciting digital world.

The table below indicates the capital expenditure for the library services section as at 30 June 2021:

Table 172: Capital Expenditure as at 30 June 2021: Library Services

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Libraries: CCTV	350 000	318 333	-9.05%
Library Books	146 000	41 349	-71.68%
Franschhoek: Furniture, Tools and Equipment	101 124	89 485	-11.51%

Libraries Services have spent, **63.08%** of the capital budget for the financial year.

The table below indicates the total number of employees in the library section:

Table 173: Total number of employees in the Library Section

Job Level*	Posts*	Employees*	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	0	0	0	0%
14 – 17	1	1	0	100%
9 – 13	17	11	6	35.2%
4 – 8	26	16	10	38.4%
3 – 0	0	0	0	0%
Total	44	28	16	36.3%

3.17 Cemeteries

Stellenbosch Municipality is responsible for the maintenance and management of six cemeteries in the greater Stellenbosch. Jamestown, Pniël and Groendal have reached their capacity, whilst Wemmershoek and Franschhoek South and North are fully operational. Onder-Papegaaiberg Cemetery is also to capacity [only reserved graves available]. A new cemetery in Kylemore is currently being established.

Consultants were appointed (3-year project) during 2016 to assist Stellenbosch Municipality with the identification and planning of two regional cemetery sites to address the critical need for burial space within the municipality. This project is at an advanced stage of acquiring the required environmental-, water and land use approvals.

The objective of the cemeteries department is to provide adequate burial space and ensure a dignified burial service. A Notice of Intent to Develop has been lodged with the Department of Environmental Affairs and Development Planning during October 2017 with the pre-application public participation process to commence December 2017 / January 2018.

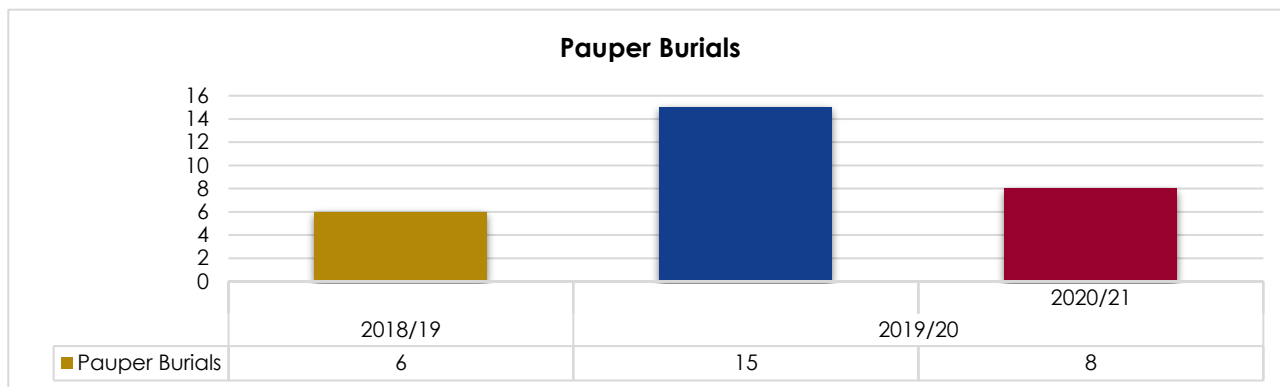
Our challenges remain to be:

- ‡ the shortage of burial space;
- ‡ to convert burial records to electronic soft copies (in progress as per the five-year plan); and
- ‡ to promote alternative burial methods such as cremations amongst various religious groups.

3.17.1 Service Statistics – Cemeteries

The graph below indicates the service statistics from 2018/19 – 2020/21 financial years:

Figure 31: Pauper burials



3.17.2 Income – Cemeteries

The table below indicates the income generated from the financial years of 2018/19 – 2020/21:

Table 174: Cemeteries Income

Gravesite locations	2018/19		2019/20		2020/21	
	Number of Burials	Income	Number of Burials	Income	Number of Burials	Income
Onder-Papegaaiberg	24	R50 389	103	R87 791	35	R25 033.80
Jamestown	356	R900 294	478	R1 321 781	396	R937642.21
Pniël	11	R7 855	17	R13 676	5	R9740.42
Wemmershoek	9	R7 650	26	R27 219	9	R8 341.70
Franschhoek North Groendal	38	R40 710	39	R11 052	18	R4 056.18
Franschhoek South	54	R45 580	140	R80 172	30	R53 305.60
COVID-19 Burials	-	-	-	-	97	R217 373.07

The table below indicates the capital expenditure for the cemetery and parks services section as at 30 June 2021:

Table 175: Capital Expenditure as at 30 June 2021: Cemetery and parks Services

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Purchase of Specialised Vehicles	2 132 998	2 101 305	-1.49%
Integrated and Spray Parks	2 100 000	1 923 752	-8.39%
Upgrading of Parks	1 112 104	935 754	-15.86%
Extension of Cemetery Infrastructure	762 999	619 044	-18.87%
Horticulture Furniture, Tools and Equipment	198 900	118 629	-40.36%

Cemeteries and Parks have spent, **89.63%** of the capital budget for the financial year.

The table below indicates the total number of employees in the cemetery section:

Table 176: Total number of employees in the cemetery section

Job Level*	Posts*	Employees*	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	0	0	0	0%
14 – 17	1	1	0	0%
9 – 13	2	1	1	50%
4 – 8	8	4	4	50%
3 – 0	10	10	0	0%
Total	21	16	5	23.8%

3.18 Child Care; Aged Care; Social Programmes– Community Development

The community development unit acknowledge the impact that COVID-19 had on the most vulnerable within our communities. All designated groups that we serve were impacted directly and indirectly as a result of the virus. The impacts varied from being sick, losing family members, losing income and security to losing valuable time in school and other forms of education. The physical impact from violence against women and children became more prevalent with the gap between the poor and those with better means in life has widened.

Above all, the uncertainty of what lie ahead and the vulnerable mental state of the people around us were not always acknowledged as a real thing.

The manager of the unit expressed gratitude towards the officials for their unwavering commitment, their wiliness to serve on the front line without being acknowledged as frontline workers or essential personal.

Table 177: Service Statistics – Child Care, Aged Care, Social Programmes

Focus area	Description	Ward	Activity
Early Childhood Development Services / Children	<ul style="list-style-type: none"> ✚ Capacity Building of ECD Practitioners; ✚ Initiatives in awareness programmes (ECD children); ✚ ECD Registration Compliance; ✚ Strengthening and Establishing ECD Forums; ✚ Transversal committees / Adhoc committees; ✚ Grant in Aid to ECDs; ✚ COVID-19 Awareness and PPE support; and ✚ Support to access the Stimulus Grant. 	18	COVID – 19: Capacity Building and Starter Pack Distribution.
		All	Workplace Readiness and PPE compliance programme at ECD facilities.
		All	Capacity Building and access to information related to ECD registration in collaboration with DSD, CWDM, Municipal Planning and Fire services and TEEC.
		12 -17	Holiday programme.
		12-15	Foster Children and Parent Programme.
		2-4 12,18 and 19	Back to School programme.
		All	Assist with the application process for the ECD Stimulus Funding Applications.
		1,2,12,13,14 and 15	ECD Disaster Management Training.

Focus area	Description	Ward	Activity
		1-5 11-18	Core Curriculum training through the Indaba Institute reaching 28 ECD practitioners.
		1-3 and 12-15	Disaster Management workshop was conducted with 33 ECD practitioners from the Franschhoek and Kayamandi ECD forums.
		12-15	SAECD Congress Workshop.
		All	Assistance with the ECD Stimulus Funding Applications.
		All	GIS mapping of 131 ECD status.
		1-6 12-16 18 and 21	Child Protection Week was celebrated in partnership with DSD, Stellcare, Eiru, Cotlands, Working on Fire, SAPS and Internal municipal departments.
		16-17	A substance abuse awareness and prevention programme to encourage positive role models was conducted in Cloetesville with 35 boys.
		4-5, 16-17, 12-15	Foster Care capacity building workshops were conducted with 70 foster care parents.
		18	World Foster Day was celebrated in Klapmuts with a focus to strengthen organisations working with foster children and parents.
Persons with Disabilities	Awareness programmes Universal Access Grant in Aid Donations	16	Accessible bathroom facilities and access to the building: Stellenbosch Night Shelter.
		1-2, 16-17, 12-15	3 x Wellness programme in partnership with US, Changeability and Good Hope Psychological Services.
		All	Child Protection for persons with disability. Review Universal Access Policy.
Older Persons	Covid-19 awareness and prevention Services to Elderly persons has severely compromised by the COVID-19 pandemic. As the most vulnerable group of citizens all unnecessary events was postponed or cancelled. The services that were delivered focused around COVID-19 awareness, prevention and vaccination. Attention was also paid to the impact of mental health on the elderly resulting from social isolation.	1-3, 5-6, 16-17, 20	Elderly Group Capacity Building on financial reporting by clubs and distribution of sanitising equipment.
		12-15, 20	Will writing programme.
		1-6, 12-17, 20	Vaccination registration awareness and assistance
		All	EVDS Registration: Assisted with the registration at Old Age Homes, Elderly Citizen Community Clubs, Door 2 Door and at Vaccination Sites.
		All	Distribution of awareness information and PPE to Old Age Homes and Community Clubs relating to COVID-19.
		20	Access to information re funeral services, the writing of wills and social support.

Focus area	Description	Ward	Activity
Gender	Special Events and Awareness programmes	12-16	Help a Girl Child programme with a GBV focus reaching 230 children in Kayamandi and 350 children from Pieter Langeveldt Primary
		13-15	Women Health and Wellness
		16	GBV Awareness and Education
		4	FAS Education for parents
		12-15	Diabetic Group Wellness Day
		All	16 Days of Activism launch and community programmes
		12-15	Widow Empowerment Programme
		18	Single Parent Workshop
		All	World Aids Day was celebrated with @heart
		12-15	SALGA Mandela Day to celebrate women
		1-2 12-15:	Widow Empowerment session focussing on the effects of COVID-19 on families and their survival
		21	Jamestown women empowerment session discussed the biological onslaught on women that accompanied Covid-19
		3-4	Mental Health and Wellness in Priël reaching 55 women
		18	50 Fathers engaged in Klappmuts around the concept of fatherhood and the impact positive fatherhood had on children
		Youth	Youth Empowerment programmes Youth Capacity Building Transversal committees / Adhoc programmes Grant in aid Donations
12-15	<p>Kayamandi young mothers were invited to a discussion on wellness and what it means to finances, choices, health and living with purpose.</p> <p>116 Days of Activism Launch and projects speaking to ♣ A launch of the campaign was hosted by the Executive Mayor</p>		
12-19	Thematic discussions on GBV, abuse, selfcare and finding help was conducted for communities of De Novo, Klappmuts, Cloetesville and Kayamandi in partnership with SAPS and local NGO's.		

Focus area	Description	Ward	Activity
			<p>part of the recruitment and selection process they were introduced to the different industries. All courses included a practical placements component along with a job preparedness programme focussing on life-skills. The success of the practical placement was challenged due to the struggles experienced in the hospitality industry;</p> <p>‡ 26 Youth trained in Basic Plumbing Skills;</p> <p>‡ 28 youth trained in Five Star Table Attendance;</p> <p>‡ 13 youth attended the General Building Maintenance training;</p> <p>‡ 24 youth participate in the Assistant Chef training; and</p> <p>‡ 20 youth participated in the learner license programme.</p>
		1-2	Fire Awareness Training.
		1,2,4,20	Job readiness training reaching 159 youth.
		12,15 and 18	Life skills session and introduction to NYDA services.
		1-2	Day of Reconciliation reaching 33 youth.
		All	CV Writing and Interviewing skills training.
		12-15	Department of Labour recruitment drive for job opportunities.
		18	Entrepreneurship workshop (44 youth).
		12,16	Life skills training.
		21	<p>‡ Youth Day was celebrated in Jamestown in partnership with Caleb reaching 40 youth;</p> <p>‡ The department worked towards the establishment of a youth forum. The final establishment was postponed until after the local elections;</p> <p>‡ Fire awareness training in Franschoek was conducted with 23 youth.</p>
Social distress	Provision of basic needs to persons adversely affected by disaster incidences and the Temporary Homeless Shelter.	All (responded on enquiries)	<p>71 incidences were responded to and the following resources were distributed:</p> <p>‡ Matresses: 337;</p> <p>‡ Blankets: 497;</p> <p>‡ Food Parcels: 155;</p> <p>‡ Vanity Packs: 458; and</p> <p>‡ Meals: 17 124</p>
Grant in aid	Donations to community organisations serving among others: youth, gender, ECD's, Old Age Homes, Health Organisations and Sport Clubs.	All (responded on enquiries)	<p>Capacity Building</p> <p>‡ Three compulsory workshops on the application process and policy were concluded. The workshops were attended by 162 prospective applicants.</p> <p>Donations</p> <p>‡ 126 applications were received.</p>
People on the street	Development, Awareness Raising through	All	<p>Give Responsibly</p> <p>A campaign to stop the cash economy on the street, give in a</p>

Focus area	Description	Ward	Activity
	collaboration and Services		<p>dignified way to persons on the street who need access to social services and a warm bed, shower facilities and access to social work services.</p> <ul style="list-style-type: none"> ‡ The Cheese App (an electronic coupon) has been developed to assist with taking cash off the streets. This means that a resident can now assist some homeless persons without being in the vicinity of a retail partner selling coupons; ‡ Currently we have 15 local businesses supporting the campaign through the sale of coupons; and ‡ Total of 2 542 coupons sold and 2 275 redeemed as part of the programme. A total of 238 app sales and 216 app redemption was done during the year under review. ‡ Five marketing videos are used on different platforms to educate the public on the campaign. ‡ Animal Welfare Stellenbosch – Walk a Dog in exchange for a coupon. The project started towards the end of the financial year with almost 100 persons benefitting. One person gained fulltime employment through the project and one was temporarily employed as a driver. <p>Restorative Justice (ALL WARDS) A programme in collaboration with Community Safety to assist with the implementation of Street Bylaws that would not only provide a form of paying back for transgressions through manual labour, but also act as a referral system for social services. The following social partners has joined the programme:</p> <ul style="list-style-type: none"> ‡ Stellenbosch Night Shelter; ‡ ACVV Stellenbosch; and ‡ ABBA Substance Abuse. <p>Temporary Safe Space for Homeless Persons (ALL WARDS) With the start of lock down, the municipality established and managed a temporary shelter for homeless persons first at Klapmuts Sport Grounds and then at Van der Stel. The shelter provided the following services and closed on 12 October 2020 after 6,5 months of service delivery.</p> <ul style="list-style-type: none"> ‡ Regular referrals and transport to health services; ‡ Ablution Facilities; ‡ Opportunities to wash their cloths; ‡ Bedding and blankets; and ‡ Daily meals.
		4, 7-10 and 18	Mask-Up Project

The table below indicates the number Grant in Aid applications recommended and approved:

Table 178: Number of Grant in Aid applications recommended and approved

Sub Category	Applications Recommended and Approved	Recommended Amount R
Social Development General	6	237 500
ECD	36	1 320 000
Disability	4	142 782,66
Elderly	4	152 000
Youth	8	302 687,57
Substance Abuse	2	80 000
Gender	1	40 000
Food Security	1	40 000
People Living on the Street	1	1 473 230,14
Skills Development	2	80 000
Health	2	80 000
Environment	1	40 000
Sport Clubs	18	675 979,10
Art and Culture	4	160 000
Total	90	4 941 179,47

COMPONENT E: ENVIRONMENTAL PROTECTION

3.19 Pollution Control, Bio-Diversity, Beautification, Open Spaces and Parks

Stellenbosch Municipality is continually developing its capacity to protect the environment within its boundaries and to strive towards a municipality and communities that recognise the vital importance of their rich natural capital and manage these in a manner that ensures sustainability and fulfils the needs of all concerned. To this effect Stellenbosch Municipality has developed the Stellenbosch Environmental Management Framework, administered by the Department: Community Services.

Stellenbosch Municipality is in the process of compiling dedicated Environmental Management Plans (EMPs) for all its declared nature reserves and nature areas. Papegaaiberg Nature Reserve has an approved EMP, currently under review along with Jan Marais Park's EMP. The Paradyskloof Nature Area was accepted by Council during its May 2019 meeting and a draft EMP for Mont Rochelle Nature Reserve has been completed and advertised for public input. A first draft EMP is currently being drafted for the Ida's Valley Dam- / Botmaskop area. Stellenbosch Municipality has also completed an Invasive Alien Plant Management Plan, as required in terms of the National Environmental Management: Biodiversity Act (10 of 2004) and an Integrated Fire Management Plan to assist in the management of large vacant nature areas under the management of Council.

An Air Quality Control By-Law as well as a Noise Control Policy has been developed and adopted by Council. The latter is implemented by a dedicated Air Quality / Noise Control Officer appointed within the Department: Community Services.

Stellenbosch Municipality works closely with the Department of Environmental Affairs and Development Planning in reporting on illegal activities, as well as administering the rehabilitation action of Section 30 (National Environmental Management Act, 107 of 1998) Emergency Incidents.

Re: Air Quality- / noise complaints received and dealt with:

Air quality- and noise complaints are captured on a central database and dealt with within the required timeframes. The following statistics included both air quality related matters and noise complaints. All noise complaints are investigated in terms of The Western Cape Noise Control Regulations PN200/2013.

Table 179: Air Quality Complaints 2018

2018 Complaints	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Fumes	2	2	3	3
Smoke	2	0	3	2
Dust	3	4	3	3
Burning of waste / tyres	0	0	0	0
Farm land burning	0	0	0	0
Crop spraying	0	0	0	0
Offensive odors	0	2	3	2
Unlicensed facilities	0	0	0	0
Noise	34	45	47	40
Other	1	0	0	0
Total	42	53	59	50

Table 180: Air Quality Complaints 2019

2019 Complaints	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Fumes	3	4	2	4
Smoke	2	3	4	4
Dust	5	4	3	5
Burning of waste / tyres	0	0	0	2
Farm land burning	2	2	3	3
Crop spraying	0	0	0	2
Offensive odors	2	2	3	3
Unlicensed facilities	0	0	0	0
Noise	40	45	48	45
Other	2	0	0	1
Total	56	60	59	63

Table 181: Air Quality Complaints 2020

2020 Complaints	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Fumes	16	2	6	7
Smoke	2	2	0	3
Dust	3	2	3	6
Burning of waste / tyres	0	1	1	1
Farm land burning	0	0	2	1
Crop spraying	1	0	2	1
Offensive odors	7	0	2	4
Unlicensed facilities	0	0	0	0
Noise	64	23	44	53
Other	0	0	0	0
Total	93	30	60	76

Table 182: Air Quality Complaints 2021

2021 Complaints	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Fumes	15	15	7 (July. 21 only)	29
Smoke	5	3	0 (July. 21 only)	5
Dust	4	3	0 (July. 21 only)	6
Burning of waste / tyres	2	0	0 (July. 21 only)	2
Farm land burning	3	0	0 (July. 21 only)	0
Crop spraying	6	2	2 (July. 21 only)	0
Offensive odors	5	0	1 (July. 21 only)	3
Unlicensed facilities	0	0	0 (July. 21 only)	0
Noise	35	31	6 (July. 21 only)	41
Other	2	0	0 (July. 21 only)	0
Total	77	54	16 (July. 21 only)	86

‡ Total noise complaints for 2018 = **166**

‡ Total noise complaints for 2019 = **178**

‡ Total noise complaints for 2020 = **184**

‡ Total noise complaints for 2021 = **72**

- **Note: (the total of noise complaints represents the amount of noise complaints for the 1st and 2nd quarter and for July 21 only.**

3.19.1 Environmental Implementation

Table 183: Visitors Statistics – Environmental Implementation

Type of service	2019/20	2020/21
Visitors Statistics: Nature Reserves		
Paradyskloof Nature Area	5 468	2531
Jan Marais Nature Reserve	2 990	886
Eco Centre Visits – Training, Group Visits / Schools	1 419	50
Mont Rochelle Nature Reserve	3 836	N/A
Ida's Valley Protected Area	2 617	1587
Onder-Papegaaiberg Area	501	N/A

Table 184: EPWP Statistics – Environmental Management

Type of service	2019/20	2020/21
EPWP Statistics		
Forest Guards	15	23
Fire Management	11	10
Mountain Trails	6	9
Jan Marias Nature Reserve	7	5
Integrated River	16	11
Biodiversity Veld Rehabilitation	12	12
Environmental Clerk	0	1
Urban Forestry Cleaning and Greening Project	11	24

3.19.2 Urban Forestry

The aim of the Urban Forestry Sub-section is to facilitate the planting, protection, blanking, maintenance and long-term management of all trees located on municipal property through tree management (arboricultural) practices, thus promoting a sustainable development approach. This approach is geared towards making WC024 the greenest municipality in South Africa through Urban Forestry practices which guides investors towards future sustainable development.

Table 185: Management of trees in WC024 – Urban Forestry

Type of service	2019/20	2020/21
Management Trees in WC024		
Tree planting programme	60	7
Pruning of trees	129	1 300
Felling of trees	16	51
Stump grinding of trees	5	67
Spraying of oak trees	3	500
Root barrier management	6	5
Wayleaves	65	150

COMPONENT F: SECURITY AND SAFETY

3.20 Law Enforcement

The primary role of Law Enforcement is by-law enforcement and the protection of municipal assets and staff. The function includes the monitoring and prevention of municipal land- invasion of which the responsibility is shared between Community and Protection Services and the Department of Informal Settlements.

A 24/7 Control Room is in place as well as the monitoring of crime hot areas through CCTV cameras. Licence Plate Recognition Cameras (LPR) have been installed at all entrances / exits to Stellenbosch and Franschhoek towns with several LPR cameras installed on minor roads which are used on a regular basis by thoroughfare traffic to avoid the congested areas during peak times. This has proven to be very successful in the combatting of crime and crime prevention initiatives.

Highlights:

- ⚡ Weekly operational planning with key stakeholders (SAPS and other safety partners);
- ⚡ Revamp of Control Room underway for an improved and more efficient service; and
- ⚡ In the process of procuring a multi-purpose armoured vehicle to effectively deal with land invasion.

Challenges:

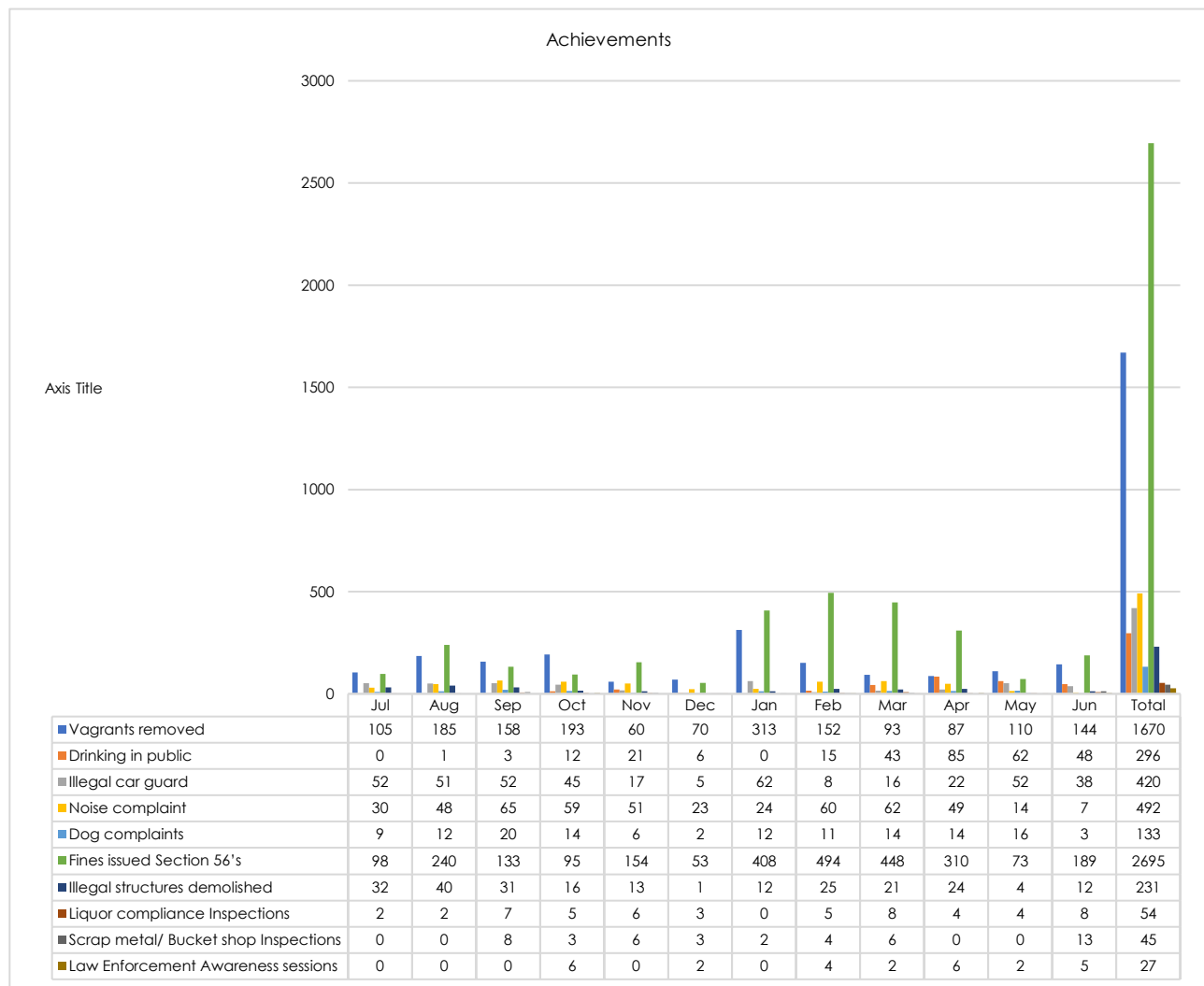
- ⚡ To render a 24/7 Law Enforcement patrol service;
- ⚡ Increase and maintain surveillance of key places;
- ⚡ Prevent land invasions;
- ⚡ Insufficient staff to fulfil operational requirements; and
- ⚡ Insufficient office space to accommodate departmental staff.

Law Enforcement attended to the following from 01/07/2020 – 30/06/2021:

Table 186: Law Enforcement highlights

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Vagrants removed	105	185	158	193	60	70	313	152	93	87	110	144	1 670
Drinking in public	0	1	3	12	21	6	0	15	43	85	62	48	296
Illegal car guard	52	51	52	45	17	5	62	8	16	22	52	38	420
Noise complaint	30	48	65	59	51	23	24	60	62	49	14	7	492
Dog complaints	9	12	20	14	6	2	12	11	14	14	16	3	133
Fines issued Section 56's	98	240	133	95	154	53	408	494	448	310	73	189	2 695
Illegal structures demolished	32	40	31	16	13	1	12	25	21	24	4	12	231
Liquor compliance Inspections	2	2	7	5	6	3	0	5	8	4	4	8	54
Scrap metal / Bucket shop Inspections	0	0	8	3	6	3	2	4	6	0	0	13	45
Law Enforcement Awareness sessions	0	0	0	6	0	2	0	4	2	6	2	5	27

Figure 32: Law Enforcement Statistics



3.20.1 Traffic Law Enforcement

Traffic Services is performing its functions as guided by the National Road Safety Strategy with its main objectives being to achieve traffic safety on municipal roads including the functions as defined in the municipality's Integrated Development Plan.

The National Road Safety Strategy provides all year-round road safety initiatives. The department has increased its enforcement strategy in collaboration with stakeholders and affected parties. Operations like Automatic Number-plate Recognition operations are conducted to improve compliance with and payment of traffic fines.

On-going objectives are to improve road user behaviour; reduce the incidence of traffic offences; including speeding; drunk-driving and driving under the influence of narcotics; dangerous overtaking; the removal of unfit road users from traffic; roadworthiness of vehicles; public transport compliance with regard to vehicles and drivers; provide sufficient and coordinated regulation of traffic on strategic roads; pedestrian education and compliance, eradication of corruption; administrative compliance and overall improvement of enforcement systems.

The outbreak of COVID-19 during the period of March 2020 caused the whole country to go into

lockdown as from 23 March 2020, which affected normal operations negatively. However, although the COVID-19 outbreak did negatively affect our operational plans but we managed to record a marginal positive achievement on Traffic Law Enforcement and Traffic Administration is observed during this financial year. This achievement is as result of additional hours and Saturday's operation at Admin Section and new approach on our Law Enforcement strategies.

3.20.2 Highlights and challenges for Traffic Law Enforcement

The new approach in terms of Traffic Law Enforcement strategies has managed to yield good results; for example, in this financial year a total number of roadblocks held increased from **267** that was recorded on the previous year to **1 085** during the year under review. An increase in terms of **Awareness Initiatives on public Safety is observed in this period under review a total number of 110 as compared to 75 recorded on the previous financial year.**

Motor Vehicle accidents: There is a marginal improvement observed in other focus areas. During this period a total of accident with serious injuries recorded is 48 as compared to 60 on the previous financial year. Accidents with slight injuries, a marginal improvement was observed during the financial year under review. A total of 276 was recorded as compared to 306 recorded on the previous financial year.

Pedestrian accidents: a marginal improvement was observed on the previous financial year whereby a total of 8 fatal accidents were recorded, and this period under review a total of 4 were recorded. Pedestrian accidents with serious injuries recorded was a total of 14 as compared to 42 that was recorded on the previous financial year. Pedestrians with slight injuries recorded was a total of 60 compared to 110 recorded on the previous financial year.

During the same period under review a total number of Dockets opened for Reckless and Negligent records were 14 as compared to 21 recorded on the previous financial year.

A total number of 8 504 defect offences were recorded as compared to 3 663 recorded on the previous financial year.

The total number of roadblocks which includes Stop and checks done for the period of 2020/21 equated to 1 085. During COVID-19 lockdown periods, our stop and check operations were increased for compliance purposes.

Awareness initiatives on Public Safety done for the period equated to 110 sessions.

The total number of speed offences recorded was 318 431 as compared to 284 029 recorded on the previous financial year. A total of 17 423 moving violations was recorded as compared to 16 993 recorded on the previous financial year.

a) Traffic Administration- Highlights

‡ As a result of additional operational hours and extended services we managed to record positive results during the period under review. The Drivers Licence testing Centre (DLTC) total number of appointments conducted for learners' licenses was 4 057 as compared to 3 407 recorded on the previous financial year.

‡ The total number of Vehicle Licences processed during the period under review was 79 391 as compared to 69 338 recorded on the previous financial year.

- ✦ A total number of 11 823 registration only transactions were processed as compared to 11481 recorded on the previous financial year.
- ✦ A total of 1 195 duplicate registration transactions were recorded during the period under review as compared to 1 150 reported previously.

b) Challenges:

- ✦ Inadequate Human Resources – Limited Staff;
- ✦ Capacity of our DLTC – restrict us to perform limited tests;
- ✦ Vehicle Testing Station Infrastructure challenges and manpower; and
- ✦ Compliance Requirements: DLTC's and Vehicle Testing Stations (VTS) is supposed to have appointed Management Representatives appointed- up to date we are not in compliance with the requirement.

It is observed that Stellenbosch is fast growing to be a choice of employment and business hub, however our resources does not enable us to be on par with such development. This limitation may project a negative reflection on our core function.

It is also observed that due to lockdown regulations, most of the people had to work from home and students had to study online and thus has reduced traffic volumes on our roads and has contributed on the reduction of accident statistics on our roads.

c) Service Statistics – Traffic Services

Table 187: Service Data for Traffic Services

Details	2016/17	2017/18	2018/19	2019/20	2020/21
Number of Traffic Officers in the field on an average day	21	21	30	27	25
Number of Traffic Officers on duty on an average day	28	28	30	30	19
Motor vehicle licenses processed	153 119	80 472	77 374	69 338	88 004
Learner driver licenses processed	5 200	4 560	8 677	3 273	3 538
R-value of fines collected	28 652 120	23 773 325	26 557 540	23 138 195	18 360 490
Roadblocks held	25	156	205	267	1 085
Special functions – escorts	144	157	170	42	63
Awareness initiatives on public safety	120	211	104	75	110

Table 188: Additional Service Data of Traffic Services

Description	2016/17	2017/18	2018/19	2019/20	2020/21
Accidents					
Fatal	21	11	33	15	16
Serious injuries	76	66	71	60	48
Slight injuries	517	330	428	306	276
No injuries	2 551	3 145	2 979	2 450	1 749
Reckless / careless: case dockets	48	52	24	21	14
Culpable homicide: case dockets	17	18	18	9	10
Pedestrians: fatal	10	06	11	8	4
Pedestrians: serious injuries	29	34	21	42	14
Pedestrians: slight injuries	106	68	98	110	60

Description	2016/17	2017/18	2018/19	2019/20	2020/21
Learner's licences					
Appointments	5 200	4 560	4 915	3 464	4 057
Applications passed	2 958	2 829	2 829	2201	2 360
Duplicate request	112	136	110	96	131
Applicants tested	4 462	4 146	4 025	3 223	3 407
Applicants failed	1 890	1 601	1 465	1 072	1 081
Applicant absent	644	335	414	386	339
Driver's licences					
Appointments	2 382	2 323	1 739	1 442	2 853
Conversions	9 018	9 492	9 172	7 521	7 185
Applicants tested	1 615	1 640	1 348	1 276	2 215
Driving licenses issued (temp)	4 492	4 692	5 070	3 604	2 948
Applicants passed	824	729	594	564	1 078
Applicants failed	988	1 090	823	711	1 137
Applicants absent	374	284	264	340	306
Applications instructors	6	10	9	4	6
Issued instructors	5	6	10	4	9
Application / issued PRDP	1 686	1 697	1 720	1 428	1 417
Testing centre: roadworthy certificates					
Motor vehicles	637	762	210	0	43
Light delivery vehicles	124	128	45	0	16
Heavy delivery vehicles (trucks)	78	45	22	0	3
Trailers	77	44	40	21	6
Taxis	65	41	18	0	3
Busses	10	17	0	0	0
Motorbikes	90	53	78	31	23
Motor vehicle registration					
Duplicate registrations cert.	1478	1639	1 557	1 150	1 195
Registration only	14 591	14 432	14 457	11 481	11 823
Licence fees (12%) (renew)	83 219	80 472	77 374	69 338	79 371
Temporary permits	236	212	220	194	263
Special permits	380	436	324	284	200
Specific registration number	702	711	581	488	571
RTMC	51 083	52 391	52 857	45 939	51 671
Traffic offences					
Vehicle defective / faulty	834	1 094	1 999	3663	8504
Moving violations	19 994	14 661	1 369	16 993	17 423
Parking offences / violations / mobile	7 055	23 968	25 715	16 254	14 139
Speed camera / mobile / fixed and robot traffic - TMT	233 711	573 339	251 378	284 029	318 431

The tables below indicate the capital expenditure for law enforcement and traffic services as at 30 June 2021:

Table 189: Capital Expenditure as at 30 June 2021: Law enforcement

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Install and Upgrade CCTV / LPR Cameras in WC024	3 860 000	2 530 775	-34.44%
Install Computerised Access Security Systems and CCTV Cameras at Municipal Buildings	1 200 000	974 203	-18.82%
Law Enforcement: Vehicle Fleet	1 160 000	975 260	-15.93%
Neighbourhood Watch Safety equipment	505 245	419 216	-17.03%
Law Enforcement Tools and Equipment	300 000	299 425	-0.19%
<i>Only the 5 largest capital projects are listed</i>			

Law Enforcement have spent, **74.61%** of the capital budget for the financial year.

Table 190: Capital Expenditure as at 30 June 2021: Traffic Services

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Replacement of Patrol Vehicles	1 350 000	1 147 890	-14.97%
Furniture, Tools and Equipment	200 000	131 829	-34.09%
Mobile Radios	170 000	169 422	-0.34%

Traffic Services have spent, **84.25%** of the capital budget for the financial year.

The table below indicates the total number of employees in the traffic and law enforcement section:

Table 191: Total number of employees in traffic law enforcement section

Job Level*	Posts*	Employees*	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	1	0	0%
14 – 17	6	3	3	50%
9 – 13	137	75	62	45.5%
4 – 8	81	53	28	34.5%
3 – 0	2	0	2	100%
Total	227	132	95	41.8%

3.21 Fire and Disaster Management

The Fire Brigade Service Act, Act 99 of 1987 regulates fire services in South Africa. The functions of the Fire Brigade Services include the prevention and suppression of fires to protect life and property, provision of rescue services, emergency medical care and other functions associated with the fire services. The Act grants extraordinary powers to the Chief Fire Officer to enable him to execute his responsibilities.

The impact of disasters has been part of human history since people first walked on this planet. Disasters have influenced, shaped and modified human behaviour and the way they live and respond to the environment. Despite governments spending billions of dollars in disaster risk reduction

programmes, disasters still result in enormous tangible and intangible losses. Disaster risk is intimately connected to human development. Disasters can put this development at risk while, at the same time, development choices made by people, communities and nations can generate new risk. This however, is not inevitable, as human development can also contribute to a reduction in disaster risk.

a) Highlights:

- ✦ Commencement of the upgrading of the Stellenbosch fire station;
- ✦ New major fire / rescue pumper with CAFS system;
- ✦ Firekilla disposable fire extinguishers procured for the informal settlements;
- ✦ Continuation of the smoke alarm project
- ✦ New battery-operated Jaws of Life; and
- ✦ Two all-terrain double cab response vehicles.



b) Challenges:

- ✦ Rapid expansion / density of informal settlements.

c) Service Statistics – Fire and Disaster Management

Table 192: Service Data for Fire and Disaster Management

Details	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Total fires attended in the year	817	794	647	1 011	1 043	947	944
Total of other incidents attended in the year	1 953	555	1 952	1 655	1 511	1 740	3416
Average turnout time - urban areas (minutes)	8.25	8.25	8.25	8.25	8.25	8.25	8.25
Average turnout time - rural areas (minutes)	22.75	22.75	22.75	20.5	20	15	15
Fire fighters in post at year end	43	56	52	57	57	58	61
Total fire appliances at year end	11	9	10	11	13	15	17
Average number of appliances off the road during the year	2	2	3	2	2	2	2
Total operational callouts	2 770	1 349	2 704	2 666	2 556	2 687	4 360
Immediate relief to victims	552	1 021	831	849	437	573	555
Emergency flood kits	116	411	300	184	118	372	37
Emergency housing kits	299	341	277	190	149	262	156
Meals (food parcels)	215	349	327	180	158	138	155
Blankets	297	699	315	526	473	479	497

The table below indicates the capital expenditure for fire and disaster management section as at 30 June 2021:

Table 193: Capital Expenditure as at 30 June 2021: Fire and disaster management services

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Major Fire Pumper	4 491 570	4 491 570	0%
Upgrading of Stellenbosch Fire Station	4 476 209	944 939	-78.89%
Vehicle Fleet	1 182 47	1 359 844	-15%
Rescue equipment	590 780	554 119	-6.21%
Vehicle Fleet	410 573	385 618	-6.08%
<i>Only the 5 largest capital projects are listed</i>			

Fire and Disaster Management have spent, **69.37%** of the capital budget for the financial year.

The table below indicates the number of employees in the fire and disaster management section:

Table 194: Total number of employees in the fire and disaster management section

Job Level*	Posts*	Employees*	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	1	0	0%
14 – 17	5	5	0	0%
9 – 13	46	42	3	6.52%
4 – 8	38	25	13	34.2%
3 – 0	0	0	0	0%
Total	90	73	17	18.8%

COMPONENT G: SPORT AND RECREATION

3.22 Holiday resorts and camp sites

The Stellenbosch Municipality is responsible for the management and maintenance of one picnic site. The Jonkershoek Picnic Site is situated in the Jonkershoek Valley on the banks of the Eerste River. The picnic site attracts up to 15 840 visitors per annum due to its natural beauty and tranquillity set at the foothills of the Jonkershoek mountains. The site provides outdoor leisure for visitors, catering for braai and picnics along the river course.

3.22.1 Sports facilities and Swimming Pools

Table 195: Service Statistics – Holiday Resorts and Campsites

Type of service	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of resorts	1	1	1	1	1	1	1
% Occupation for the year for Jonkershoek picnic site (open from 1 September to 30 April)	PAX: 17 248 CARS: 5 234 Income: R462 790	PAX:16 256 CARS:4687 Income: R459 197	PAX:15840 CARS:3372 Income: R448 701	PAX:13636 CARS:2434 Income: R403 579.74	PAX:20690 CARS:5246 Income: R648 115	PAX:12993 CARS:2063 Income: R462 832.73	PAX:0 CARS:0 Income: R0

The Stellenbosch Municipality is responsible for the management and maintenance of seventeen (17) sports grounds in its municipal area. These grounds are surrounded by the scenic beauty of the Stellenbosch Mountains. Ten (10) are located in the urban areas and seven in the rural areas.

It is the municipality's goal to create active, healthy communities and to provide a sporting hub for all its residents and visitors by offering a wide range of well-maintained and well-managed sporting facilities.

Stellenbosch Municipality manages and maintains one swimming pool in the greater Stellenbosch area. The swimming pool is situated in Cloetesville and can accommodate two hundred and seventy-five (275) people at any time per day. The existing facility can host swimming galas and aims to further sports development and recreation.

3.22.2 Service Statistics Sport - Grounds and Swimming Pools

Table 196: Service Statistics Sport Grounds and Swimming Pool

Type of service	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of sport grounds / fields	17	17	17	17	17	17	17
Number of swimming pools	1	1	1	1	1	1	1
Number of stadiums	10	10	10	10	10	10	10

The table below indicates the capital expenditure for Sport – Grounds and Swimming Pools section as at 20 June 2021:

Table 197: Capital Expenditure: Sports Grounds and Swimming Pools

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Upgrading of swimming pool	2 958 879	1 416 779	-52.12%
Skateboard Park	1 516 282	437 784	-71.13%
Fencing: Sport Grounds (WC024)	1 195 797	1 174 491	-1.78%
Upgrading of Tennis Courts: Ida's Valley and Cloetesville	861 133	566 842	-2.04%
Vehicle Fleet	578 653	215 974	-74.92%
Only the 5 largest capital projects are listed			

Sport Grounds and Swimming Pools have spent, **57.99%** of the capital budget for the financial year.

The table below indicates the total number of employees in the Sport – Grounds and Swimming Pools section:

Table 198: Total Employees - Sport - Grounds and Swimming Pools

Job Level*	Posts*	Employees*	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	0	0	0	0%
14 – 17	1	1	0	0%
9 – 13	10	6	4	40%
4 – 8	27	20	7	10.3%
3 – 0	11	8	3	27.27%
Total	49	35	14	28.5%

3.23 Community Halls and Facilities

Stellenbosch is the proud owner of two top-class town halls and nine community facilities that cater for local residents and national and international visitors.

The facilities are available throughout the year (365 days per annum) and can be booked for events such as meetings, weddings, training sessions, conferences and community and social events

Table 199: Total functions: Community Halls and Facilities

Type of service	2019/20	2020/21
Total functions at municipal halls		
Stellenbosch Town Hall	65	0
Klapmuts Centre	59	28
Eikestad Hall	142	17
Wemmershoek Hall	31	7
La Motte Community Hall	12	14
Franschhoek Town Hall	11	1
Groendal Community Hall	76	18
Kylemore Community Hall	20	19

Type of service	2019/20	2020/21
Pniël Banquet Hall	44	15

The table below indicates the total revenue for Community Halls and Facilities:

Table 200: Total Revenue / Income: Community Halls and Facilities

Type of service	2019/20	2020/21
Stellenbosch Town Hall	R1 047 814.66	R0
Klapmuts Centre	R47 356	R23475.60
Eikestad Hall	R93 475	R9407.60
Wemmershoek Hall	R35 526	R3662.63
La Motte Community Hall	R23 731	R7068.61
Franschhoek Town Hall	R66 260.90	R9403
Groendal Community Hall	R61 394.10	R13488.50
Kylemore Community Hall	R11 260.70	R10855.72
Pniël Banquet Hall	R36 706.20	R8522.12

the table below indicates the total number of employees in the Community Halls and Facilities section as at 20 June 2021:

Table 201: Total Employees- Community Halls and Facilities

Job Level*	Posts*	Employees*	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	0	0	0	0%
14 – 17	0	0	0	0%
9 – 13	4	2	2	50%
4 – 8	2	1	1	50%
3 – 0	18	11	7	38.8%
Total	24	14	10	41.6%

COMPONENT H: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices, financial services, human resource services, ICT services and property services.

3.24 Financial Services

3.24.1 Service statistics

Table 202: Financial service statistics

Details of the types of account raised and recovered	2020/21		
	Billed in Year	Actual for accounts billed in year	Proportion of value of accounts billed that were collected
	R		%
Property Rates	387 056 675	384 149 816	99.25
Electricity	632 401 484	627 907 196	99.29
Water	134 425 799	133 099 001	99.01
Sanitation	92 638 767	93 529 987	100.96
Refuse	73 150 291	70 026 317	95.73

3.25 Human Resource Services

Stellenbosch Municipality views the Human Resources Management component as the governance of the organisation's employees. More commonly, human resources per se refers to the people or human capital appointed or employed by the organisation whose skills are used to reduce risk and maximise return on investment. The vision of the Department: Human Resources is undoubtedly to build partnerships with management at all levels of the organisation, to create a culture or working environment where employees are valued or appreciated and to ensure a diverse, qualified, healthy and highly motivated workforce focused on achieving the critical outcomes, through the development and administration of cost-effective and results-oriented human resources. Accordingly, the mission of the Department: Human Resources Management is to address and achieve the goals and challenges of Stellenbosch Municipality by providing services that promote a work environment that is characterised by fair treatment of staff, open communications, personal accountability, trust and mutual respect. We will seek and provide solutions to workplace issues that support and optimise the operating principles of the organisation.

The Department: Human Resources Management objectives for Stellenbosch Municipality include but are not limited to:

- ✚ Helping the organisation achieve its goals;
- ✚ Ensuring effective utilisation and maximum development of human resources;
- ✚ Ensuring respect for human beings;
- ✚ Identifying and satisfying the needs of individuals;
- ✚ Ensuring reconciliation of individual goals with those of the organisation;
- ✚ Achieving and maintaining high morale among employees;
- ✚ Providing the organisation with well-trained and well-motivated employees;
- ✚ Increasing employees job satisfaction and self-actualisation;

- ‡ Developing and maintaining quality of work life;
- ‡ Being ethically and socially responsive to the needs of the community;
- ‡ Developing overall personality of each employee in its multidimensional aspect;
- ‡ Enhancing employee's capabilities to perform the present job; and
- ‡ Ensuring service excellence for the broader Stellenbosch community.

The Human Resources services include:

- ‡ Strategic Human Resources Management;
- ‡ Labour Relations;
- ‡ Recruitment and Selection;
- ‡ Training and Development;
- ‡ Employee Assistance;
- ‡ Occupational Health and Safety;
- ‡ Employment Equity; and
- ‡ All Human Resources Administration.

Each director, manager, departmental head, superintendent, assistant superintendent and foreman are responsible for setting objectives, delegating responsibilities and tasks, motivating staff, disciplining staff, developing skills and career paths, measuring performance and generally guiding their staff. In these endeavours, management and line management are assisted by the Department: Human Resource, who provides policies, guidelines, support, systems and specialised inputs.

Main focus priorities for HR Services in 2020/21 were:

- ‡ Implementation of the biometric time and attendance system. The system was implemented from November 2018 and most workplaces have a finger device installed where employees log in. The system worked and accurate records of movement and attendance could be monitored. However, due to the COVID-19 pandemic the system was disabled in March 2020 until further notice. Other options in terms of alternative registering methods are currently under investigation and consideration; and
- ‡ Implementation of COVID-19 related regulations, monitoring and reporting thereof.

The following activities were done in terms of policy during 2020/21:

- ‡ Measures to Recover Arrear Monies from Employees owing on their municipal accounts to Stellenbosch Municipality for a period of 90 plus – 01 August 2019.
- ‡ Implementation of the TASK Job Evaluation System:
The policy was adopted and concluded and currently job descriptions are forwarded for evaluation to the CWJEU.
- ‡ Finalisation of historical human resources issues:
The placement of permanent staff and some contract staff has been completed and the employees in the pool are currently being resolved.

The highlights for the Human Resources Department in 2020/21 were the following:

- ‡ 230 employees were trained;
- ‡ 1st online / virtual training for the Finance Department;
- ‡ 14 employees sent for Municipal Minimum Competency Level Training;
- ‡ During 2020/21 only 5 out of 19 SALGBC arbitrations were ruled against the Municipality;

- ‡ OHS Training were provided to 55 Health and Safety Representatives, 23 First Aider Training and 13 Fire Warden;
- ‡ 6 directorate specific recruitment email addresses for emailed job applications were created;
- ‡ Virtual shortlisting discussions were conducted via MS Teams;
- ‡ Virtual interviews and assessments were conducted via MS Teams; and
- ‡ Virtual induction sessions were conducted via Zoom and MS Teams.

The challenges for the Department: Human Resources in 2020/21 were the following:

- ‡ Shortage of conducive training venues;
- ‡ The provision of staff wellness services to the employees of Stellenbosch Municipality; and
- ‡ Suitably qualified / trained Chairpersons and Initiators within the Stellenbosch Municipality.

The following was submitted within the 2020/21 year and is under consideration at the LLF:

- ‡ Measures to recover arrear monies from employees;
- ‡ TASK Evaluation policy; and
- ‡ Employee Parking Policy.

The table below indicates the total number of employees in the Department: Human Resources:

Table 203: Total number of employees in the Human Resource Management Section

Job Level*	Posts*	Employees*	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	1	0	0%
14 – 17	3	2	1	33.30%
9 – 13	14	11	3	21.40%
4 – 8	4	2	2	50%
3 – 0	0	0	0	0%
Total	22	16	6	27.30%

3.26 Information and Communication Technology (ICT) Services

The ICT department committed its time in the 2020/21 financial year to purchasing and replacing computer software and hardware to improve the efficiency of the various municipal business units.

a) Highlights:

- ‡ Firewall Project was completed by installing two additional firewalls. This was installed at the Teraco DR Site and acts as backup firewalls for the Production site. The sites are synchronised, and failover will occur in the case that the Production site firewalls go down or loses connection;
- ‡ The Stellenbosch Municipality's Data Storage for ICT systems was further enhanced by procuring an additional Tintri VMstore T850 hybrid-flash solution. Tintri's VMware storage speeds performance 6x to save us time and packs storage 10x more densely to save us money;
- ‡ Telephony Voice Services was successfully upgraded from PRI to SIP and continued the service agreement from BCX/Telkom with the aim of further enhancing our service to the public. This procurement included redundancy by way of making available a redundant service at our Traffic Services that can provide a service in the event the main building's service fails;
- ‡ High site wireless hardware links were procured and delivered during this time with the plan to

upgrade our network to the outer laying areas under the WC024 area. A rates tender for WAN Infrastructure was approved to assist in shortening the municipality's turnaround time in commissioning new sites and improving current location services;

- ‡ The network support encompasses both the ICT and camera infrastructure by way of expanding the Avalon contract services to cover this critical service. The SLA was further been expanded to include labour support for network cabling as well as hardware support for the commissioning of new camera locations. This has reduced the cost of this service as the ICT network has been able to incorporate the camera infrastructure. This has in turn saved the municipality and the public money in providing this critical service;
- ‡ The newly commissioned Server Room received additional server storage hardware to accommodate for the other law enforcement and traffic services moving into the server room. This included flexible high-speed storage which is easily shared as and when required. Additional storage cabinets (x2) were further procured to accommodate for future growth in this space. Newly acquired backup infrastructure has been installed in the new server room to provide us with a further recovery point to mitigate the constant cyber threats;
- ‡ The ICT Department spent a large amount of its effort on once again reducing costs by way of procuring printers via the National Treasury RT3-2018 contract. Our costs for replacing toners had skyrocketed during the year and this change needed to happen soonest. This contract saw us reduce our printer footprint and begin to centrally manage usage across printers. The many office printers were replaced with shared departmental printers further assisting in reducing costs;
- ‡ The upgrade of the Backup Infrastructure to accommodate and include all critical systems to ensure sustainability of the ICT services was also completed;
- ‡ Microsoft System Center Configuration Manager (SCCM) was deployed to assist with Microsoft 365 upgrade;
- ‡ ICT embarked on a Microsoft Office 365 and Windows 10 migration which is a project that should be completed by the 31 December 2021;
- ‡ All existing ICT Policies were reviewed, and new ICT Policies were developed and approved by the ICT Steering Committee;
- ‡ The Disaster Recovery and Colocation Services project including WAN and Internet Services were successfully implemented by First Technology and will remain in place till the 30 June 2022. The DR site is at TERACO in Claremont and meets all the AG requirements;
- ‡ ICT currently implementing a cyber-security solution called F-Secure which will give the municipality better protection and is the best Anti-Malware, best Ransomware defence security to protect from ransomware and prevent data encryption;
- ‡ Assisting the Infrastructure Services with the Cityworks implementation – Asset Management. The Cityworks web GIS-centric platform can help to streamline the care and maintenance of infrastructure assets. Using the ArcGIS geodatabase as the authoritative system of record, Cityworks has the potential to leverage the inherent power of GIS through spatial analysis of work activities and mobile field operations. Cityworks and ArcGIS together offer a system of record, a system of engagement, and a system of insight for asset management;
- ‡ 4 Quarterly GIS Forum meetings took place during the financial year 2020/21;
- ‡ 4 Quarterly ICT Steering Committee meeting took place during the financial year 2020/21;
- ‡ The ICT department implemented a mobile application to assist with the IDP public participation meeting especially the budget presentation and ward priorities; and
- ‡ ICT also implemented MS Teams to ensure that majority of Council Meetings are conducted on a virtual platform to limit the spread of the corona virus.

b) Challenges:

- ✚ ICT structure does not align to best practices and thus cannot be agile enough to support the municipality;
- ✚ Lack of system integration; and
- ✚ After hours' system maintenance resources to ensure continued service provision, especially after load shedding / power failure.

3.26.1 Service Statistics – Information and Communication Technology (ICT)

Table 204: Service Statistics – ICT

Details	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	%						
Ensure the availability of the network to ensure effective ICT systems for municipal processes	98	98	99.9	99.9	99	99	99
Provide ICT support to all municipal departments by attending to requests within 4 working days	97	98	98	98	98	98	98
Connecting all municipal sites to the ICT network	100	100	100	100	100	100	100

The table below indicates the capital expenditure for ICT services as at 30 June 2021:

Table 205: Capital expenditure - ICT services as at 30 June 2021

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Upgrade and Expansion of IT Infrastructure Platforms	6 351 050	6 263 310	-1.38%
Purchase and Replacement of Computer / software and Peripheral devices	1 953 956	1 453 466	-25.61%
Public WI-FI Network	548 950	544 409	-0.83%

ICT have spent, **93.31%** of the capital budget for the financial year.

The table below indicates the number of employees in the ICT section.

Table 206: Total number of employees in the ICT Section

Job Level*	Posts*	Employees*	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	1	0	0%
14 – 17	5	4	1	20%
9 – 13	9	5	4	44%
4 – 8	0	0	0	0%
3 – 0	0	0	0	0%
Total	15	10	5	33.3%

3.27 Legal Services

The Legal Services Department in conjunction with user departments ensures and manages the implementation, monitoring, evaluation and reporting on key service delivery objectives with respect to Legal Services.

a) The main objectives are the following:

- ⚡ Advise and manage litigations instituted by the municipality and against it;
- ⚡ Provide legal advice, opinions and input on policies, contracts, agreements, memorandums, legislation, by-laws and authorities;
- ⚡ Advising Council on items submitted to meetings;
- ⚡ Ensuring by-laws are promulgated after consultation with user departments and approval by Council; and
- ⚡ Attend to new legislation and proclamations for comment as and when required.

b) Challenges:

- ⚡ To deal with urgent requests for legal input to Portfolio and Council Committees;
- ⚡ Lack of skilled administrative support to chief legal advisor; and
- ⚡ Availability of well-maintained legal library and reference resources.

The table below indicates the total number of employees in the Legal services section.

Table 207: Total number of employees in the Legal Services Section

Job Level*	Posts*	Employees*	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	1	0	0%
14 – 17	0	0	0	0%
9 – 13	0	0	0	0%
4 – 8	1	0	1	100%
3 – 0	0	0	0	0%
Total	2	1	1	50%

3.28 Municipal Court – Additional Court - Stellenbosch

The Municipal Court is responsible for the following prosecutions:

- ⚡ Traffic by-laws;
- ⚡ Provincial Traffic by-laws;
- ⚡ SAPS by-laws;
- ⚡ Law Enforcement by-laws;
- ⚡ Fire by-laws;
- ⚡ Building and Land Use Regulations, and all other By- Law contraventions;
- ⚡ Electrical By-laws; and
- ⚡ Noise pollution.

3.28.2 Financial Report

Table 209: Financial Report of the Municipal Court

	Traffic Fines	SAPS Fines	Law Enforcement Fines	Contempt of Court Fines	Provincial Fines	Electricity	Building	Total Amount
Jul	R372 110	R0	R0	R0	R800	R7 500	R0	R38 0410
Aug	R291 070	R0	R0	R30 600	R300	R7 500	R0	R329 470
Sep	R393 880	R200	R250	R54 600	R0	R0	R5 000	R453 930
Oct	R385 430	R0	R0	R67 800	R0	R0	R1 500	R454 730
Nov	R312 320	R250	R0	R57 900	R1 000	R5 000	R12 000	R388 470
Dec	R251 780	R500	R0	R46 200	R0	R4 000	R3 500	R305 980
Jan	R395 470	R0	R0	R60 000	R0	R0	R0	R455 470
Feb	R387 130	R500	R0	R53 500	R0	R2 500	R3 500	R447 130
Mar	R445 560	R0	R2 600	R50 400	R250	R0	R12 500	R511 310
Apr	R32 740	R2 100	R0	R1 500	R0	R2 500	R0	R38 840
May	R20 300	R5 100	R4 500	R300	R0	R0	R4 000	R34 200
June	R73 430	R3 700	R1 600	R5 700	R0	R2 000	R0	R86 430

The table below indicates the total number of employees in the Municipal Court section:

Table 210: Total number of employees in the Municipal Court Section:

Job Level*	Posts*	Employees*	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	0	0	0	0%
14 – 17	2	1	1	50%
9 – 13	1	1	0	0%
4 – 8	3	2	1	33%
3 – 0	0	0	0	0%
Total	6	4	2	33.3%

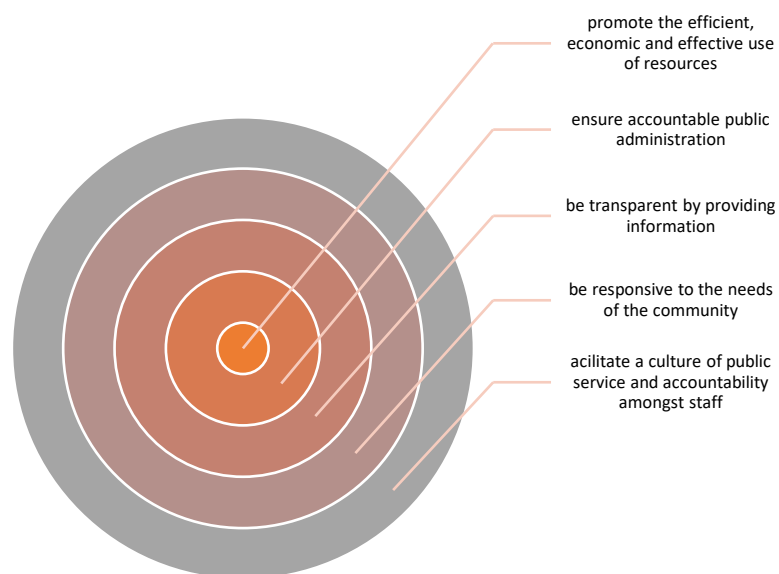
COMPONENT H: ORGANISATIONAL PERFORMANCE SCORECARD

3.29 Performance Management

Performance management is a process that measures the implementation of the organisation's strategy as captured within the Integrated Development Plan (IDP). It is also a management tool to plan, monitor, measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery by the municipality.

At local government level, performance management is institutionalised through the legislative requirements of the performance management process. Performance management provides the mechanism to measure whether targets are met in line with strategic goals as set by the organisation.

Section 152 of the Constitution of the Republic of South Africa, 1996, deals with the objectives of local government and paves the way for performance management. The idea of an accountable government is important to meet the needs of Stellenbosch. The democratic values and principles in terms of section 195(1) are also linked with the concept of performance management, with reference to the principles of the following, among others to:



The MSA requires municipalities to establish a performance management system. Further, the MSA and the MFMA require the Integrated Development Plan (IDP) to be aligned to the municipal budget. The monitoring of organisational performance of the budget must be done against the IDP on a quarterly basis via the Service Delivery and Budget Implementation Plan (SDBIP). The report is made public after the council has been informed of the quarterly progress against set targets.

In addition, Regulation 7(1) of the Local Government: Municipal Planning and Performance Management Regulations of 2001 states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players". Performance management is not only relevant to the organisation as a whole, but also to the individuals employed in the organisation, as well as the external service providers and the municipal entities. This framework, *inter alia*, reflects the linkage between the IDP, the Budget and the SDBIP.

3.29.1 Legislative requirements

In terms of section 46(1)(a) of the MSA, a municipality must prepare a performance report for each financial year that reflects the municipality's and any service provider's performance during the financial year. The report must furthermore indicate the development and service delivery priorities and the performance targets set by the municipality for the following financial year, and measures that were or are to be taken to improve performance.

3.29.2 Organisational performance

Strategic performance assessment indicates how well the municipality is meeting its objectives and which policies and processes are working. All government institutions must report on strategic performance to ensure that service delivery is efficient, effective and economical. Municipalities must develop strategic plans and allocate resources for their implementation. The implementation must be monitored on an ongoing basis and the results must be reported on during the financial year to various role players to enable them to implement corrective measures timeously where required.

This report highlights the strategic performance in terms of the municipality's Top-Layer Service Delivery and Budget Implementation Plan (SDBIP), high-level performance in terms of the strategic objectives of the municipality and performance on the National Key Performance Indicators prescribed in terms of Section 43 of the MSA.

The Performance Management Policy 2020/21 was reviewed and submitted to Council for approval on 27 July 2020.

3.29.3 Governance framework for the IDP, Budget and Performance Management

The draft review of the 4th Generation IDP was tabled in March 2021 and was advertised for public comment thereafter. Stellenbosch Municipal Council adopted the reviewed Fourth Generation IDP (2017/18 – 2021/22) together with the 2020/21 MTREF Budget in 23 June 2020.

The IDP is the principal planning instrument that guides and informs the municipal budget. The MSA requires each municipality in South Africa to prepare such a strategic plan to guide all development and management within the municipal area. The IDP sets out the development priorities of Stellenbosch Municipality over the next five years. The IDP must guide and determine municipal planning and project implementation. The 2019/20 budget was based on the IDP and other spheres of government and service providers.

The IDP for the period July 2017 to June 2022 gives expression to the political mandate that have been received from residents in the August 2016 local government election. The MSA requires municipalities to consult with their residents and the broader institutions, which elicited a positive reaction and involvement from the public.

The IDP is a strategic tool that guides all the activities of local government in consultation with residents and stakeholders. In keeping with the more evolved and strategic approach to this IDP, the implementation plan focuses on only the key strategic programmes, projects and initiatives that will support the achievement of the priorities during the five-year term of office. Its focus is on development in the broader sense and it is a structured plan that informs budget priorities, decision making and the allocation of resources.

The focus of the IDP is varied, and includes the provision of basic municipal services, measures for building and transforming municipal capacity, measures to assist in expanded livelihood opportunities for citizens, enterprise development, building dignified and safe living environments, and, crucially, exploring new ways of working and living together. It directs and is informed by different aspects of the municipality's work, including how the municipality is structured politically and administratively, the municipal budget, the sector plans and service delivery and budget implementation plans of different municipal services, and how the municipality manages its performance.

The three-year budget sets out the revenue raising and expenditure plan of the municipality for approval by Council in accordance with the MFMA. The allocation of funds needs to be aligned with the priorities in the IDP.

The IDP must be reflected in the performance agreements of the relevant staff and through the budget, in the service delivery and budget implementation plan (SDBIP). The key performance management instrument of the municipality is the SDBIP. Linked to the IDP, the SDBIP forms the basis of the performance contracts of directors and quarterly, mid-year and annual performance reviews of senior management, directorates and the municipality.

3.29.4 Service Delivery and Budget Implementation Plan

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

The SDBIP is a tool that converts the IDP and budget into measurable criteria of how, where and when the strategies, objectives and normal business processes of the municipality are implemented.

It also allocates responsibility to directorates to deliver the services in terms of the IDP and the budget.

The purpose of performance reporting is to report specifically on the implementation and achievement of IDP outcomes. This section should provide an overview on the achievement of a municipality in terms of the strategic intent and deliverables achieved as stated in the IDP. The Top-Layer (strategic) SDBIP is the municipality's strategic plan and shows the strategic alignment between the different documents (IDP, Budget and Performance Agreements).

The organisational performance is evaluated by means of a Municipal Scorecard (TL SDBIP) at organisational level and through the Service Delivery and Budget Implementation Plan (SDBIP) at departmental levels.

The SDBIP is a plan that converts the IDP and Budget into measurable indicators on how, where and when the strategies, objectives and normal business processes of the municipality are implemented. It also allocates responsibilities to directorates to deliver the services in terms of the IDP and Budget.

MFMA Circular No. 13 is a clarification of the Municipal Budget and Reporting Regulations, Schedule A 1, GenN 393 in GG32141 of 2009 and prescribes that the:

- ✦ IDP and budget must be aligned;
- ✦ budget must address the strategic priorities;
- ✦ SDBIP should indicate what the municipality is going to do during the next 12 months; and
- ✦ SDBIP should form the basis for measuring the performance against goals set during the budget / IDP processes.

3.29.5 The municipal scorecard (Top Layer SDBIP)

The municipal scorecard (Top-Layer SDBIP) consolidates service delivery targets set by Council / senior management and provides an overall picture of the performance of the municipality as a whole, reflecting performance in its strategic priorities for the 2020/21 financial year. The scorecard is the performance evaluation tool and is used during the informal and formal

Components of the Top-Layer SDBIP include:

One-year detailed plan with the following components:

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

Top-Layer KPIs were prepared based on the following:

- ‡ Key performance indicators (KPIs) for the programmes / activities identified to address the strategic objectives as documented in the IDP in co-operation with the community who identifies developmental priorities;
- ‡ KPIs identified during the IDP and KPIs that need to be reported to key municipal stakeholders; and
- ‡ KPIs to address the required national minimum reporting requirements.

3.29.6 Amendment of the Top Layer SDBIP

The TL SDBIP 2020/21 was reviewed once during the financial year under review and submitted to Council for approval on 23 June 2020 and revised 27 June 2021.

The municipality utilises an electronic web-based, real time performance-based system on which KPI owners update actual performance on a monthly basis. KPI owners report on the results of the KPI by documenting the following information on the performance system:

- ‡ The actual result in terms of the target set;
- ‡ A performance comment; and
- ‡ Actions to improve the performance by the submission of corrective measures to meet the set target for the reporting interval in question, if the target was not achieved.

It is the responsibility of every KPI owner to maintain a portfolio of evidence to support actual performance results updated and provide it to the Internal Auditor and Auditor General upon request during the quarterly and annual audit testing.

3.29.7 Monitoring of the Service Delivery and Budget Implementation Plan

Municipal performance is measured as follows:

- a) **Mid-year assessment and submission of the mid-year report to the Mayor in terms of section 72(1)(a).** In terms of section 72(1)(a) of the MFMA, the Accounting Officer must by 25 January of each year assess the performance of the municipality during the first half of the financial year. A report on such an assessment must, in terms of Section 72(1)(b) of the MFMA, be submitted to the Mayor, Provincial and National Treasury. Once the Mayor has considered the report, it must be submitted to Council by 31 January in terms of Section 54 of the MFMA.
- b) **Quarterly assessment i.t.o. section 52(d) of the MFMA** to assess the performance of the municipality during the first half of the financial year.

The Executive Mayor, who must provide general political guidance over the fiscal and financial affairs of the municipality, is required by Section 52(d) of the MFMA to submit a report on the implementation of the budget and the financial state of affairs of the municipality, to the Council within 30 days after end of each quarter.

Actual performance was audited by the Internal Audit Department and the results of their findings were submitted to the Audit and Performance Audit Committee (APAC).

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

Other Municipal Personnel

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

Municipal Manager and Managers directly accountable to the Municipal Manager

The MSA prescribes that the municipality must enter into performance-based agreements with the Municipal Manager and managers directly reporting to the Municipal Manager i.t.o. section 56. Performance agreements must be reviewed annually and are published for public interest. This process and the format are further regulated by Regulation 805 (August 2006), MSA.

The revised (latest) performance plans for the Municipal Manager and section 56 appointments for the 2020/21 financial year were signed on 27 June 2021 as prescribed. They include performance agreements for the:

- ‡ Municipal Manager;
- ‡ Chief Financial Officer;
- ‡ Director: Corporate Services;
- ‡ Director: Planning and Local Economic Development;
- ‡ Director: Community and Protection Services; and
- ‡ Director: Infrastructure Services.

Table 211: Performance management governance

	Performance Management Policy	All MSA s57/56 Performance contracts signed	Audit Committee	Municipal Public Accounts Committee (MPAC)	Quarterly Performance Reporting to Council	Annual Performance Reporting to Council
In place?	√	√	√	√	√	√

In the paragraphs below, the performance achieved is illustrated against the Top-Layer SDBIP according to the IDP strategic objectives. The following table explains the method by which the overall assessment of actual performance against targets set for the key performance indicators (KPIs) of the SDBIP is measured:

Table 212: Performance Assessment Criteria

Color	Category	Explanation
	KPI Not Yet Measured	KPIs with no targets or actual results for the selected period
	KPI Not Met	Actual vs. target less than 75%
	KPI Almost Met	Actual vs. target between 75% and 100%
	KPI Met	Actual vs. target 100% achieved
	KPI Well Met	Actual vs. target more than 100% and less than 150% achieved
	KPI Extremely Well Met	Actual vs. target more than 150% achieved

The TL SDBIP (the Municipal Scorecard) consolidates service delivery targets set by Council / Senior Management and provide an overall picture of performance for the municipality as a whole, reflecting performance on its strategic priorities.

3.29.8 Overall Performance per Municipal Strategic Focus Area

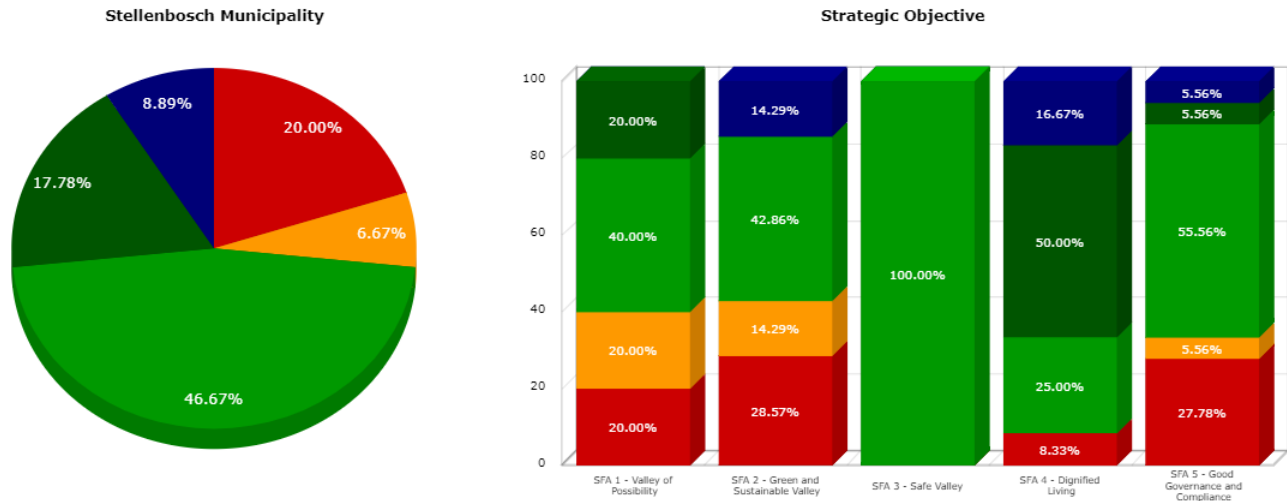
Table 213: Overall Performance per Municipal Strategic Focus Area

Stellenbosch Municipality		Municipal Strategic Focus Areas (SFAs)				
		SFA 1 - Valley of Possibility	SFA 2 - Green and Sustainable Valley	SFA 3 - Safe Valley	SFA 4 - Dignified Living	SFA 5 - Good Governance and Compliance
KPI Not Yet Measured	-	-	-	-	-	-
KPI Not Met	9 (20%)	1 (20%)	2 (28.57%)	-	1 (8.33%)	5 (27.78%)
KPI Almost Met	3 (6.67%)	1 (20%)	1 (14.29%)	-	-	1 (5.56%)
KPI Met	21 (46.67%)	2 (40%)	3 (42.86%)	3 (100%)	3 (25%)	10 (55.56%)
KPI Well Met	8 (17.78%)	1 (20%)	-	-	6 (50%)	1 (5.56%)
KPI Extremely Well Met	4 (8.89%)	-	1 (14.29%)	-	2 (16.67%)	1 (5.56%)
Total:	45	5	7	3	12	18
	100%	11.11%	15.56%	6.67%	26.67%	40%

The following graph and table illustrate the municipality's overall performance per Municipal Strategic Focus Area (SFA). The Annual Performance Report 2020/21 was submitted to the Stellenbosch Municipal Council as well the Auditor General in terms of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA), Section 46(1) and (2).

This tables below give a clear indication which was reported to Council on the municipality's performance in terms of the five (5) National Government's Key Performance Areas for local government, which are (1) Basic Service Delivery; (2) Local Economic Development; (3) Municipal Institutional Transformation and Development; (4) Municipal Financial Viability and Management and (5) Good Governance and Public Participation.

Figure 33: Overall Performance per Municipal Strategic Focus Area



CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

4.1 Introduction to the Municipal Workforce

Stellenbosch Municipality, as of 30 June 2021, employed 1 142 officials (excl. Councillors and excluding non-permanent positions), who individually and collectively contribute to the achievement of the municipality's objectives. The primary objective of Human Resource Management is to render an innovative HR service that addresses both skills development and an administrative function.

4.2 Employment Equity

The Employment Equity Act (1998), Chapter 3, section 15 (1), states that affirmative action measures are measures designed to ensure that suitable qualified people from designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce of a designated employer. The national performance indicator also refers to the "number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan" The following table provides clarity on the employment equity status as at 30 September 2020.

Table 214: EE Targets / Actual by Racial Classification

Financial Year	African			Coloured			Indian			White		
	Target June	Actual June	Target reached	Target June	Actual June	Target reached	Target June	Actual June	Target reached	Target June	Actual June	Target reached
2018/19	334	372	111.4%	497	651	131%	23	4	17%	75	94	125.3%
2019/20	334	383	111.4%	497	680	137%	23	4	17%	75	96	128%
2020/21	334	395	118.3%	497	660	132.8%	23	4	17%	75	83	110.67%

Table 215: Targets / Actual by Gender Classification

Financial Year	Male			Female			Disability		
	Target June	Actual June	Target reached	Target June	Actual June	Target reached	Target June	Actual June	Target reached
2018/19	681	750	110.1%	670	371	55.3%	10	10	100%
2019/20	681	760	111.6%	670	398	59.4%	10	10	100%
2020/21	681	737	108.22%	670	405	60.45%	10	10	100%

4.3 Occupational Categories - Race

The table below categorises the number of employees by race within the occupational levels:

Table 216: Occupational Categories – Race

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top Management and Councillors	4	15	0	7	5	11	0	7	49
Senior management	2	11	0	7	1	3	0	0	24
Professionally qualified and experienced specialists and mid-management	5	25	2	9	12	16	1	10	80
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	49	130	1	26	56	101	0	19	382
Semi-skilled and discretionary decision making	91	165	0	6	49	87	0	4	402
Unskilled and defined decision making	108	96	0	0	22	22	0	0	248
Total permanent	259	442	3	55	145	240	1	40	1 185
Non- permanent employees (incl. EPWP, Conditional Grants, Provincial Grants)	6	15	0	3	10	20	0	3	57
Grand total	265	457	3	57	155	260	2	43	1 242

4.4 Directorates by Race

The following table categorises the number of employees by race within the different Directorates:

Table 217: Directorates by Race

Directorate	Male				Female				Total
	A	C	I	W	A	C	I	W	
Office of the Mayor	4	12	0	6	5	10	0	6	43
Office of the Municipal Manager	0	2	0	1	4	7	0	2	16
Financial Services	9	34	1	2	21	50	0	5	122
Planning and Economic Development	6	25	0	5	16	22	0	7	81
Corporate Services	8	25	1	2	13	22	0	5	76
Community and Protection Services	81	131	1	23	60	96	1	11	404
Infrastructure Services	138	227	0	15	26	33	0	4	443
Total permanent	246	456	3	54	145	240	1	40	1 185
Non-permanent (incl. EPWP, Conditional Grants, Provincial Grants)	6	15	0	3	10	20	0	3	57
Grand total	252	471	3	57	155	260	1	43	1 242

4.5 Vacancy Rate

The approved organogram for the municipality had **1 120** (funded) posts based on the 2017/18 financial year. On 1 July 2018 the approved organogram of 25th October 2017 was implemented which brought about a total post compliment of 1 873 posts and was further reviewed and revised with another 123 posts which made the total post compliment 1 996 posts on 27 February 2019. The actual positions filled in the 2020/21, financial year are indicated in the tables below by post level and by functional level. A total of 854 posts were vacant at the end of 2020/21, resulting in a vacancy rate of **42,78%**. Below is a table that indicates the vacancies within the municipality:

Table 218: Vacancy rate per post and functional level

Per Post Level		
Post level	Filled	Vacant
Top Management (MM and MSA section 57 Managers)	6	0
Senior Management	24	4
Middle management	80	21
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	382	255
Semi-skilled	402	334
Unskilled and defined decision making	248	240
Total	(Excluding Councillors) 1 142	854
Per Functional Level		
Functional area	Filled	Vacant
Office of the Mayor	43	0
Office of the Municipal Manager	16	9
Financial Services	122	55
Planning and Economic Development	81	52
Corporate	76	82
Community and Protection Services	404	214
Infrastructure Services	443	442
Total	(Including Councillors) 1 185	854

4.6 Turnover rate

A high turnover may be costly to a municipality and might negatively affect productivity, service delivery and institutional memory / organisational knowledge. Below is a table that shows the turnover rate in the municipality.

The table below indicates the turn-over rate over the last five years:

Table 219: Turn-over Rate

Financial year	Total no appointments at the end of each Financial Year	New appointments	Number of terminations during the year	Turn-over Rate
2018/19	1 121	55	39	3.47%
2019/20	1 158	60	51	4.40%
2020/21	1 142	48	61	5.34%

4.7 Managing the Municipal Workforce

Managing the municipal workforce refers to analysing and coordinating employee behaviour.

An occupational injury is a personal injury, disease or death resulting from an occupational accident. Compensation claims for such occupational injuries are calculated according to the seriousness of the injury / disease and can be costly to a municipality. An occupational injury will influence the loss of man hours and therefore financial and productivity performance.

The injury rate shows an increase for the 2020/21 financial year from 92 employees in 2019 /2020 to 121 employees in the 2020/21 financial year. The table below indicates the total number of injuries within the different directorates:

Table 220: Injuries per directorates - department

Directorates	2016/17	2017/18	2018/19	2019/20	2020/21
Office of the Municipal Manager	1	1	0	0	0
Financial Services	3	0	0	2	4
Planning and Economic Development Services	0	3	3	2	10
Corporate Services	1	1	1	7	9
Community and Protection Services	54	73	49	36	21
Infrastructure Services	64	42	32	42	77
Total	130	125	86	92	121

Injuries in the Operational Services are normally higher due to the nature of work and the constant handling of equipment and machinery.

4.8 Sick Leave

The number of days' sick leave taken by employees has service delivery and cost implications. The monitoring of sick leave identifies certain patterns or trends. Once these patterns are identified, corrective action can be taken.

The total number of employees that have taken sick leave during the 2020/21 financial year shows an increase of 4 300.52 working days when comparing it to the 2020/21 financial year.

The table below indicates the total number of sick leave days taken within the different directorates.

Table 221: Table 185: Sick Leave as at 30 June

Department	2018/19	2019/20	2020/21	2020/21 (%)
Office of the Municipal Manager	89	83.5	150	35.16
Financial Services	692	679	1351	41.52
Planning and Economic Development	393	425	671	31.06
Corporate Services	493	593.87	806.08	38.26
Community and Protection Services	2 958	1803.19	3598	33.40
Infrastructure Services	2 765	2646	3955	33.48
Total	7 754	6 230.56	10 531.08	34.49

4.9 Human Resources Policies and Plans

Policies and plans provide guidance for fair and consistent staff treatment and a consistent approach to the managing of staff.

The table below shows the status of the Human Resources policies and plans:

Table 222: Approved Policies for the year under review

Name of policy	Date approved / revised
Employee Parking Policy	28 October 2020
Consequence Management Policy	26 May 2021

Table 223: Policies still to be developed

Policies still to be developed	
Name of policy	Proposed date of approval
Measures to Recover Arrear Monies from Employees owing on their municipal accounts to Stellenbosch Municipality for a period of 90 days plus.	1 August 2019 (this policy was delegated for approval by the Municipal Manager)
HIV / AIDS Policy (Review).	30 June 2021 or in new financial year
New Recruitment and Selection Policy.	30 June 2021 or in new financial year

The Human Resources Department submits policies to the Local Labour Forum on a regular basis for review purposes.

4.10 Capacity building of the Municipal Workforce

The Skills Development Act, 1998 (Act No. 97 of 1998) and the MSA, require that employers supply employees with the necessary training in order to develop its human resource capacity. Section 55(1)(f) states that as head of administration, the Municipal Manager is responsible for the management, utilisation and training of staff.

4.11 Skills Matrix

The table below indicates the number of employees that received training in the year under review:

Table 224: number of employees that received training

Management level	Gender	Number of employees identified for training at start of the year	Number of employees that received training
MM and S57	Female	0	0
	Male	0	0
Legislators, senior officials and managers	Female	3	7
	Male	4	9
Professionals	Female	4	8
	Male	2	7
Associate professionals and Technicians	Female	13	20
	Male	72	44
Community and Personal Services	Female	0	0
	Male	0	0
Clerks	Female	30	32
	Male	11	11
Service and sales workers	Female	17	14
	Male	38	28
Plant and machine operators and assemblers	Female	0	0
	Male	16	11
Elementary occupations	Female	18	13
	Male	137	130
Sub-total	Female	85	94

Management level	Gender	Number of employees identified for training at start of the year	Number of employees that received training
	Male	280	240
Total		365	334

4.12 Skills Development – Training Provided and Budget allocation

The Skills Development Act, 1998 (Act No. 97 of 1998) and the MSA, require that employers supply employees with the necessary training in order to develop its human resource capacity. Section 55(1)(f) states that as head of administration, the Municipal Manager is responsible for the management, utilisation and training of staff.

The table below indicates that a total amount of **R 532 497 021** was allocated to the workplace skills plan and that **0.62%** of the total amount was spent in the 2020/21 financial year:

Table 225: Budget allocated and spent for skills development

Year	Total personnel budget	Total Allocated	Total Spend	% Spent
	R	R	R	
2020/21	R 532 497 021	R 532 497 021	R 3 300 217	0.62%

4.13 Managing the Municipal Workforce Expenditure

4.13.1 Personnel Expenditure

The percentage personnel expenditure is essential in the budgeting process as it reflects on current and future efficiency. The table below indicates the percentage of the municipal budget that was spent on salaries and allowance for the past three financial years and that the municipality is well below the national norm of between 35 to 40%:

Table 226: Personnel Expenditure as % of Total Operating Expenditure

Financial year	Total expenditure salary and allowances	Total operating expenditure	Percentage
	R	R	%
2017/18	407 801	1 307 335	31%
2018/19	444 711	1 508 629	29%
2019/20	481 583	1 661 441	29%
2020/21	544 391	1 809 977	30%

Below is a summary of Councillor and staff benefits for the year under review:

Table 227: Councillor and staff benefits

Financial year	2018/19	2019/20	2019/20	2020/21
Description	Actual	Original Budget	Adjusted Budget	Actual
R'000				
Councillors (Political Office Bearers Plus Other)				
Salary	11 509	11 322	12 934	12 263
Pension Contributions	557	132	800	559
Medical Aid Contributions	222	50	87	215
Motor Vehicle Allowance	4 136	4 139	4 667	4 331
Cell Phone and Other Allowances	1 849	1 740	1 263	1 754
Sub-Total - Councillors	18 272	17 384	19 751	19 121
% Increase / (Decrease) on Actual	8.44%	9.11%	9.11%	4.64%
Other Municipal Staff				
Basic Salaries and Wages	300 678	301 814	323 631	322 143
Pension and UIF Contributions	45 559	47 734	60 625	48 803
Medical Aid Contributions	21 652	21 652	25 249	23 337
Overtime	37 414	44 111	51 545	31 607
Performance Bonus	710	591	0	591
Motor Vehicle Allowance	9 781	9 519	13 959	10 048
Cellphone Allowance	1 342	1 342	1 003	1 631
Housing Allowances	2 853	2 853	2 875	2 916
Other benefits and allowances	6 615	30 766	76 738	30 951
Payments in lieu of leave	5 321	858	2 007	-1
Other Municipal staff				
Long service awards	4 840	-6	66	4 109
Post-retirement benefit obligations	7946	421	34	5 448
Sub-Total - Other Municipal Staff	444 711	461 655	557 733	481 583
% Increase / (Decrease)	8.58%	3.81%	25.41%	8.29%
Total municipality	462 984	626 465	580 988	500 745
% Increase / (Decrease)	8.77%	35.31%	25.49%	8.16%

CHAPTER 5: FINANCIAL PERFORMANCE

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

The Statement of financial performance provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality.

5.1 Financial Summary

The table below indicates the summary of the financial performance for the 2020/21 financial year:

Table 228: Financial Performance

Description	2019/20	2020/21		2020/21 Variance		
	Actual	Original Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
Financial Performance						
Property rates	360 089	392 239	399 239	387 057	-1.32	-3.05
Service charges	880 126	1 072 778	1 009 778	932 616	-13.07	-7.64
Investment revenue	40 472	37 870	22 870	19 515	-48.47	-14.67
Transfers recognised - operational	160 652	178 547	207 289	194 790	9.10	-6.03
Other own revenue	166 608	218 297	195 097	179 638	-17.71	-7.92
Total revenue (excluding capital transfers and contributions)	1 607 947	1 899 731	1 834 273	1 713 616	-9.80	-6.58
Employee costs	481 583	579 439	532 497	544 391	-6.05	2.23
Remuneration of councillors	19 121	21 133	21 133	18 411	-12.88	-12.88
Depreciation and asset impairment	190 367	205 628	200 779	189 801	-7.70	-5.47
Finance charges	56 004	39 349	31 649	54 475	38.44	72.12
Materials and bulk purchases	445 621	523 902	496 686	453 758	-13.39	-8.64
Transfers and grants	10 855	10 069	11 073	11 010	9.35	-0.57
Other expenditure	450 982	507 944	537 075	538 131	5.94	0.20
Total Expenditure	1 654 533	1 887 464	1 830 891	1 809 977	-4.11	-1.14
Surplus / (Deficit)	-46 586	12 267	3 382	-96 361	-885.53	-2 949.23
Transfers recognised - capital	124 374	113 429	84 282	69 847	-38.42	-17.13
Contributions recognised - capital and contributed assets	10 275	11 697	11 697	13 658	0	0
Surplus / (Deficit) after capital transfers and contributions	88 063	137 393	99 361	-12 856	-109.36	-114.67
Capital expenditure and funds sources						
Capital expenditure						
Transfers recognised - capital	124 374	145 341	84 282	69 760	-52	-17.23
Public contributions and donations	-	-	-	141	0	0
Borrowing	33 365	102 780	120 000	97 649	-4.99	-18.63
Internally generated funds	248 192	127 630	249 598	225 391	76.60	-9.70
Total sources of capital funds	405 931	375 751	453 880	392 941	4.57	-13.43
Financial position						
Total current assets	710 439	1 124 779	698 237	632 405	-43.78	-9.43
Total non-current assets	5 674 413	6 147 669	6 230 648	5 888 558	-4.21	-5.49
Total current liabilities	390 300	435 060	386 000	433 692	-0.31	12.36

Description	2019/20	2020/21			2020/21 Variance	
	Actual	Original Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
Total non-current liabilities	571 099	849 515	849 515	676 674	-20.35	-20.35
Community wealth / equity	5 423 453	5 594 007	5 594 007	5 410 597	-3.28	-3.28
Cash flows						
Net cash from (used) operating	281 952	1 080 460	1 121 236	231 277	-78.59	-79.37
Net cash from (used) investing	-314 371	-407 662	-453 880	-306 609	-24.79	-32.45
Net cash from (used) financing	-25 870	0	0	76 027	100	100
Cash / cash equivalents at the year end	111 202	307 604	302 161	111 897	-63.62	-62.97
Cash backing / surplus reconciliation						
Cash and investments available	111 202	408 829	329 656	111 897	-72.63	-66.06
Application of cash and investments	5 422 282	481 224	597 516	5 453 273	1 033.21	812.66
Balance - surplus (shortfall)	-5 311 080	-72 395	-267 860	-5 311 080	7 236.25	1 882.78
Asset management						
Asset register summary (WDV)	5 669 262	6 143 793	6 226 771	5 881 867	-4.26	-5.54
Depreciation	190 367	205 628	200 779	189 801	-7.70	-5.47
Renewal of Existing Assets	17 171	34 100	27 041	29 798	-12.62	-10.20
Repairs and Maintenance	58 292	90 823	83 803	83 550	-8.01	-0.30
Free Services						
Cost of Free Basic Services provided	92 406	-38 706	-38 706		-100	-100
Revenue cost of free services provided	-	18 625	18 625		-100	-100
Households below minimum service level						
Water:	1	1	1	1	0	0
Sanitation / sewerage:	1	1	1	1	0	0
Energy:	2	2	2	2	0	0
Refuse:	4	4	4	4	0	0
Variances are calculated by dividing the difference between actual and original / adjustments budget by the actual. This table is aligned.						

The table below shows a summary of performance against budgets:

Table 229: Performance against Budgets

Financial Year	Revenue				Operating expenditure			
	Budget	Actual	Diff.	%	Budget	Actual	Diff.	%
	R'000				R'000			
2016/17	1 490 495	1 534 354	43 859	2.94%	1 450 845	1 316 387	134 458	9.27%
2017/18	1 778 647	1 609 729	-168 918	-9.50%	1 575 255	1 363 953	211 302	13.41%
2018/19	1 738 394	1 629 667	-108 727	-6.25%	1 719 105	1 508 629	210 476	12.24%
2019/20	1 834 539	1 742 596	-91 943	-5.01%	1 778 284	1 661 441	116 843	6.57%
2020/21	1 930 252	1 797 121	-133 131	-6.90%	1 830 891	1 809 977	20 914	1.14%

5.2 Revenue Collection by Vote

The table below indicates the revenue collection performance by vote:

Table 230: Revenue collection performance by vote

Vote Description	2019/20	2020/21			2020/21 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
Municipal Manager	-	-	328	277	0	-15.36
Planning and Development	25 044	81 766	30 799	21 908	-73.21	-28.87
Infrastructure Services	143 842	192 985	172 752	147 458	-23.59	-14.64
Community and Protection Services	1 072 412	1 246 149	1 228 147	1 129 709	-9.34	-8.02
Corporate Services	51 062	4 303	5 492	6 186	43.77	12.64
Financial Services	450 236	487 960	490 895	491 564	0.74	0.14
Total Revenue by Vote	1 742 596	2 013 160	1 928 413	1 797 102	-10.73	-6.81

5.3 Revenue Collection by Source

The table below indicates the Revenue collection performance by source for the 2020/21 financial year:

Table 231: Revenue Collection by Source

Description	2019/20	2020/21			2020/21 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
Property rates	360 089	392 239	399 239	387 057	-1.32	-3.05
Service Charges	880 126	1 072 778	1 009 778	932 616	-13.07	-7.64
Rentals of facilities and equipment	13 601	16 292	10 592	14 714	-9.69	38.91
Interest earned - external investments	40 472	37 870	22 870	19 515	-48.47	-14.67
Interest earned - outstanding debtors	8 776	13 281	13 281	10 084	-24.07	-24.07
Dividends received	0	0	0	0	0	0
Fines	99 993	140 881	130 881	108 908	-22.70	-16.79
Licences and permits	4 413	5 503	5 503	5 216	-5.21	-5.21
Agency services	3 976	2 931	2 931	4 833	64.90	64.90
Transfers recognised - operational	160 652	178 547	207 289	194 790	9.10	-6.03
Transfers recognised - capital	124 374	113 429	84 282	69 988	-38.30	-16.96
Other revenue	45 380	39 408	43 605	48 523	23.13	11.28
Gains on disposal of PPE	742	0	0	877	100	100
Total Revenue (excluding capital transfers and contributions)	1 742 594	2 013 160	1 930 252	1 797 121	-10.73	-6.90

5.4 Operational Services Performance

The table below indicates the operational services performance for the 2020/21 financial year:

Table 232: Operational Services Performance: Expenditure

Description	2019/20	2020/21			2020/21 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustment Budget
	R'000					
Operating Cost						
Water	131 579	148 086	127 662	131 801	12.36	-3.14
Wastewater (Sanitation)	124 338	124 565	120 707	138 141	-9.83	-12.62
Electricity	514 263	533 650	521 209	522 700	2.09	-0.29
Waste Management	120 997	105 990	119 548	118 389	-10.47	0.98
Housing	26 101	41 661	42 636	33 977	22.62	25.49
Component A: sub-total	917 279	953 951	931 762	945 008	0.95	-1.40
Roads and Stormwater	102 443	156 454	152 580	114 333	36.84	33.45
Component B: sub-total	102 443	156 454	152 580	114 333	36.84	33.45
Town Planning and Spatial Planning	19 789	18 507	17 152	26 708	-30.70	-35.78
Local Economic Development	10 574	13 060	12 500	10 175	28.36	22.85
Component C: sub-total	30 363	31 568	29 651	36 883	-14.41	-19.61
Libraries	14 787	18 277	18 563	13 118	39.33	41.51
Cemeteries	5 333	6 206	5 899	6 254	-0.77	-5.66
Community development	13 567	5 371	9 792	11 238	-52.20	-12.87
Component D: sub-total	33 686	29 854	34 254	30 610	-2.47	11.91
Environmental Protection	-	-	-	-	0	0
Component E: sub-total	0	0	0	0	0	0
Traffic services	195 854	199 815	198 221	233 793	-14.53	-15.22
Fire Services and Disaster Management	44 278	46 229	46 404	46 237	0.14	0.36
Component F: sub-total	240 132	246 115	244 624	280 030	-12.11	-12.64
Holiday Resorts and Campsites	280	299	303	434	-31.05	-30.28
Sport grounds, parks, swimming pools	52 198	74 363	74 737	67 474	10.21	10.76
Community Halls, Facilities and Thusong Centres	4 229	1 007	707	3 579	-71.85	-80.23
Component G: sub-total	56 707	75 669	75 747	71 487	5.85	5.96
Office of the MM	24 568	32 351	29 279	25 318	27.78	15.64
Financial Services	59 125	110 584	91 859	110 661	-0.07	-16.99
Administration	70 110	105 304	96 149	74 623	41.12	28.85
Property and contract management	31 590	38 972	39 498	36 441	6.94	8.39
HR	33 799	48 398	37 084	18 734	158.35	97.95
IT	32 535	30 071	40 571	41 251	-27.10	-1.65
Internal Audit	11 384	14 001	14 001	11 389	22.93	22.93
Legal Services	10 816	14 173	13 873	13 210	7.29	5.02
Component H: sub-total	273 925	393 853	362 312	331 626	18.76	9.25
Total Expenditure	1 654 534	1 887 463	1 830 931	1 809 977	4.28	1.16

Description	2019/20	2020/21			2020/21 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustment Budget
	R'000					%
In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						

5.5 Financial Performance Per Municipal Function

The tables below indicate the financial performance per municipal function as at 30 June 2021.

5.5.1 Water Services

Table 233: Financial Performance: Water Services

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(197 989)	(188 304)	(169 869)	(155 113)	-21.40
Expenditure:					
Employees	30 116	34 584	32 676	30 923	-11.84
Repairs and Maintenance	3 929	15 177	13 703	6 226	-143.76
Other	97 534	98 325	81 282	94 653	-3.88
Total Operational Expenditure	131 579	148 086	127 662	131 801	-12.36
Net Operational (Service)	(66 409)	(40 218)	(42 207)	(23 311)	-72.52
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.5.2 Sanitation Services

Table 234: Financial Performance: Sanitation Services

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(114 242)	(150 123)	(143 576)	(126 641)	-18.54
Expenditure:					
Employees	43 378	51 131	45 631	44 390	-15.19
Repairs and Maintenance	2 453	25 347	32 957	19 852	-27.68
Other	78 508	48 087	42 119	73 899	34.93
Total Operational Expenditure	124 338	124 565	120 707	138 141	9.83
Net Operational (Service)	10 096	(25 558)	(22 869)	11 500	322.25
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.5.3 Electricity Services

Table 235: Financial Performance: Electricity Services

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(593 017)	(741 044)	(711 261)	(671 545)	-10.35
Expenditure:					
Employees	31 467	21 082	17 682	31 428	32.92
Repairs and Maintenance	7 851	11 072	10 939	9 969	-11.07
Other	474 945	501 495	492 588	481 304	-4.20
Total Operational Expenditure	514 263	533 650	521 209	522 700	-2.09
Net Operational (Service)	(78 754)	(207 395)	(190 052)	(148 845)	-39.34
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.5.4 Waste Management Services (Refuse collections, Waste disposal and Recycling)

Table 236: Financial Performance: Waste Management Services (Refuse Collections, Waste Disposal, and Recycling)

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(89 912)	(108 265)	(111 497)	(108 186)	-0.07
Expenditure:					
Employees	32 142	28 958	38 654	31 138	7
Repairs and Maintenance	2 381	3 368	6 291	2 155	-56.32
Other	86 474	73 644	74 604	85 096	13.43
Total Operational Expenditure	120 997	105 990	119 548	118 389	10.47
Net Operational (Service)	31 086	(2 275)	8 051	10 204	122.30
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.5.5 Housing Development

Table 237: Financial Performance: Housing Personnel Expenditure

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(14 218)	(20 448)	(9 414)	(7 633)	-167.91
Expenditure:					
Employees	19 102	26 560	26 382	20 771	-27.87
Repairs and Maintenance	144	627	1 392	700	10.48
Other	6 855	14 474	14 862	12 505	-15.75
Total Operational Expenditure	26 101	41 661	42 636	33 977	-22.62
Net Operational (Service)	11 883	21 213	33 222	26 344	19.48

Variances are calculated by dividing the difference between the actual and original budget by the actual.

5.5.6 Roads and Stormwater

Table 238: Financial Performance: Roads and Stormwater

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(3 823)	(495)	(495)	(4 726)	89.52
Expenditure:					
Employees	29 877	28 462	24 957	33 269	14.45
Repairs and Maintenance	20 367	13 489	14 528	19 794	31.86
Other	52 199	114 503	113 094	61 270	-86.88
Total Operational Expenditure	102 443	156 454	152 580	114 333	-36.84
Net Operational (Service)	98 619	155 958	152 084	109 607	-42.29

Variances are calculated by dividing the difference between the actual and original budget by the actual.

5.5.7 Town and Spatial Planning

Table 239: Financial Performance: Town Planning and Spatial planning

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(77)	(27)	(27)	(35)	21.33
Expenditure:					
Employees	18 296	16 729	15 999	25 242	33.73
Repairs and Maintenance	-	-	-	3	0
Other	1 494	1 779	1 153	1 463	-21.61
Total Operational Expenditure	19 789	18 507	17 152	26 708	30.70
Net Operational (Service)	19 712	18 480	17 125	26 673	30.72

Variances are calculated by dividing the difference between the actual and original budget by the actual.

5.5.8 Local Economic Development (LED)

Table 240: Financial Performance: LED

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(1 435)	(2 838)	(1 689)	(1 439)	-97.19
Expenditure:					
Employees	4 882	5 475	5 275	3 980	-37.58
Repairs and Maintenance	0	-	-	-	-
Other	5 692	7 585	7 224	6 195	-22.43
Total Operational Expenditure	10 574	13 060	12 500	10 175	-28.36
Net Operational (Service)	9 139	10 223	10 810	8 736	-17.02

Variances are calculated by dividing the difference between the actual and original budget by the actual.

5.5.9 Libraries

Table 241: Financial Performance: Libraries

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(12 574)	(13 197)	(13 142)	(10 761)	-22.65
Expenditure:					
Employees	12 829	16 070	16 081	11 398	-40.99
Repairs and Maintenance	7	145	147	23	-528.66
Other	1 950	2 062	2 335	1 696	-21.56
Total Operational Expenditure	14 787	18 277	18 563	13 118	-39.33
Net Operational (Service)	2 212	5 079	5 420	2 357	-115.48
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.5.10 Community Development

Table 242: Financial Performance: Community Development

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(1 985)	(56)	(393)	(188)	70.16
Expenditure:					
Employees	4 076	700	700	3 815	81.65
Repairs and Maintenance	5	32	32	7	-373.75
Other	9 486	4 639	9 060	7 416	37.45
Total Operational Expenditure	13 567	5 371	9 792	11 238	52.20
Net Operational (Service)	11 581	5 315	9 399	11 050	51.90
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.5.11 Cemeteries

Table 243: Financial Performance: Cemeteries

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(1 246)	(3 585)	(3 145)	(1 016)	-252.94
Expenditure:					
Employees	3 166	2 986	2 680	3 305	9.65
Repairs and Maintenance	1 407	1 324	2 493	2 000	33.81
Other	760	1 896	727	949	-99.81
Total Operational Expenditure	5 333	6 206	5 899	6 254	0.77
Net Operational (Service)	4 087	2 620	2 755	5 238	49.97
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.5.12 Traffic Services and Law Enforcement

Table 244: Financial Performance: Traffic Services

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(120 391)	(166 761)	(151 135)	(128 709)	-29.56
Expenditure:					
Employees	61 347	58 926	58 579	69 553	15.28
Repairs and Maintenance	1 208	11 648	3 028	1 922	-506.18
Other	133 299	129 241	136 614	162 319	20.38
Total Operational Expenditure	195 854	199 815	198 221	233 793	14.53
Net Operational (Service)	75 463	33 054	47 085	105 084	68.54
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.5.13 Fire Services and Disaster Management

Table 245: Financial Performance: Fire Services and Disaster Management Personnel Expenditure

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(672)	(296)	(851)	(756)	60.84
Expenditure:					
Employees	36 721	38 136	37 941	39 583	3.65
Repairs and Maintenance	1 090	1 212	1 210	905	-33.86
Other	6 467	6 952	7 253	5 749	-20.92
Total Operational Expenditure	44 278	46 299	46 404	46 237	-0.14
Net Operational (Service)	43 606	46 003	45 553	45 481	-1.15

Variations are calculated by dividing the difference between the actual and original budget by the actual.

5.5.14 Holiday Resorts and Campsites

Table 246: Financial Performance: Holiday Resorts and Campsites

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(398)	(585)	(585)	(3)	-18 864.60
Expenditure:					
Employees	237	130	63	251	48.23
Repairs and Maintenance	4	105	175	142	0
Other	39	64	64	41	-56.76
Total Operational Expenditure	280	299	303	434	31.05
Net Operational (Service)	(118)	(286)	(283)	431	166.36

Variations are calculated by dividing the difference between the actual and original budget by the actual.

5.5.15 Sport grounds, Parks and Swimming Pools

Table 247: Financial Performance: Sport Grounds, Parks and Swimming Pools

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(1543)	(1 461)	(1 990)	(3 088)	52.70
Expenditure:					
Employees	38 089	37 632	37 627	42 291	11.02
Repairs and Maintenance	11 712	9 537	7 490	10 700	10.87
Other	2 396	27 193	29 620	14 482	-87.77
Total Operational Expenditure	52 198	74 363	74 737	67 474	-10.21
Net Operational (Service)	50 655	72 902	72 747	64 386	-13.23
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.5.16 Community Halls and Thusong Centres

Table 248: Financial Performance: Community Halls and Thusong Centres

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(3 599)	(3 041)	(3 041)	(5 550)	45.2
Expenditure:					
Employees	3 046	300	-	2 962	89.87
Repairs and Maintenance	162	130	130	17	-682.46
Other	1 022	577	577	600	3.75
Total Operational Expenditure	4 229	1007	707	3 579	71.85
Net Operational (Service)	630	(2 034)	(2 334)	(1 971)	-3.19
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.5.17 Office of the Municipal Manager

Table 249: Financial Performance: Office of the Municipal Manager

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	-	-	(328)	(277)	-100
Expenditure:					
Employees	18 525	22 493	18 793	18 004	-24.93
Repairs and Maintenance	8	59	59	17	-255.19
Other	6 035	9 799	10 426	7 297	-34.28
Total Operational Expenditure	24 568	32 351	29 279	25 318	27.78
Net Operational (Service)	24 568	32 351	28 951	25 040	-29.19
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.5.18 Human Resource Services

Table 250: Financial Performance: Human Resource Services

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(1 324)	(238)	(1 110)	(1 286)	81.49
Expenditure:					
Employees	13 538	40 350	28 400	14 095	-186.27
Repairs and Maintenance	-	48	48	-	-100
Other	20 261	7 999	8 636	4 639	-72.45
Total Operational Expenditure	33 799	48 398	37 084	18 734	-158.35
Net Operational (Service)	32 474	48 160	35 974	17 488	-176.03
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.5.19 Information and Communication Technology (ICT) Services

Table 251: Financial Performance: Information and Communication Technology (ICT) Services

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	0	0	0	0	0
Expenditure:					
Employees	8 384	7 987	7 987	8 183	2.40
Repairs and Maintenance	215	540	540	548	-1.55
Other	23 936	21 544	32 044	32 520	33.75
Total Operational Expenditure	32 535	30 071	40 571	41 251	27.10
Net Operational (Service)	32 535	30 071	40 571	41 215	27.10

Variances are calculated by dividing the difference between the actual and original budget by the actual.

5.5.20 Legal Services

Table 252: Financial Performance: Legal Services

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(1)	(1)	(1)	(2)	43.30
Expenditure:					
Employees	4 636	5 980	5 680	4 714	-26.87
Repairs and Maintenance	-	-	29	-	0
Other	6 180	8 193	8 193	8 497	3.58
Total Operational Expenditure	10 816	14 173	13 873	13 210	-7.29
Net Operational (Service)	10 816	14 171	13 871	13 871	-7.29

Variances are calculated by dividing the difference between the actual and original budget by the actual.

5.5.21 Property Management

Table 253: Financial Performance: Property and Contract Management

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(3 143)	(3 334)	(3 334)	(3 422)	2.57
Expenditure:					
Employees	8 159	7 602	7 428	7 815	2.73
Repairs and Maintenance	5 233	7 405	8 105	7 808	5.16
Other	18 197	23 964	23 964	20 818	-15.11
Total Operational Expenditure	31 590	38 972	39 498	36 441	-6.94
Net Operational (Service)	28 446	35 638	36 164	33 020	-7.93
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.5.22 Financial Services

Table 254: Financial Performance: Financial Services

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(450 236)	(487 960)	(490 844)	(481 200)	-1.40
Expenditure:					
Employees	30 219	75 834	55 134	64 602	-17.39
Repairs and Maintenance	53	155	153	670	76.92
Other	28 853	34 595	36 571	45 389	23.78
Total Operational Expenditure	59 125	110 584	91 859	110 611	0.07
Net Operational (Service)	(391 112)	(377 376)	(398 986)	(370 539)	-1.85
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.5.23 Internal Audit

Table 255: Financial Performance: Financial Services

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	0	0	0	0	0
Expenditure:					
Employees	4 548	5 975	5 975	4 942	-20.91
Repairs and Maintenance	0	0	0	0	0
Other	6 835	8 025	8 025	6 477	-24.48
Total Operational Expenditure	11 384	14 001	14 001	11 389	-22.93
Net Operational (Service)	11 384	14 001	14 000	11 389	-22.93

Variations are calculated by dividing the difference between the actual and original budget by the actual.

5.5.24 Administration

Table 256: Financial Performance: Administration

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(6 395)	(7 671)	(16 544)	(15 699)	51.14
Expenditure:					
Employees	24 801	45 357	42 173	27 736	-63.53
Repairs and Maintenance	64	335	397	93	-261.45
Other	45 245	59 612	53 578	46 793	-27.39
Total Operational Expenditure	70 110	105 304	96 149	74 623	-41.12
Net Operational (Service)	63 715	97 633	79 605	58 923	-65.70

Variations are calculated by dividing the difference between the actual and original budget by the actual.

5.6 Grants

5.6.1 Grant Performance

The municipality had a total amount of **R 172 million** for operational expenditure available that was received in the form of grants from the National and Provincial Governments during the 2019/20 financial year. The performance in the spending of these grants is summarised as follows:

Table 257: Grant Performance

Description	2019/20	2020/21		2020/21 Variance		
	Actual	Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
National Government:	143 254	156 315	178 568	178 568	-14.24%	100
Equitable Share	136 177	149 804	170 632	170 632	-13.90	0
Financial Management Grant	1 550	1 550	1 550	1 550	0	0
EPWP	5 227	4 961	4 961	4 961	0	0
Natural Resources Management Grant	91	0	0	0	0	0
Integrated Urban Development Grant	0	0	1 425	1 425	0	0
Municipal Disaster Management Grant	209	0	0	0	0	0
Provincial Government:	16 559	21 791	23 947	11 850	45.62	50.52
Community Development Workers Operational Support Grant	19	56	93	93	0	0
Library Services: Conditional Grant	12 454	13 077	13 022	10 720	18.02	17.68
WC Financial Management Support Grant	255	-	-	-	0	0
Local Government Support Grant	900	-	-	-	0	0
Municipal Accreditation and Capacity Building Grant	168	238	238	-	100	100
Financial Management Capacity Building Grant	380	400	660	495	-23.75	25
LG Graduate Internship Grant	66	-	74	74	0	0
Human Settlements Development Grant	0	7 570	7 570	0	100	100
Maintenance and Construction of Transport Infrastructure	384	450	450	-	100	0
Title Deeds Restoration Grant	1 933	0	1 840	468	100	1
District Municipality:	472	440	2 571	2 424	0	5.72
Cape Winelands District (COVID 19) Grant	472	0	2 031	1 884	-100	0
Safety Initiative Implementation-whole of society approach (WOSA)	0	440	440	440	0	0
Cape Winelands District Tourism grant	0	0	100	100	-100	0
Other Grant Providers:	367	0	2 204	1 948	0	11.62
LG SETA Discretionary	63	0	376	139	0	63.03
Taipei donation COVID-19 Donation	132	0	0	0	0	100
DBSA Grant	172	0	1 828	1 809	0	1.04
Total Operating Transfers and Grants	160 652	178 546	207 290	194 790	-9.10	6.03

5.6.2 Level of Reliance on Grants and Subsidies

Table 258: Reliance on Grants

Financial year	Total grants and subsidies received	Total Operating Revenue	Percentage
	R'000		%
2016/17	227 752	1 534 354	14.84
2017/18	211 190	1 609 728	13.12
2018/19	233 433	1 541 685	15.14
2019/20	285 026	1 742 596	16.36
2020/21	264 637	1 797 121	14.73

Developers contributions have been excluded from the grant item to express only allocations and not policy related revenue which NT allocates to capital revenue. It would distort the reliance on grant calculation if excluded from the above ratio.

5.7 Asset Management

Asset management is practised within the organisation based on a comprehensive Asset Management Policy. The Asset Management Policy provides direction for the management, accounting and control of property, plant and equipment (assets) owned or controlled by the municipality to ensure the following:

- ‡ Implementation of the approved Asset Management Policy as required in terms of section 63 of MFMA;
- ‡ Verify assets in possession of the Council annually, during the course of the financial year;
- ‡ Keep a complete and balanced record of all assets in possession of the Council;
- ‡ Report in writing all asset losses, where applicable, to Council; and
- ‡ Those assets are valued and accounted for in accordance with a statement of GRAP.

5.8 Repairs and Maintenance

Table 259: Repairs and Maintenance Expenditure

Description	2019/20	2020/21		2020/21 Variance	
	Actual	Original Budget	Adjustment Budget	Budget variance	
	R'000				%
Repairs and Maintenance Expenditure	58 292	90 823	83 803	83 550	0.30

5.9 Financial Ratios Based on Key Performance Indicators

Table 260: Liquidity Ratio

Description	Basis of calculation	2016/17	2017/18	2018/19	2019/20	2020/21
Current Ratio	Current assets / current liabilities	2.18	2.02	2.09	1.82	1.46
Current Ratio adjusted for aged debtors	Current assets - debtors > 90 days / current liabilities	2.18	1.38	1.39	1.01	0.69
Liquidity Ratio	Monetary Assets / Current Liabilities	1.51	1.92	1.98	1.66	1.34

5.10 IDP Regulation Financial Viability Indicators

Table 261: IDP Regulation Financial Viability of Indicators

Description	Basis of calculation	2016/17	2017/18	2018/19	2019/20	2020/21
Cost Coverage	(Available cash + investments) / monthly fixed operational expenditure	5.71	4.59	4.70	2.21	1.83
Total Outstanding Service Debtors to Revenue	Total outstanding service debtors / annual revenue received for services	10.22%	18.09%	28.05%	22.02%	21.64%
Debt Coverage	(Total operating revenue - operating grants) / debt service payments due within financial year)	47.16	46.81	43.81	-0.64	29.14

5.11 Borrowing Management

Table 262: Borrowing Management

Description	Basis of calculation	2016/17	2017/18	2018/19	2019/20	2020/21
Capital Charges to Operating Expenditure	Interest and Principal Paid / Operating Expenditure	1.21%	2.31%	2.09%	3.44%	3.04%

5.12 Employee Costs

Table 263: Employee Costs

Description	Basis of calculation	2016/17	2017/18	2018/19	2019/20	2020/21
Employee costs	Employee costs / (total revenue - capital revenue)	26.84	28.80%	29.09%	29.99%	31.77%

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.13 Capital Expenditure

5.13.1 Capital Expenditure by Assets Programme

Table 264: Capital Expenditure by asset programme

Description	2020/21		
	Original Budget	Adjustment Budget	Actual Expenditure
	R'000		
Capital Expenditure by Asset Class			
Infrastructure	258 740	242 088	273 925
Roads Infrastructure	69 130	83 348	62 933
Roads	41 030	48 047	58 722
Road Structures	21 050	30 608	
Road Furniture	3 050	2 197	3 784
Stormwater Infrastructure	4 000	2 496	427
Stormwater Conveyance			
Electrical Infrastructure	41 850	44 120	40 548
Power Plants			
HV Substations	600	600	
MV Switching Stations	0	0	-
MV Networks	26 150	32 000	35 160
MV Substations	1 500	1 500	
LV Networks	7 200	6 618	2 277
Capital Spares	6 400	3 400	3 111
Water Supply Infrastructure	69 305	55 639	51 833
Dams and Weirs			
Boreholes			
Reservoirs	12 000	19 710	6 452
Water Treatment Works	4 900	6 634	22 817
Bulk Mains	22 080	16 251	13 829
Distribution	27 825	10 543	8 735
Capital Spares	2 500	2 500	
Sanitation Infrastructure	69 355	46 234	108 550
Pump Station	1 000	0	
Reticulation	13 000	2 200	108 550
Wastewater Treatment Works	17 355	7 836	0
Outfall Sewers	37 000	35 398	
Toilet Facilities	1 000	800	
Capital Spares			
Solid Waste Infrastructure	7 500	12 436	10 044
Landfill Sites	4 000	10 179	1 833
Waste Transfer Stations	2 000	1 067	8 211
Waste Drop-off Points	500	500	0
Waste Separation Facilities	500	190	
Capital Spares	500	500	
Information and Communication Infrastructure	1 600	310	17

Description	2020/21		
	Original Budget	Adjustment Budget	Actual Expenditure
	R'000		
Data Centres	1 550	144	
Capital Spares	50	166	17
Community Assets	21 200	34 867	8 775
Community Facilities	9 150	19 886	8 775
Halls	5 150	6 357	4 551
Centres	0	0	
Fire / Ambulance Stations	500	2 881	0
Testing Stations	0	0	
Theatres	0	900	
Libraries	700	647	2 105
Cemeteries / Crematoria	1 500	843	0
Police	0	0	
Public Open Space	1 150	1 862	111
Nature Reserves	0	50	
Public Ablution Facilities	0	70	
Stalls	0	6 126	2 008
Taxi Ranks / Bus Terminals	0	0	
Capital Spares	150	150	0
Sport and Recreation Facilities	12 050	5 972	0
Outdoor Facilities	12 050	5 972	0
Heritage assets			
Heritage assets	1 000	1 197	0
Historic Buildings	1 000	263	0
Conservation Areas	0	934	0
Investment properties	17 500	17 531	0
Revenue Generating	0	0	0
Improved Property	4 300	7 462	0
Unimproved Property	0	0	0
Non-revenue Generating	13 200	10 069	0
Improved Property	0	0	0
Unimproved Property	0	0	0
Other assets	44 350	68 585	67 718
Operational Buildings			
Municipal Offices	2 000	5 120	
Yards	0	0	
Stores	0	0	
Training Centres	42 350	58 984	67 718
Manufacturing Plant	-	-	-
Depots		4 481	-
Capital Spares			
Housing	11 759	55 793	0
Social Housing	11 759	55 793	0
Biological or Cultivated Assets	0	0	0
Biological or Cultivated Assets	0	0	0

Description	2020/21		
	Original Budget	Adjustment Budget	Actual Expenditure
	R'000		
Intangible Assets	0	0	0
Licences and Rights	0	0	-
Computer Software and Applications	0	0	0
Computer Equipment	4 700	7 300	9 833
Computer Equipment	4 700	7 300	9 833
Furniture and Office Equipment	3 167	4 221	5 699
Furniture and Office Equipment	3 167	4 221	5 699
Machinery and Equipment	6 110	14 471	5 884
Machinery and Equipment	6 110	14 471	5 884
Transport Assets	7 225	16 836	20 240
Transport Assets	7 225	16 836	20 240
Land			867
Land			867
Zoo's, Marine and Non-biological Animals	-	-	0
Zoo's, Marine and Non-biological Animals	-	-	0
Total Capital Expenditure	375 751	453 880	392 1

5.13.2 Sources of Finance

The table below indicates the capital expenditure by funding source for the 2019/20 financial year:

Table 265: Capital Expenditure by Funding Source

Details	2020/21			
	Original Budget (OB)	Adjustment Budget	Actual	Adjustment Budget Variance
	R'000			%
Source of finance				
External Loans	102 780	120 000	97 649	-18.63
Public Contributions and Donations	-	-	-	-
Grants and Subsidies	145 341	84 282	69 760	-17.23
Other	127 630	249 598	225 391	-9.70
Total	375 751	453 880	392 941	-13.43
External Loans	27.35	26.44	24.85	-6.1
Public Contributions and Donations	0	0	0.04	-
Grants and Subsidies	38.68	18.57	17.75	-4.39
Own Funding	33.97	54.99	57.36	4.31
Water and Sanitation	194 400	167 973	159 549	-5.02
Electricity	35 090	46 493	40 548	-12.79
Housing	50	1 350	0	-100
Roads and Stormwater	80 120	82 303	427	-99.48
Other	66 091	155 761	192 417	23.53
Total	375 751	453 880	392 941	-13.43
Water and Sanitation	51.74	37.01	40.60	9.72
Electricity	9.34	10.24	10.32	0.74
Housing	0.01	0.30	0	-100
Roads and Stormwater	21.32	18.13	0.11	-99.40
Other	17.59	34.32	48.97	42.69

5.13.3 Capital Spending On 5 Largest Projects

Projects with the highest capital expenditure in 2020/21:

Table 266: Capital Expenditure on the 5 Largest Projects

Name of Project	2020/21			Variance 2020/21	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance	Adjustment Variance
				%	
Upgrade of WWTW: Pniël and Decommissioning of Franschoek	-	62 962 319	75 649 730	-	20.15%
Purchasing of land	-	46 960 585	46 224 000	-	-1.57%
Bulk Sewer Outfall: Jamestown	-	29 499 970	22 367 831	-	-24.18%
adhoc Reconstruction of Roads (WC024)	-	15 755 412	15 519 995	-	-1.49%
General Systems Improvements - Stellenbosch	-	14 795 082	12 132 548	-	-18%

5.13.4 Basic Services and infrastructure backlogs - Overview

Out of the various Master Plans revised, various infrastructure backlogs and upgrades were identified which will be required to meet current and future development needs. Budgetary provision will be made accordingly.

The service level below minimum standard can be interpreted as the backlogs to upgrade current households above minimum standard to households supplied with water inside dwelling.

In terms of the definition for backlogs for the minimum standard water supply, Stellenbosch Municipality has zero (0) backlogs. Major backlogs exist in terms of dilapidated infrastructure and the bulk services to provide for future development and current provision of water and sanitation.

5.13.5 Integrated Urban Development Grant (IUDG)

Table 267: Integrated Urban Development Grant (IUDG)

Details	Budget	Adjustment Budget	Actual	Variance Budgets
	R'000			%
Local Economic Development Hub Jamestown	1500	-	-	-
Transfer Station: Stellenbosch Planning and Design	2000	-	-	-
Bulk Sewer Outfall: Jamestown	5 535	5 035	5 035	-
Upgrade of WWTW: Klapmuts	1 655	-	-	-
Upgrade of WWTW: Pniël and Decommissioning of Franschhoek	20 000	16 732	16 732	-
Bulk Water Supply Pipeline and Reservoir - Jamestown	1 000	769	769	-
Dwarsriver Bulk Supply Augmentation and Network Upgrades	1 000	-	-	-
Northern Extension Bulk Services	1 300	96	96	-
Adhoc Reconstruction of Roads (WC024)	-	12 156	12 156	-
Jamestown South Transport Network	1 000	995	995	-
Re-design of Bergzicht Public Transport Facility	1 000	-	-	-
Taxi Rank: Franschhoek	1 500	2 500	2 500	-
Taxi Rank: Kayamandi	1 500	3 086	3 086	-
Taxi Rank: Klapmuts	1 500	3 197	3 197	-
Upgrading of swimming pool	-	916	916	-
Upgrade of Sport Facilities	7 000	-	-	-
Business and Advisory: Business and Financial Management	-	1 425	1 425	-

5.14 Cash Flow

Table 268: Cash flow

Description	2019/20	2020/21		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
R'000				
Cash Flow from Operating Activities				
Receipts				
Ratepayers and Other	1 342 975	1 516 802	893 935	1 349 991
Government Grants	240 161	291 976	224 321	270 470
Interest	40 472	50 621	2 979	19 515
Payments				
Employee Costs	-530 498	-549 308	-	-562 744
Suppliers	-780 008	-942 495	-	-817 722
Finance Costs	-31 150	-39 349	-	-28 233
Net Cash from / (Used) Operating Activities	281 952	328 247	1 121 235	231 277
Cash Flow from Investing Activities				
Receipts				
Proceeds on Disposal of PPE	0	0	0	1 634
Proceeds on Disposal of Biological Assets	33	0	0	51
Movement in Non-Current Receivables	0	0	0	0
Payments				
Purchase of PPE	-405 931	-375 750	-453 880	-392 744
Movement in Non-Current Receivables	0	0	0	0
Movement in Investments	91 526	0	0	84 451
Net Cash from / (Used) Investing Activities	-314 372	-375 750	-453 880	-306 608
Cash Flow from Financing Activities				
Receipts				
Proceeds from other Financial Liabilities		102 780	0	102 779
Increase in consumer deposits	0	0	0	0
Payments				
Repayment of Borrowing	-25 870	-26 311		-26 753
Prior period error	0	0	0	0
Net Cash from / (Used) Financing Activities	-25 870	76 469		76 026
Net Increase / (Decrease) in Cash Held	-58 290	-28 966	667 355	695
Cash / Cash Equivalents at the Year-Begin:	169 491	408 228	-365 194	111 201
Cash / Cash Equivalents at the Year-End:	111 201	437 194	302 161	111 896

5.15 Gross Outstanding Debtors per Service

Table 269: Gross Outstanding Debtors per Service

Financial year	Rates	Trading services	Trading services	Housing rentals	Other	Total
		(Electricity and Water)	(Sanitation and Refuse)			
(R'000)						
2018/19	39 149	207 104	46 069	27 274	204 212	523 808
2019/20	44 671	138 830	54 968	27 194	188 755	454 418
Difference	5 522	-68 274	8 899	-80	-15 457	-69 390
% growth year on year	14%	-33%	19%	0%	-8%	-13%
2020/21	47 578	144 651	57 200	27 656	192 635	469 720
Difference	2 907	5 281	2 232	462	3 880	15 302
% growth year on year	7%	4%	4%	2%	2%	3%

Note: Figures exclude provision for bad debt.

5.16 Debtors Age Analysis

Table 270: Debtors Age Analysis

Financial year	Less than 30 days	Between 30-60 days	Between 60-90 days	Between 90-120 days	More than 120 days	Total
	(R'000)					
2018/19	184 334	18 591	16 417	12 897	291 570	523 809
2019/20	99 308	20 486	197 197	11 414	303 489	631 894
Difference	-85 026	1 895	180 780	-1483	11 919	108 085
% growth year on year	-46%	10%	1101%	-11%	4%	21%
2020/21	98 357	17 589	18 889	11 414	323 471	469 720
Difference	-951	-2 897	-178 308	0	19 982	-162 174
% growth year on year	-1%	-14%	-90%	0%	7%	-26%

Note: Figures exclude provision for bad debt.

5.17 Borrowing and Investments

The municipality's cash position is monitored on a daily basis and any cash not required immediately to meet cash flow requirements is invested on a monthly basis at approved institutions, strictly in accordance with Council's approved Cash and Investment Policy.

5.18 Actual Borrowings

Table 271: Actual Borrowings

Instrument	2016/17	2017/18	2018/19	2019/20	2020/21
	R'000				
Long-Term Loans	186 386	173 302	318 800	292 930	368 957

5.19 Municipal Investments

Table 272: Municipal Investments

Investment type	2016/17	2017/18	2018/19	2019/20	2020/21
	R'000				
Deposits - Bank	575 418	505 618	398 164	306 637	222 187

CHAPTER 6: AUDITOR GENERAL AUDIT FINDINGS

5.1 Introduction

This chapter provides the details on the audit outcomes for the past two financial years with the correctives steps implemented.

COMPONENT A: AUDITOR-GENERAL OPINION 2019/20

5.2 Auditor General Report 2019/20

Table 273: Auditor General Report 2019/20

2019/20	
Audit Report Status:	Unqualified (Clean Audit)
2019/20	
Issue raised	Corrective step implemented
Emphasis of matter:	
Restatement of corresponding figures	
As disclosed in note 61 to the financial statements, the corresponding figures for 30 June 2019 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2020.	None
Material Impairments	
As disclosed in note 5 to the financial statements, the municipality provided for impairment of receivables from exchange transactions of R151,4 million (2018-19: R142,8 million).	None
As disclosed in note 6 to the financial statements, the municipality provided for impairment of receivables from non-exchange transactions of R153,4 million (2018-19: R167,5 million).	None
Material losses	
None	None
Material Non-Compliance	
The Auditor-General did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.	
Annual financial statements	
The Auditor-General audited the financial statements of the Stellenbosch Municipality set out on pages 5 to 143, which comprise the statement of financial position as at 30 June 2020, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.	None
In the opinion of the Auditor-General, the financial statements present fairly, in all material respects, the financial position of the Stellenbosch Municipality as at 30 June 2020, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 16 of 2019 (Dora).	None

COMPONENT B: AUDITOR-GENERAL OPINION 2020/21

At the time of compiling the Annual Report 2020/21, the audit for the 2020/21 financial year was not completed. The outcome of the audit will be reported after conclusion of the audit by the AGSA.

5.3 Auditor General Report 2020/21

Table 274: Auditor General Report 2020/21

2020/21	
Audit Report Status:	Outstanding
2020/21	
Issue raised	Corrective step implemented
Emphasis of matter:	
Restatement of corresponding figures	
Material Impairments	
Material losses	
Material Non-Compliance	
Annual financial statements	

ANNEXURE A: ANNUAL FINANCIAL STATEMENTS 2020/21

Planning by	Reviewed	Performed by	Final review

Client details

Client name: Stellenbosch Municipality
Year end: 30 June 2021

Print details

Printed by
Date printed



STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

Stellenbosch Municipality
Annual Financial Statements
for the year ended 30 June 2021
Auditor-General of South Africa

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

General Information

Legal form of entity

Stellenbosch municipality is a category B local authority established in terms of section 151 of the Constitution of the Republic of South Africa. The municipality is ordinarily resident in the republic of South Africa and is identified by the demarcation code W024.

The principle activities of the municipality are to:

Provide democratic and accountable government to local communities;
 Ensure sustainable service delivery to communities;
 Promote social and economic development
 Promote a safe and healthy environment; and
 Encourage the involvement of communities and community organisations in the matters of local government.

Mayoral committee

Executive Mayor
 Deputy Executive Mayor
 Speaker
 Executive Councillors

G van Deventer
 N Jindela
 W Petersen
 F Badenhorst
 P Crawley
 A Frazenburg
 E Groenewald
 X Mdemka
 S Peters
 M Pietersen (deceased)
 Q Smit
 J Fasser (01/02/2021)
 F Adams (resigned: 31/05/2021)
 F Bangani-Menziwa
 P Biscombe
 G Cele
 A Crombie
 Z Dalling
 R Du Toit
 A Florence
 J Fasser
 E Fredericks
 T Gosa
 J Hamilton
 A Hanekom
 D Hendrickse [deceased]
 J Hendricks
 L Horsband
 M Johnson
 D Joubert
 N Mananga-Gugushe
 C Manuel
 M Mc Ombring
 C Moses
 R Nalumango
 N Olayi
 M Oliphant
 C Davidse (01/02/2021)

Councillors

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

General Information

	W Pietersen S Schafer J Serdyn N Sinkinya P Sitshoti L Stander E Vermeulen
Accounting Officer	G Mettler
Chief Finance Officer (CFO)	K Carolus
Senior Management	A de Beer D Louw G Boshoff A Barnes
Registered office	Plein Street Stellenbosch 7600
Business address	Plein Street Stellenbosch 7600
Postal address	P O Box 17 Stellenbosch 7599
Bankers	ABSA NEDBANK
Auditors	Auditor-General of South Africa
Legislation Governing the Municipality	Division of Revenue Act (Act 1 of 2007) The Constitution of Republic of South Africa, 1996 The Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) The Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) The Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) Local Government Property Rates Act, 2004 (Act 6 of 2004) Municipal Fiscal Powers and Functions Act, 2007 (Act 12 of 2007) Local Government: Municipal Demarcation Act, 1998 (Act 27 of 1998) Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005)

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Index

The reports and statements set out below comprise the annual financial statements presented to the provincial legislature:

	Page
Accounting Officer's Responsibilities and Approval	4
Statement of Financial Position	5
Statement of Financial Performance	6
Statement of Changes in Net Assets	7
Cash Flow Statement	8
Statement of Comparison of Budget and Actual Amounts	9 - 13
Accounting Policies	14 - 50
Notes to the Annual Financial Statements	52 - 133
Reportable Segments	134

Abbreviations

GRAP	Generally Recognised Accounting Practice
IAS	International Accounting Standards
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

I acknowledge that I am ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

I am of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

I am responsible for the preparation of these financial statements in terms of Section 126(1) of the Municipal Finance Management Act, 2003 (Act 56 of 2003) and signed the Annual Financial Statements on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 34 and 35 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

The external auditors are responsible for independently reviewing and reporting on the municipality's annual financial statements. The annual financial statements have been examined by the municipality's external auditors and their report is presented on page 5.

The annual financial statements have been prepared on the going concern basis, is hereby approved.

Accounting Officer
Geraldine Mettler

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Statement of Financial Position as at 30 June 2021

Figures in Rand	Note(s)	2021	2020 Restated*
Assets			
Current Assets			
Cash and cash equivalents	3	111,896,629	111,201,845
Short term investments	4	222,186,762	306,637,342
Receivables from exchange transactions	5	153,119,571	115,860,178
Receivables from non-exchange transactions	6	57,455,962	71,484,038
Other receivables from exchange transactions	7	11,973,032	12,887,565
Inventories	8	53,315,177	64,074,316
VAT receivable	9	19,509,741	25,493,058
Long term receivables	15	2,948,181	2,800,967
		632,405,055	710,439,309
Non-Current Assets			
Property, plant and equipment	10	5,452,736,942	5,239,958,743
Investment property	11	412,395,781	412,514,416
Intangible assets	12	9,638,865	9,694,174
Biological assets that form part of an agricultural activity	13	6,321,448	6,321,448
Heritage assets	14	774,002	774,002
Long term receivables	15	4,932,492	3,560,940
Other receivables from exchange transactions	7	1,758,898	1,589,255
		5,888,558,428	5,674,412,978
Total Assets		6,520,963,483	6,384,852,287
Liabilities			
Current Liabilities			
Consumer deposits	16	19,530,073	17,784,517
Employee benefit obligation	17	61,187,957	61,117,388
Operating lease liability	18	3,739,474	4,958,344
Borrowings	19	34,223,893	26,752,931
Payables from exchange transactions	21	300,315,512	270,824,235
Unspent conditional grants and receipts	22	14,695,527	8,862,622
		433,692,436	390,300,037
Non-Current Liabilities			
Borrowings	19	334,733,125	266,177,508
Employee benefit obligation	17	200,444,000	183,616,000
Provisions	20	141,497,317	121,305,978
		676,674,442	571,099,486
Total Liabilities		1,110,366,878	961,399,523
Net Assets		5,410,596,605	5,423,452,764
Accumulated surplus	23	5,410,596,605	5,423,452,764

* See Note 61

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Statement of Financial Performance

Figures in Rand	Note(s)	2021	2020 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	24	932,616,341	880,125,828
Construction contracts	25	7,570,000	5,317,560
Rental of facilities and equipment	26	14,713,664	13,601,431
Interest earned - outstanding receivables	27	8,114,051	6,954,471
Agency services	28	4,833,132	3,976,481
Licences and permits	29	5,216,026	4,413,324
Other income	30	40,953,114	40,061,672
Investment revenue	31	19,515,361	40,472,002
Gain on disposal of assets and liabilities		826,299	-
Gain on biological assets and agricultural produce		50,747	33,133
Reversal of inventories losses		-	709,539
Total revenue from exchange transactions		1,034,408,735	995,665,441
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	32	387,056,675	360,089,277
Property rates - interest earned	32	1,970,109	1,822,264
Donated Assets		140,541	-
Transfer revenue			
Government grants & subsidies	33	264,636,686	285,026,320
Fines, Penalties and Forfeits	34	108,908,055	99,992,810
Total revenue from non-exchange transactions		762,712,066	746,930,671
Total revenue		1,797,120,801	1,742,596,112
Expenditure			
Employee related costs	35	(544,391,461)	(481,583,056)
Remuneration of councillors	36	(18,410,760)	(19,121,037)
Contribution to/from provision	38	(6,874,912)	(8,828,974)
Depreciation and amortisation	39	(189,800,897)	(190,367,257)
Impairments loss	10	-	(72,977)
Finance costs	40	(54,474,647)	(56,003,899)
Lease rentals on operating lease	41	(14,880,942)	(11,837,555)
Bad debt written off	42	(108,781,924)	(123,186,856)
Contribution to allowance for doubtful debt	43	(33,985,791)	6,513,822
Bulk purchases	44	(453,758,154)	(445,620,997)
Contracted services	45	(227,703,607)	(183,452,999)
Transfers and Subsidies	46	(11,009,540)	(10,854,823)
Cost of housing sold		(1,925,000)	(700,000)
Fair value adjustments	48	(922,034)	(634,971)
Inventories losses/write-downs		(18,583)	-
General Expenses	47	(143,038,678)	(128,781,895)
Total expenditure		(1,809,976,930)	(1,654,533,474)
(Deficit) surplus for the year		(12,856,129)	88,062,638

* See Note 61

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Opening balance as previously reported	5,347,025,580	5,347,025,580
Adjustments		
Correction of errors	(11,635,454)	(11,635,454)
Balance at 01 July 2019 as restated*	5,335,390,126	5,335,390,126
Changes in net assets		
Surplus for the year	88,062,638	88,062,638
Total changes	88,062,638	88,062,638
Restated* Balance at 01 July 2020	5,423,452,734	5,423,452,734
Changes in net assets		
Surplus for the year	(12,856,129)	(12,856,129)
Total changes	(12,856,129)	(12,856,129)
Balance at 30 June 2021	5,410,596,605	5,410,596,605
Note(s)	23	

* See Note 61

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Cash Flow Statement

Figures in Rand	Note(s)	2021	2020 Restated*
Cash flows from operating activities			
Receipts			
Sale of goods and services		1,349,990,768	1,342,975,143
Grants		270,469,591	240,160,862
Interest income		19,515,361	40,472,002
		<u>1,639,975,720</u>	<u>1,623,608,007</u>
Payments			
Employee costs		(562,743,652)	(530,497,864)
Suppliers		(817,721,911)	(780,008,093)
Finance costs		(28,233,434)	(31,149,574)
		<u>(1,408,698,997)</u>	<u>(1,341,655,531)</u>
Net cash flows from operating activities	49	<u>231,276,723</u>	<u>281,952,476</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(392,797,845)	(405,767,711)
Proceeds from sale of property, plant and equipment	10	1,633,705	-
Purchase of other intangible assets	12	54,295	(163,200)
Proceeds from sale of biological assets that form part of an agricultural activity	13	50,747	33,133
Proceeds from sale of short term investments		84,450,580	91,526,322
		<u>(306,608,518)</u>	<u>(314,371,456)</u>
Net cash flows from investing activities		<u>(306,608,518)</u>	<u>(314,371,456)</u>
Cash flows from financing activities			
Movement in other financial liabilities		76,026,579	(25,869,708)
		<u>76,026,579</u>	<u>(25,869,708)</u>
Net cash flows from financing activities		<u>76,026,579</u>	<u>(25,869,708)</u>
Net increase/(decrease) in cash and cash equivalents		694,784	(58,288,688)
Cash and cash equivalents at the beginning of the year		111,201,845	169,490,533
Cash and cash equivalents at the end of the year	3	<u>111,896,629</u>	<u>111,201,845</u>

* See Note 61

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	1,009,777,787	-	1,009,777,787	932,616,341	(77,161,446)	BD1
Construction contracts	-	-	-	7,570,000	7,570,000	
Rental of facilities and equipment	10,592,168	-	10,592,168	14,713,664	4,121,496	
Interest received (trading)	13,281,347	-	13,281,347	8,114,051	(5,167,296)	
Agency services	2,930,946	-	2,930,946	4,833,132	1,902,186	
Licences and permits	5,502,903	-	5,502,903	5,216,026	(286,877)	
Other income - (rollup)	31,908,262	-	31,908,262	40,953,114	9,044,852	BD4
Interest received - investment	22,870,453	-	22,870,453	19,515,361	(3,355,092)	
Total revenue from exchange transactions	1,096,863,866	-	1,096,863,866	1,033,531,689	(63,332,177)	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	399,239,042	-	399,239,042	387,056,675	(12,182,367)	
Property rates - interest earned	-	-	-	1,970,109	1,970,109	
Donated Assets	-	-	-	140,541	140,541	
Transfer revenue						
Transfers recognised - operational	207,289,000	-	207,289,000	194,789,868	(12,499,132)	BD2
Transfers recognised - capital	84,282,000	-	84,282,000	69,846,818	(14,435,182)	
Contributions recognised - capital and contributed assets	11,697,000	-	11,697,000	13,657,931	1,960,931	
Fines, Penalties and Forfeits	130,880,961	-	130,880,961	108,908,055	(21,972,906)	BD3
Total revenue from non-exchange transactions	833,388,003	-	833,388,003	776,369,997	(57,018,006)	
Total revenue	1,930,251,869	-	1,930,251,869	1,809,901,686	(120,350,183)	
Expenditure						
Employee related costs	(532,497,021)	-	(532,497,021)	(544,391,461)	(11,894,440)	
Remuneration of councillors	(21,132,587)	-	(21,132,587)	(18,410,760)	2,721,827	
Contribution to/from provision	-	-	-	(6,874,912)	(6,874,912)	
Depreciation and amortisation	(200,778,636)	-	(200,778,636)	(189,800,897)	10,977,739	
Finance costs	(31,648,891)	-	(31,648,891)	(54,474,647)	(22,825,756)	
Lease rentals on operating lease	-	-	-	(14,880,942)	(14,880,942)	
Debt Impairment	(74,007,187)	-	(74,007,187)	(108,781,924)	(34,774,737)	
Contribution to allowance for doubtful debt	-	-	-	(33,985,791)	(33,985,791)	
Bulk purchases	(451,195,922)	-	(451,195,922)	(453,758,154)	(2,562,232)	
Contracted Services	(262,000,391)	-	(262,000,391)	(227,703,607)	34,296,784	
Transfers and Subsidies	(11,072,999)	-	(11,072,999)	(11,009,540)	63,459	
Cost of housing sold	-	-	-	(1,925,000)	(1,925,000)	
General Expenses	(246,557,358)	-	(246,557,358)	(143,038,585)	103,518,773	BD4
Total expenditure	(1,830,890,992)	-	(1,830,890,992)	(1,809,036,220)	21,854,772	

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Operating surplus	99,360,877	-	99,360,877	865,466	(98,495,411)	
Gain on disposal of assets and liabilities	-	-	-	826,299	826,299	
Fair value adjustments	-	-	-	(922,034)	(922,034)	
Gain on biological assets and agricultural produce	-	-	-	50,747	50,747	
Inventories losses/write-downs	-	-	-	(18,583)	(18,583)	BD18
	-	-	-	(63,571)	(63,571)	
Surplus before taxation	99,360,877	-	99,360,877	801,895	(98,558,982)	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	99,360,877	-	99,360,877	801,895	(98,558,982)	

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Position						
Assets						
Current Assets						
Cash and cash equivalents	8,316,574	-	8,316,574	111,896,629	103,580,055	BD5
Short term investments	321,338,956	-	321,338,956	222,186,762	(99,152,194)	BD6
Receivables from exchange transactions	127,186,145	-	127,186,145	153,119,571	25,933,426	BD7
Receivables from non-exchange transactions	191,559,371	-	191,559,371	57,455,962	(134,103,409)	BD8
Other receivables from exchange transactions	-	-	-	11,973,032	11,973,032	
Inventories	49,835,500	-	49,835,500	53,315,177	3,479,677	
VAT receivable	-	-	-	19,509,741	19,509,741	
Long term receivables	-	-	-	2,948,181	2,948,181	
	698,236,546	-	698,236,546	632,405,055	(65,831,491)	
Non-Current Assets						
Property, plant and equipment	5,757,324,356	-	5,757,324,356	5,452,736,942	(304,587,414)	BD9
Investment property	453,411,843	-	453,411,843	412,395,781	(41,016,062)	
Intangible assets	6,898,160	-	6,898,160	9,638,865	2,740,705	
Biological assets that form part of an agricultural activity	6,321,448	-	6,321,448	6,321,448	-	
Heritage assets	-	-	-	774,002	774,002	
Long term receivables	3,876,000	-	3,876,000	4,932,492	1,056,492	
Other receivables from exchange transactions	2,815,368	-	2,815,368	1,758,898	(1,056,470)	
	6,230,647,175	-	6,230,647,175	5,888,558,428	(342,088,747)	
Total Assets	6,928,883,721	-	6,928,883,721	6,520,963,483	(407,920,238)	
Liabilities						
Current Liabilities						
Consumer deposits	14,274,109	-	14,274,109	19,530,073	5,255,964	
Employee benefit obligation	60,596,715	-	60,596,715	61,187,957	591,242	
Operating lease liability	-	-	-	3,739,474	3,739,474	
Borrowings	23,639,921	-	23,639,921	34,223,893	10,583,972	
Payables from exchange transactions	155,181,597	-	155,181,597	300,315,498	145,133,901	BD10
Unspent conditional grants and receipts	132,307,975	-	132,307,975	14,695,527	(117,612,448)	BD11
	386,000,317	-	386,000,317	433,692,422	47,692,105	
Non-Current Liabilities						
Borrowings	521,292,672	-	521,292,672	334,733,125	(186,559,547)	BD12
Employee benefit obligation	202,464,017	-	202,464,017	200,444,000	(2,020,017)	
Provisions	125,758,634	-	125,758,634	141,497,317	15,738,683	
	849,515,323	-	849,515,323	676,674,442	(172,840,881)	
Total Liabilities	1,235,515,640	-	1,235,515,640	1,110,366,864	(125,148,776)	
Net Assets	5,693,368,081	-	5,693,368,081	5,410,596,619	(282,771,462)	

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Net Assets						
Net Assets Attributable to Owners of Controlling Entity						
Reserves						
Accumulated surplus	-	-	-	5,410,596,619	5,410,596,619	BD13

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Cash Flow Statement						
Cash flows from operating activities						
Receipts						
Sale of goods and services	893,935,235	-	893,935,235	1,342,975,144	449,039,909	CF1
Grants	224,321,284	-	224,321,284	240,160,863	15,839,579	
Interest income	2,978,999	-	2,978,999	19,515,361	16,536,362	
	1,121,235,518	-	1,121,235,518	1,602,651,368	481,415,850	
Payments						
Suppliers and employees	-	-	-	(530,497,862)	(530,497,862)	CF2
Transfers and grants	-	-	-	(779,976,893)	(779,976,893)	CF3
Finance costs	-	-	-	(28,233,434)	(28,233,434)	CF4
	-	-	-	(1,338,708,189)	(1,338,708,189)	
Net cash flows from operating activities	1,121,235,518	-	1,121,235,518	263,943,179	(857,292,339)	
Cash flows from investing activities						
Purchase of property, plant and equipment	(453,880,009)	-	(453,880,009)	(392,797,845)	61,082,164	CF5
Proceeds from sale of biological assets that form part of an agricultural activity	-	-	-	50,747	50,747	
Net cash flows from investing activities	(453,880,009)	-	(453,880,009)	(392,747,098)	61,132,911	
Cash flows from financing activities						
Repayment on other financial liabilities	-	-	-	76,026,579	76,026,579	CF6
Net increase/(decrease) in cash and cash equivalents	667,355,509	-	667,355,509	(52,777,340)	(720,132,849)	
Cash and cash equivalents at the beginning of the year	-	-	-	111,201,845	111,201,845	
Cash and cash equivalents at the end of the year	667,355,509	-	667,355,509	58,424,505	(608,931,004)	

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

Figures in Rand	Note(s)	2021	2020
-----------------	---------	------	------

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand. All figures are rounded to the nearest Rand.

In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

1.1 Going concern assumption

These annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

1.2 Housing development fund

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

1.3 Internal reserves

Capital replacement reserve (CRR)

In order to finance the acquisition of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus/(deficit) to the CRR in terms of the Annual Budget. The cash in the designated CRR bank account can only be utilised to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus/(deficit) is credited by a corresponding amount when the amounts in the CRR are utilised.

Self-insurance reserve

The municipality has a Self-insurance reserve to set aside amounts to offset potential losses or claims that cannot be insured externally. The balance of the self-insurance fund is invested in short-term investments.

Claims are settled by transferring a corresponding amount from the self-insurance reserve to the accumulated surplus.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.3 Internal reserves (continued)

Accumulated surplus

The accumulated surplus/deficit represent the net difference between the total assets and the total liabilities of the municipality. Any surpluses and deficits realised during a specific financial year are credited/debited against accumulated surplus/deficit. Prior year adjustments, relating to income and expenditure, are debited/credited against accumulated surplus when retrospective adjustments are made.

1.4 Materiality

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.5 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are insignificant to the annual financial statements are set out below:

Sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Revenue recognition

Accounting Policy 1.16 on Revenue from Exchange Transactions and Accounting Policy 1.17 on Revenue from Nonexchange Transactions describes the conditions under which revenue will be recorded by the management of the municipality.

In concluding judgement, management considered the detailed criteria for recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and, in particular, whether the municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services are rendered, whether the service has been rendered. The management of the municipality is satisfied that recognition of the revenue in the current year is appropriate.

Impairment of financial assets

Accounting Policy 1.11: Financial Instruments, referring to the paragraph on impairment of financial assets, describes the process followed to determine the value with which financial assets should be impaired. In making the estimation of the impairment, the management of the municipality considered the detailed criteria of impairment of financial assets as set out in GRAP 104: Financial Instruments - Recognition and Measurement. The management of the municipality is satisfied that impairment of financial assets recorded during the year is appropriate. Details of the impairment loss calculation are provided in the applicable notes to the annual financial statements.

Useful lives of property, plant and equipment and intangible assets

As described in Accounting Policy 1.8 and 1.9 the municipality depreciates its property, plant and equipment and intangible assets over the estimated useful lives of the assets, taking into account the residual values of the assets at the end of their useful life, which is determined when the assets are brought into use. The useful life and residual values of the assets are based on industry knowledge. The review of useful life and residual values of assets are only reviewed if one of the indicators of potential review is triggered.

Employee benefit obligations

The municipality obtains actuarial valuations of its employee benefit obligations. The employee benefit obligations of the municipality that were identified are post-retirement health benefit obligations and long-service awards. The estimated liabilities are recorded in accordance with the requirements of GRAP 25. Details of the liabilities and the key assumptions made by the actuaries in estimating the liabilities are provided in the applicable notes to the annual Financial Statements.

Impairment of non-financial assets

The recoverable amounts of cash-generating units have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.

The recoverable amounts of individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.

It is reasonably possible that the assumptions may change which may then impact our estimations and would require a material adjustment to the carrying value of tangible assets.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.5 Significant judgements and sources of estimation uncertainty (continued)

Value in use of cash generating assets

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including economic factors such as inflation and interest.

Value in use of non-cash generating assets

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that the impairment may have occurred, the remaining service potential of the asset is determined. The most appropriate approach selected to determine the remaining service potential is dependent on the availability of data and the nature of the impairment.

Allowance for slow moving, damaged and obsolete stock

An allowance for inventory to write inventory down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the surplus/deficit.

Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the municipality is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. The municipality uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the municipality for similar financial instruments.

Provisions

Provisions are raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 20 - Provisions.

Effective interest rate

The municipality uses the best estimate of the costs at the reporting date with reference to the inflation rate.

Allowance for doubtful debts

On receivables an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.5 Significant judgements and sources of estimation uncertainty (continued)

Impairment of statutory receivables

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the municipality measures and impairment loss. The impairment loss is measured as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, are reduced, either directly or through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

In estimating the future cash flows, the municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the municipality discounts the estimated future cash flows using a rate that reflects the current risk free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable are revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

1.6 Biological assets that form part of an agricultural activity

The municipality recognises biological assets that form part of an agricultural activity or agricultural produce when, and only when:

- the entity controls the asset as a result of past events;
- it is probable that future economic benefits or service potential associated with the asset will flow to the municipality; and
- the fair value or cost of the asset can be measured reliably.

Biological assets that form part of an agricultural activity are measured at their fair value less costs to sell.

A gain or loss arising on initial recognition of biological assets that form part of an agricultural activity or agricultural produce at fair value less costs to sell and from a change in fair value less costs to sell of biological assets that form part of an agricultural activity is included in surplus or deficit for the period in which it arises.

Where market determined prices or values are not available, the present value of the expected net cash inflows from the asset, discounted at a current market-determined pre-tax rate where applicable is used to determine fair value.

Where fair value cannot be measured reliably, biological assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

The municipality classifies biological assets as consumables which consist of timber in the form of pine trees. All biological assets are held for sale.

Item	Useful life
Trees in timber plantation - Consumable	indefinite

1.7 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Depreciation is calculated at the straight line method over a period of 30 yearst

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.7 Investment property (continued)

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Cost model

Investment property is, subsequent to initial measurement, carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided to write down the cost, less estimated residual value by equal installments over the useful life of the property, which is as follows:

Item	Useful life
Property - land	indefinite
Property - buildings	30-99 years

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

When classification is difficult, the criteria used to distinguish investment property from owner-occupied property and from property held for sale in the ordinary course of operations, including the nature or type of properties classified as held for strategic purposes, are as follows:

Transfers to, or from, investment property shall be made when, and only when, there is a change in use, evidenced by:

- commencement of owner-occupation, for a transfer from investment property to owner-occupied property;
- commencement of development with a view to sale, for a transfer from investment property to inventories;
- end of owner-occupation, for a transfer from owner-occupied property to investment property; or
- commencement of an operating lease (on a commercial basis) to another party, for a transfer from inventories to investment property.

The municipality separately discloses expenditure to repair and maintain investment property in the notes to the annual financial statements (see note 11).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the annual financial statements (see note 11).

1.8 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

Measurement

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary cost of dismantling and removing the asset and restoring the site on which it is located.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.8 Financial instruments (continued)

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Subsequent to initial measurement Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Incomplete construction work

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is available for use.

Impairment

Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable service amount, it is written down immediately to its recoverable service amount and an impairment loss is charged to the statement of financial performance.

Depreciation

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Land	Straight-line	indefinite
Machinery and equipment	Straight-line	1-25
Furniture and office equipment	Straight-line	2-24
Transport assets	Straight-line	4-20
Computer equipment	Straight-line	5-23
Community assets	Straight-line	4-30
Other property, plant and equipment	Straight-line	6-99
Capital restoration asset	Straight-line	5-30
Electrical infrastructure	Straight-line	10-50
Water supply infrastructure	Straight-line	10-100
Solid waste infrastructure	Straight-line	10-30
Roads infrastructure	Straight-line	10-100

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.8 Financial instruments (continued)

Information and communication infrastructure	Straight-line	3-15
Waste water network	Straight-line	10-100
Stormwater infrastructure	Straight-line	10-50

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The municipality assesses at each reporting date whether there is any indication that the municipality expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the municipality revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 10).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 10).

1.9 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.9 Intangible assets (continued)

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are initially measured at cost.

Subsequent to initial measurement Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Internally generated: Capital development	Straight-line	5 - 7 years
Computer software	Straight-line	3 - 30 years
Service operating and land rights	Straight-line	5 - 30 years

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of an intangible asset is the difference between the net disposal proceeds and the carrying amount and is included in surplus or deficit when the asset is derecognised.

1.10 Heritage assets

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

The municipality separately discloses expenditure to repair and maintain heritage assets in the notes to the financial statements (see note 14).

Recognition

The municipality recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably.

Where the municipality holds a heritage asset, but on initial recognition it does not meet the recognition criteria because it cannot be reliably measured, information on such a heritage asset is disclosed in note 14 Heritage assets.

Initial measurement

Heritage assets are measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.10 Heritage assets (continued)

Subsequent measurement

Subsequent to initial measurement classes of heritage assets are carried at cost less any accumulated impairment losses.

Impairment

The municipality assesses at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the municipality estimates the recoverable amount or the recoverable service amount of the heritage asset.

Transfers

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset.

Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

Derecognition

The municipality derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is included in surplus or deficit when the item is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

1.11 Financial instruments

A financial instrument can broadly be defined as those contracts that results in a financial asset in one entity and a financial liability or residual interest in another entity. A key distinguishing factor between financial assets and financial liabilities and other assets and liabilities, is that they are settled in cash or by exchanging financial instruments rather than through the provision of goods or services.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.11 Financial instruments (continued)

A financial asset is:

- a residual interest of another entity; or
- a contractual right to:
 - receive cash or another financial asset from another entity; or
 - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the municipality.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the municipality.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an municipality in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the municipality had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the municipality designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
 - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
 - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
 - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
 - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.11 Financial instruments (continued)

Classification

The municipality has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Receivables from exchange transactions	Financial asset measured at amortised cost
Receivables from non-exchange transactions	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost
Other receivables from exchange transactions	Financial asset measured at amortised cost
Short term investments	Financial asset measured at amortised cost
Long term receivables	Financial asset measured at amortised cost

The municipality has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Payables from exchange transactions	Financial liability measured at amortised cost
Consumer deposits	Financial liability measured at amortised cost
Other financial liabilities	Financial liability measured at amortised cost

Initial recognition

The municipality recognises a financial asset or a financial liability in its statement of financial position when the municipality becomes a party to the contractual provisions of the instrument.

Initial measurement of financial assets and financial liabilities

The municipality measures a financial asset and financial liability initially at its fair value plus, in the case of a financial asset or a liability not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The municipality first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the municipality analyses a concessionary loan into its component parts and accounts for each component separately. The municipality accounts for that part of a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

Subsequent measurement of financial assets and financial liabilities

The municipality measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at amortised cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.11 Financial instruments (continued)

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the municipality establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the municipality uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on municipality-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, the municipality calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data..

Short-term receivables and payables are not discounted where the initial credit period granted or received is consistent with terms used in the public sector, either through established practices or legislation.

Reclassification

The municipality does not reclassify a financial instrument while it is issued or held unless it is:

- combined instrument that is required to be measured at fair value; or
- an investment in a residual interest that meets the requirements for reclassification.

If fair value can no longer be measured reliably for an investment in a residual interest measured at fair value, the municipality reclassifies the investment from fair value to cost. The carrying amount at the date that fair value is no longer available becomes the cost.

If a reliable measure becomes available for an investment in a residual interest for which a measure was previously not available, and the instrument would have been required to be measured at fair value, the entity reclassifies the instrument from cost to fair value.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.11 Financial instruments (continued)

Impairment and uncollectibility of financial assets

The municipality assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

For amounts due to the municipality, significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy and default of payments are all considered indicators of impairment.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

The calculation in respect of the impairment of fines receivable (receivables from non-exchange transactions) is based on an assessment of the past history of fines per category.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.11 Financial instruments (continued)

Derecognition

Financial assets

The municipality derecognises financial assets using trade date accounting.

The municipality derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the municipality, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the municipality:
 - derecognise the asset; and
 - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with a maturity period of between three and twelve months and are subject to an insignificant risk of change in value. Cash and cash equivalents are carried in the balance sheet at amortised cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and cash with bank, net of bank overdrafts.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

Financial liabilities

The municipality removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another municipality by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

1.12 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the municipality assesses the classification of each element separately.

Housing rental and instalments

Finance income from the sale of housing by way of instalment sales agreements or finance leases is recognised on a time proportion basis.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.12 Leases (continued)

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term. The difference between the amounts recognised as revenue and the contractual payments are recognised as an operating lease asset or liability.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in statement of financial performance.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Any contingent rent are expensed in the period in which they are incurred.

1.13 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.14 Landfill site

Site restoration and dismantling cost - The municipality has an obligation to dismantle, remove and restore items of property, plant and equipment. Such obligations are referred to as 'decommissioning, restoration and similar liabilities'. The cost of an item of property, plant and equipment includes:

- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located;
- changes in the measurement of an existing decommissioning, restoration and similar liability that result from change in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, or a change in discount rate; and
- the obligation the municipality incurs for having used the items during a particular period for purposes other than to produce inventories during that period.

If the related asset is measured using the cost model:

- (a) subject to (b), changes in the liability are added to, or deducted from, the cost of the related asset in the current period;
- (b) if a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit; and
- (c) if the adjustment results in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the asset is tested for impairment by estimating its recoverable amount or recoverable service amount, and any impairment loss is recognised in accordance with the accounting policy on impairment of cash-generating assets and/or impairment of non-cash-generating assets.

1.15 Impairment of cash-generating assets

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity.

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the municipality; or
- the number of production or similar units expected to be obtained from the asset by the municipality.

Management has judged all assets as non cash generating assets.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.15 Impairment of cash-generating assets (continued)

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.15 Impairment of cash-generating assets (continued)

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.15 Impairment of cash-generating assets (continued)

Reversal of impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

1.16 Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.16 Impairment of non-cash-generating assets (continued)

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the current reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the municipality would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an oversized or overcapacity asset. Oversized assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.17 Employee benefits

Employee benefits are all forms of consideration given by the entity in exchange for service rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting entity, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting entity, unless either:

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.17 Employee benefits (continued)

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from the entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognises the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Accrued leave pay

Liabilities for annual leave are recognised as they accrue to employees. Liability is based on the total accrued leave days owing to employees and is reviewed annually.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.17 Employee benefits (continued)

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

Multi-employer plans

The entity classifies a multi-employer plan and/or state plans and/or composite social security programmes as a defined contribution plan or a defined benefit plan under the terms of the plan (including any constructive obligation that goes beyond the formal terms).

Where a plan is a defined contribution plan, the entity accounts for in the same way as for any other defined contribution plan.

Where a plan is a defined benefit plan, the entity account for its proportionate share of the defined benefit obligation, plan assets and cost associated with the plan in the same way as for any other defined benefit plan.

When sufficient information is not available to use defined benefit accounting for a plan, that is a defined benefit plan, the entity account for the plan as if it was a defined contribution plan.

Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the entity during a reporting period, the entity recognises the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, an entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.17 Employee benefits (continued)

Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the entity recognises actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the entity recognises past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends or similar distributions and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement

The amount determined as a defined benefit liability may be negative (an asset). The entity measures the resulting asset at the lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

The entity determines the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

The entity recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.17 Employee benefits (continued)

The entity uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, the entity shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, the entity shall attribute benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The entity recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the entity re-measures the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The entity offsets an asset relating to one plan against a liability relating to another plan when the entity has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
 - those changes were enacted before the reporting date; or
 - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.17 Employee benefits (continued)

Other long term employee benefits

The municipality provides post-retirement health care benefits, housing subsidies and gratuities upon retirement to some retirees.

Long term service awards is payable after 10 years of continuous service and after every 5 years thereafter to employees. Additional to this employees shall be entitled to a 14th cheque for continuous employment on their 30th and every 5th year onward. Furthermore a retirement gift is payable on retirement to employees with 10 years or more service. The provision is an estimate of the long service award based on historical staff turnover based on historical staff turnover. No other long service benefits are provided to employees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations. The municipality also provides a gratuity and housing subsidy on retirement to certain employees. An annual charge to income is made to cover both these liabilities.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The entity shall recognise the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses, which shall all be recognised immediately;
- past service cost, which shall all be recognised immediately; and
- the effect of any curtailments or settlements.

Termination benefits

The entity recognises termination benefits as a liability and an expense when the entity is demonstrably committed to either:

- terminate the employment of an employee or group of employees before the normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The entity is demonstrably committed to a termination when the entity has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes [as a minimum]:

- the location, function, and approximate number of employees whose services are to be terminated;
- the termination benefits for each job classification or function; and
- the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

Where termination benefits fall due more than 12 months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the benefit.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits shall be based on the number of employees expected to accept the offer.

1.18 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.18 Provisions and contingencies (continued)

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus (deficit).

If the municipality has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

Provision for the rehabilitation of landfill sites

At year end a provision is raised for the rehabilitation of landfill sites. The provision is the net present value of the future cash flows to rehabilitate damaged land at year end.

As the related asset is measured using the cost model:

- changes in the liability is added to, or deducted from, the cost of the related asset in the current period;
- the amount deducted from the cost of the asset does not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit;
- if the adjustments result in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may be fully recoverable. If there is such an indication, the municipality tests the asset for impairment by estimating its recoverable amount or recoverable service amount, and accounts for any impairment loss, in accordance with the accounting policy on impairment of assets as described in the accounting policy on impairment of cash-generating assets and/ or impairment of non-cash generating assets.

The adjusted depreciable amount of the asset is depreciated over its useful life. Therefore, once the related asset has reached the end of its useful life, all subsequent changes in the liability is recognised in surplus or deficit as they occur.

Provision for constructive obligations

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of an activity/operating unit concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.18 Provisions and contingencies (continued)

No obligation arises as a consequence of the sale or transfer of an operation until the municipality is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingencies

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 66 .

A contingent liability is a:

- possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality;
- present obligation that arises from past events but is not recognised because: it is not probable than an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; the amount of the obligation cannot be measured with sufficient reliability.

Grant-in-aid contributions

Provision is made for any constructive obligations of the municipality. A constructive obligation arises through an established pattern of past practice, published policies or a sufficiently specific current standard, whereby the municipality has indicated to other parties that it will accept certain responsibilities and as a result, the municipality has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

The municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the municipality does not:

- receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
- expect to be repaid in future; or
- expect a financial return, as would be expected from an investment.

1.19 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.19 Revenue from exchange transactions (continued)

Service charges

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption, based on the consumption history, are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the billings done during July and August. The billing and invoiced amounts done in July are recognised in total as an accrual as all billing in July pertains to services rendered prior to 30 June. An estimate is then made based on August billing pertaining to services rendered up until 30 June

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

Service charges from sewerage and sanitation are based on the number of sewerage connections on each developed property using the tariffs approved from Council and are levied monthly.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by surveys of work performed.

Pre-paid electricity

Revenue from the sale of electricity prepaid units is recognised when all the following conditions have been satisfied:

- The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality.
- The costs incurred or to be incurred in respect of the transaction can be measure reliably.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.19 Revenue from exchange transactions (continued)

Interest earned

Interest earned on investments is recognised in the statement of financial performance on the time proportionate basis that takes into account the effective yield on the investment.

Dividends

Dividends are recognised on the date that the municipality becomes entitled to receive the dividend in accordance with the substance of the relevant agreement, where applicable.

Charges

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant approved tariff. This includes the issuing of licences and permits.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Income from agency services

Income for agency services is recognised on a monthly basis once the income collected on behalf of principals has been quantified. The income recognised is in terms of the agency agreement.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.20 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by a municipality, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, a municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting municipality.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.20 Revenue from non-exchange transactions (continued)

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the municipality with no future related costs are recognised in the statement of financial performance in the period in which they become receivable.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Receivables that arise from statutory (non-contractual) arrangements are initially measured in accordance with this accounting policy, as well as the accounting policy on Statutory Receivables. The entity applies the accounting policy on Statutory Receivables for the subsequent measurement, derecognition, presentation and disclosure of statutory receivables.

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

Property rates

The municipality recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are met.

Resources arising from taxes satisfy the definition of an asset when the municipality controls the resources as a result of a past event (the taxable event) and expects to receive future economic benefits or service potential from those resources. Resources arising from taxes satisfy the criteria for recognition as an asset when it is probable that the inflow of resources will occur and their fair value can be reliably measured. The degree of probability attached to the inflow of resources is determined on the basis of evidence available at the time of initial recognition, which includes, but is not limited to, disclosure of the taxable event by the taxpayer.

The municipality analyses the taxation laws to determine what the taxable events are for the various taxes levied.

The taxable event for property tax is the passing of the date on which the tax is levied, or the period for which the tax is levied, if the tax is levied on a periodic basis.

Taxation revenue is determined at a gross amount. It is not reduced for expenses paid through the tax system.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.20 Revenue from non-exchange transactions (continued)

Transfers

The municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

Debt forgiveness and assumption of liabilities

The municipality recognise revenue in respect of debt forgiveness when the former debt no longer meets the definition of a liability or satisfies the criteria for recognition as a liability, provided that the debt forgiveness does not satisfy the definition of a contribution from owners.

Revenue arising from debt forgiveness is measured at the carrying amount of debt forgiven.

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

The municipality makes use of estimates to determine the amount of revenue that it is entitled to collect. Where settlement discounts or reductions in the amount payable are offered, the municipality considers past history in assessing the likelihood of these discounts or reductions being taken up by receivables.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Services in-kind

Services in-kind that are significant to the municipality's operations and/or service delivery objectives are recognised as assets and the related revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Where services in-kind are not significant to the municipality's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the municipality disclose the nature and type of services in-kind received during the reporting period.

Collection charges and penalties

Collection charges and penalty interest is recognised when:

- it is probable that the economic benefits or service potential associated with the transactions will flow to the municipality; and
 - the amount of revenue can be measured reliably; and
- to the extent that there has been compliance with the relevant legal requirements (if applicable).

1.21 Statutory receivables

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.21 Statutory receivables (continued)

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition

The municipality recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Initial measurement

The municipality initially measures statutory receivables at their transaction amount.

Subsequent measurement

The municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

Accrued interest

Where the municipality levies interest on the outstanding balance of statutory receivables, it adjusts the transaction amount after initial recognition to reflect any accrued interest. Accrued interest is calculated using the nominal interest rate.

Interest on statutory receivables is recognised as revenue in accordance with the policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers), whichever is applicable.

Other charges

Where the municipality is required or entitled in terms of legislation, supporting regulations, by-laws or similar means to levy additional charges on overdue or unpaid amounts, and such charges are levied, the entity applies the principles as stated in "Accrued interest" above, as well as the relevant policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers).

Impairment losses

The municipality assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the municipality considers, as a minimum, the following indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.21 Statutory receivables (continued)

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced, either directly or through the use of an allowance account. The amount of the losses is recognised in surplus or deficit.

In estimating the future cash flows, a municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the entity discounts the estimated future cash flows using a rate that reflects the current risk-free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

Derecognition

The municipality derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- the municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
 - derecognise the receivable; and
 - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.22 Accounting by principals and agents

Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Identifying whether an entity is a principal or an agent

When the municipality is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether a municipality is a principal or an agent requires the municipality to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.22 Accounting by principals and agents (continued)

Binding arrangement

The municipality assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as a principal or an agent.

Assessing which entity benefits from the transactions with third parties

When the municipality in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the municipality concludes that it is not the agent, then it is the principal in the transactions.

The municipality is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- It is not exposed to variability in the results of the transaction.

Where the municipality has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that it is an agent. The municipality applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the municipality is an agent.

Recognition

The municipality, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The municipality, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The municipality recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

1.23 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.24 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year. Refer to note 60 for detail.

1.25 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.26 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.27 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure.

All expenditure relating to irregular expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.28 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the municipality.

The municipality is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the municipality to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the municipality is exempt from the disclosures in accordance with the above, the municipality discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

1.29 Changes in accounting policies, estimates and errors

Changes in accounting policies that are affected by management have been applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements. Details of changes in estimates are disclosed in the notes to the annual financial statements where applicable.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.29 Changes in accounting policies, estimates and errors (continued)

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

1.30 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments are not recognised in the statement of financial position as a liability, but are included in the disclosure notes in the following cases:

- approved and contracted commitments;
- where the expenditure has been approved and the contract has been awarded at the reporting date; and
- where disclosure is required by a specific standard of GRAP.

1.31 Value Added Tax

The municipality accounts for Value Added Tax on the cash (receipt) basis.

1.32 Budget information

The approved budget is prepared on an accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2020/07/01 to 2021/06/30.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.33 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.34 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

1.35 Construction contracts and receivables

Construction contract is a contract, or a similar binding arrangement, specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

Contractor is an entity that performs construction work pursuant to a construction contract.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.35 Construction contracts and receivables (continued)

A contractor is an entity that enters into a contract to build structures, construct facilities, produce goods, or render services to the specifications of another entity either itself or through the use of sub-contractors. The term “contractor” thus includes a general or prime contractor, a subcontractor to a general contractor, or a construction manager.

1.36 Segment information

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity’s financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment’s surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment’s assets and segment’s liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

If management uses only one measure of a segment’s surplus or deficit, the segment’s assets or the segment’s liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit, assets and liabilities are reported in terms of that measure. If management uses more than one measure of a segment’s surplus or deficit, the segment’s assets or the segment’s liabilities, the reported measures are those that management believes are determined in accordance with the measurement principles most consistent with those used in measuring the corresponding amounts in the entity’s financial statements.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
-----------------	------	------

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the municipality has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

IGRAP 20: Accounting for Adjustments to Revenue

As per the background to this Interpretation of the Standards of GRAP, there are a number of legislative and regulatory processes that govern how entities levy, charge or calculate revenue, in the public sector. Adjustments to revenue already recognised in terms of legislation or similar means arise from the completion of an internal review process within the entity, and/or the outcome of an external appeal or objection process undertaken in terms of legislation or similar means. Adjustments to revenue include any refunds that become payable as a result of the completion of a review, appeal or objection process. The adjustments to revenue already recognised following the outcome of a review, appeal or objection process can either result in a change in an accounting estimate, or a correction of an error.

As per the scope, this Interpretation of the Standards of GRAP clarifies the accounting for adjustments to exchange and non-exchange revenue charged in terms of legislation or similar means, and interest and penalties that arise from revenue already recognised as a result of the completion of a review, appeal or objection process. Changes to the measurement of receivables and payables, other than those changes arising from applying this Interpretation, are dealt with in accordance with the applicable Standards of GRAP. The principles in this Interpretation may be applied, by analogy, to the accounting for adjustments to exchange or non-exchange revenue that arises from contractual arrangements where the fact patterns are similar to those in the Interpretation.

The interpretation sets out the issues and relating consensus with accounting for adjustments to revenue.

The effective date of the interpretation is for years beginning on or after 01 April 2020.

The municipality has adopted the interpretation for the first time in the 2020/2021 annual financial statements.

GRAP 110 (as amended 2016): Living and Non-living Resources

The objective of this Standard is to prescribe the:

- recognition, measurement, presentation and disclosure requirements for living resources; and
- disclosure requirements for non-living resources

It furthermore covers Definitions, Recognition, Measurement, Depreciation, Impairment, Compensation for impairment, Transfers, Derecognition, Disclosure, Transitional provisions and Effective date.

The subsequent amendments to the Standard of GRAP on Living and Non-living Resources resulted from editorial changes to the original text and inconsistencies in measurement requirements in GRAP 23 and other asset-related Standards of GRAP in relation to the treatment of transaction costs. Other changes resulted from changes made to IPSAS 17 on Property, Plant and Equipment (IPSAS 17) as a result of the IPSASB's Improvements to IPSASs 2014 issued in January 2015 and Improvements to IPSASs 2015 issued in March 2016.

The most significant changes to the Standard are:

- General improvements: To clarify the treatment of transaction costs and other costs incurred on assets acquired in non-exchange transactions to be in line with the principle in GRAP 23; and To clarify the measurement principle when assets may be acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary assets
- IPSASB amendments: To clarify the revaluation methodology of the carrying amount and accumulated depreciation when a living resource is revalued; To clarify acceptable methods of depreciating assets; and To define a bearer plant and include bearer plants within the scope of GRAP 17 or GRAP 110, while the produce growing on bearer plants will remain within the scope of GRAP 27

The effective date of the standard is for years beginning on or after 01 April 2020.

The municipality has adopted the standard for the first time in the 2020/2021 annual financial statements.

The impact of the standard is not material.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

IGRAP 1 (revised): Applying the Probability Test on Initial Recognition of Revenue

The amendments to this Interpretation of the Standard of GRAP clarifies that the entity should also consider other factors in assessing the probability of future economic benefits or service potential to the entity. Entities are also uncertain of the extent to which factors, other than the uncertainty about the collectability of revenue, should be considered when determining the probability of the inflow of future economic benefits or service potential on initial recognition of revenue. For example, in providing certain goods or services, or when charging non-exchange revenue, the amount of revenue charged may be reduced or otherwise modified under certain circumstances. These circumstances include, for example, where the entity grants early settlement discounts, rebates or similar reductions based on the satisfaction of certain criteria, or as a result of adjustments to revenue already recognised following the outcome of any review, appeal or objection process.

The consensus is that on initial recognition of revenue, an entity considers the revenue it is entitled to, following its obligation to collect all revenue due to it in terms of legislation or similar means. In addition, an entity considers other factors that will impact the probable inflow of future economic benefits or service potential, based on past experience and current facts and circumstances that exist on initial recognition.

A municipality applies judgement based on past experience and current facts and circumstances.

The effective date of the amendment is for years beginning on or after 01 April 2020.

The municipality has adopted the interpretation for the first time in the 2020/2021 annual financial statements.

GRAP 18 (as amended 2016): Segment Reporting

Segments are identified by the way in which information is reported to management, both for purposes of assessing performance and making decisions about how future resources will be allocated to the various activities undertaken by the municipality. The major classifications of activities identified in budget documentation will usually reflect the segments for which an entity reports information to management.

Segment information is either presented based on service or geographical segments. Service segments relate to a distinguishable component of an entity that provides specific outputs or achieves particular operating objectives that are in line with the municipality's overall mission. Geographical segments relate to specific outputs generated, or particular objectives achieved, by an entity within a particular region.

The subsequent amendments to the Standard of GRAP on Segment Reporting resulted from editorial and other changes to the original text have been made to ensure consistency with other Standards of GRAP.

The most significant changes to the Standard are:

- General improvements: An appendix with illustrative segment disclosures has been deleted from the Standard as the National Treasury has issued complete examples as part of its implementation guidance.

The effective date of the standard is for years beginning on or after 01 April 2020

The municipality has adopted the standard for the first time in the 2019/2019 annual financial statements.

The adoption of this standard has not had a material impact on the results of the municipality, but has resulted in more disclosure than would have previously been provided in the annual financial statements.

2.2 Standards and Interpretations early adopted

The municipality has not early adopted any GRAP standard that is not effective.

2.3 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2021 or later periods:

GRAP 104 (amended): Financial Instruments

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

Following the global financial crisis, a number of concerns were raised about the accounting for financial instruments. This included that (a) information on credit losses and defaults on financial assets was received too late to enable proper decision-making, (b) using fair value in certain instances was inappropriate, and (c) some of the existing accounting requirements were seen as too rules based. As a result, the International Accounting Standards Board® amended its existing Standards to deal with these issues. The IASB issued IFRS® Standard on Financial Instruments (IFRS 9) in 2009 to address many of the concerns raised. Revisions were also made to IAS® on Financial Instruments: Presentation and the IFRS Standard® on Financial Instruments: Disclosures. The IPSASB issued revised International Public Sector Accounting Standards in June 2018 so as to align them with the equivalent IFRS Standards.

The revisions better align the Standards of GRAP with recent international developments. The amendments result in better information available to make decisions about financial assets and their recoverability, and more transparent information on financial liabilities.

The most significant changes to the Standard affect:

- Financial guarantee contracts issued
- Loan commitments issued
- Classification of financial assets
- Amortised cost of financial assets
- Impairment of financial assets
- Disclosures

The effective date of the is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard. .

3. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	14,020	14,220
Bank balances	110,223,566	21,452,795
Call accounts	-	89,236,885
Lamotte Trust	1,607,535	435,848
Trust and charitable bank	51,508	62,097
	111,896,629	111,201,845

Call accounts

ABSA	-	20,978,744
Nedbank	-	46,299,984
Standard bank	-	21,958,157
	-	89,236,885

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2021	30 June 2020	30 June 2019	30 June 2021	30 June 2020	30 June 2019
Nedbank - primary account	3,244,449	45,327,087	167,107,031	-	21,888,643	169,368,979
ABSA bank - current account	-	1,260,126	1,277,273	-	-	-
Charitable fund	-	72,097	112,334	51,508	62,097	102,334
First National Bank - primary account	115,438,007	-	-	111,831,101	-	-
Total	118,682,456	46,659,310	168,496,638	111,882,609	21,950,740	169,471,313

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
4. Short term investments		
Short term investments include all other investments for a period of 1-12 months that are not included in cash and cash equivalents. The interest rates for these investments range between 7.650% (2months) and 9.050% (12months)		
Short term investments consists of the following:		
Short term investments	222,186,762	306,637,342
FNB - Investments		
Deposits	145,000,000	-
Interest accrued	2,526,575	-
Withdrawals	(147,526,575)	-
Closing balance	-	-
Nedbank - Investments		
Opening balance	123,143,835	286,762,972
Deposits	160,000,000	356,656,567
Interest accrued	4,968,252	17,254,545
Withdrawals	(126,111,616)	(537,530,249)
Closing balance	162,000,471	123,143,835
Standard Bank - Investments		
Opening balance	82,082,191	50,362,773
Deposits	60,000,000	411,309,291
Interest accrued	2,848,493	12,993,844
Withdrawals	(84,497,534)	(392,583,717)
Closing balance	60,433,150	82,082,191
Investec - Investments		
Opening balance	-	61,037,918
Interest accrued	-	101,260
Withdrawals	-	(61,139,178)
Closing balance	-	-
ABSA - Investments		
Opening balance	101,411,315	179,021,256
Deposits	-	2,632,114
Interest accrued	1,887,863	(80,242,055)
Withdrawals	(103,299,178)	-
Closing balance	-	101,411,315
5. Receivables from exchange transactions		
Gross balances		
Electricity	51,249,654	46,755,366
Water	93,401,113	92,074,315
Sewerage	27,761,268	28,652,488
Refuse	29,438,988	26,315,014
Housing rental	27,656,248	27,194,339
Sundry	10,730,783	9,528,432
Electricity accrual	60,147,192	15,585,631
Water accrual	19,847,476	21,157,876
	320,232,722	267,263,461

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
5. Receivables from exchange transactions (continued)		
Less: Allowance for impairment		
Electricity	(12,050,316)	(9,022,236)
Water	(75,475,385)	(70,800,550)
Sewerage	(19,763,193)	(17,196,507)
Refuse	(23,373,154)	(19,767,391)
Housing rental	(27,030,916)	(25,919,228)
Sundry	(9,420,187)	(8,697,371)
	(167,113,151)	(151,403,283)
Net balance		
Electricity	39,199,338	37,733,130
Water	17,925,728	21,273,765
Sewerage	7,998,075	11,455,981
Refuse	6,065,834	6,547,623
Electricity accrual	60,147,192	15,585,631
Water accrual	19,847,476	21,157,876
Housing rental	625,332	1,275,111
Sundry	1,310,596	831,061
	153,119,571	115,860,178
Electricity		
Current (0 -30 days)	36,398,931	35,776,566
31 - 60 days	1,541,793	1,854,127
61 - 90 days	804,361	968,501
91 - 120 days	552,836	474,067
121 - 365 days	2,547,764	2,608,777
> 365 days	9,403,969	5,073,328
	51,249,654	46,755,366
Water		
Current (0 -30 days)	14,574,267	18,388,855
31 - 60 days	3,251,097	4,470,012
61 - 90 days	3,944,316	4,197,477
91 - 120 days	1,477,577	2,965,459
121 - 365 days	8,593,591	9,205,500
> 365 days	61,560,265	52,847,012
	93,401,113	92,074,315
Sewerage		
Current (0 -30 days)	7,186,588	7,739,092
31 - 60 days	695,256	1,443,192
61 - 90 days	442,960	1,135,486
91 - 120 days	352,916	1,475,198
121 - 365 days	2,438,957	2,545,553
> 365 days	16,644,591	14,313,967
	27,761,268	28,652,488

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
5. Receivables from exchange transactions (continued)		
Refuse		
Current (0 -30 days)	5,257,377	5,284,928
31 - 60 days	535,613	754,343
61 - 90 days	518,311	609,919
91 - 120 days	447,509	428,716
121 - 365 days	3,652,986	3,084,599
> 365 days	19,027,192	16,152,509
	29,438,988	26,315,014
Electricity accrual		
Current (0 -30 days)	60,147,192	15,585,631
Water accrual		
Current (0 -30 days)	19,847,476	21,157,876
Housing rental		
Current (0 -30 days)	472,726	504,690
31 - 60 days	197,196	167,935
61 - 90 days	854,090	1,016,980
91 - 120 days	98,753	121,477
121 - 365 days	1,059,856	628,666
> 365 days	24,973,627	24,754,591
	27,656,248	27,194,339
Sundry		
Current (0 -30 days)	1,052,913	497,945
31 - 60 days	185,125	79,498
61 - 90 days	194,673	166,344
91 - 120 days	173,477	268,495
121 - 365 days	578,286	970,687
> 365 days	8,546,309	7,545,463
	10,730,783	9,528,432
Reconciliation of allowance for impairment		
Balance at beginning of the year	(151,403,282)	(142,806,370)
Contributions to allowance	(15,709,869)	(8,596,913)
	(167,113,151)	(151,403,283)

Receivables from exchange transactions past due but not impaired

The Council regards receivables from exchange transactions to be due for outstanding amounts more than 30 days to be past due.

Debtors to the amount of R16 million have been ceded to the Development Bank of Southern Africa in providing security for a loan raised from them.

The water and electricity accrual is in respect of consumption between the last meter reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers. The estimate of the consumption are being recorded as revenue without being invoiced.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand 2021 2020

5. Receivables from exchange transactions (continued)

Government debt as at 30 June 2021

Department responsible for debt	Rates	Services	Interest	Sundry	Total
Nat. dept of Public Works	1,482,296	4,718,701	188,584	46,095	6,435,676
Prov. dept of Transport and Public Works	112,101	55,720	7,704	7,038	182,563
Western Cape Education department	3,622	1,798,893	5,714	688	1,808,917
Department of Health	-	856,445	-	-	856,445
Dept of local government and housing	5,367	10,227	1,009	1,777	18,380
Other government departments	86	18,525	704	1,031	20,346
	1,603,472	7,458,511	203,715	56,629	9,322,327

Consumer debtors past due but not impaired

Consumer debtors which are more than 30 days past due but not impaired. At 30 June 2021, R8,164,383 (2020: R 14,062,800) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

2021	31-60 days	61-90 days	91-120 days	121-365 days	>365 days	Total
Electricity	719,794	368,808	204,050	513,805	586,326	2,392,783
Water	642,367	626,599	199,557	629,623	1,253,313	3,351,459
Sewerage	249,884	86,985	48,480	218,222	207,913	811,484
Refuse	110,571	93,428	58,096	360,866	185,494	808,455
Housing rental	26,914	345,640	10,005	57,183	94,993	534,735
Sundry	49,029	36,180	24,947	88,823	66,488	265,467
	1,798,559	1,557,640	545,135	1,868,522	2,394,527	8,164,383

2020	31-60 days	61-90 days	91-120 days	121-365 days	>365 days	Total
Electricity	949,267	537,786	209,660	327,155	88,701	2,112,569
Water	1,362,418	1,000,805	623,436	905,428	1,452,310	5,344,397
Sewerage	703,193	799,582	1,191,547	356,872	658,353	3,709,547
Refuse	307,193	199,527	97,200	370,113	621,305	1,595,338
Housing rental	44,456	767,264	19,141	32,237	76,992	940,090
Sundry	42,551	50,315	64,027	89,185	114,781	360,859
	3,409,078	3,355,279	2,205,011	2,080,990	3,012,442	14,062,800

6. Receivables from non-exchange transactions

Grant receivables represent funding that Council is awaiting from external institutions for capital and operating expenditure incurred and claimed, but not yet received at year-end.

The average credit period for capital receivables is dependent on the government department involved and the nature of the claim. No interest is charged on outstanding capital receivables. The subsidies are payable to the municipality resulting from allocations made in the DORA or based on agreements between the municipality and the relevant departments.

Gross balances

Grant receivables	17,160,620	18,301,323
Fines	164,743,737	160,924,858
Property rates	47,577,986	44,671,127
Other receivables	1,160,396	938,577
	230,642,739	224,835,885

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
6. Receivables from non-exchange transactions (continued)		
Less: Allowance for impairment		
Fines	(139,890,329)	(127,937,315)
Property rates	(29,557,621)	(25,414,532)
Grant receivable	(3,738,827)	-
	(173,186,777)	(153,351,847)
Net balance		
Grant receivables	13,421,793	18,301,323
Fines	24,853,408	32,987,543
Property rates	18,020,365	19,256,595
Other receivables	1,160,396	938,577
	57,455,962	71,484,038
Statutory receivables included in receivables from non-exchange transactions above are as follows:		
Property rates	18,020,365	19,256,595
Fines	24,853,408	32,987,543
	42,873,773	52,244,138
Financial asset receivables included in receivables from non-exchange transactions above	14,582,189	19,239,900
Total receivables from non-exchange transactions	57,455,962	71,484,038
Fines		
Current (0 -30 days)	6,697,697	6,213,085
31 - 60 days	10,048,047	9,319,628
61 - 90 days	11,206,219	10,393,840
91 - 120 days	7,544,529	6,997,599
121 - 365 days	40,192,188	37,278,511
> 365 days	89,055,057	90,722,195
	164,743,737	160,924,858
Grant receivable		
Current (0 -30 days)	6,775,954	5,012,756
121 - 365 days	6,645,838	9,549,740
> 365 days	3,738,827	3,738,827
	17,160,619	18,301,323
Property rates		
Current (0 -30 days)	19,940,732	19,890,575
31 - 60 days	1,134,967	2,397,437
61 - 90 days	924,388	1,230,845
91 - 120 days	766,305	707,787
121 - 365 days	6,731,852	5,109,347
> 365 days	18,079,742	15,335,136
	47,577,986	44,671,127
Other (specify)		
> 365 days	-	938,577

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
6. Receivables from non-exchange transactions (continued)		
Reconciliation of allowance for impairment		
Balance at beginning of the year	(153,351,847)	(167,530,985)
Contributions to allowance	(7,123,959)	14,179,138
	(160,475,806)	(153,351,847)

As at 30 June 2021, Statutory Receivables of R2 562 528 (2020: R4 109 614) were past due but not impaired.

2021	31-60 days	61-90 days	91-120 days	121-365 days	>365 days	Total
Property rates	503,863	355,952	257,628	1,057,954	387,129	2,562,528
2020	31-60 days	61-90 days	91-120 days	121-365 days	>365 days	Total
Property rates	1,559,532	576,868	243,640	719,761	1,009,812	4,109,614

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
-----------------	------	------

6. Receivables from non-exchange transactions (continued)

Statutory receivables general information

Transaction(s) arising from statute

Property rates related transactions arise in terms of the Municipal Property Rates Act, 6 of 2004, Municipal Finance Management Act, 56 of 2003, as well as the Property Rates Policy of the municipality approved by Council as part of the Budget Process.

Traffic fines arise from the National Road Traffic Act 93 of 1996, National Road Traffic Regulations 2000, National Land Transport Act 5 of 2009 and Criminal Procedure Act 51 of 1971. Prosecutor performs prosecutorial functions in terms of a general delegation awarded by the National Prosecuting Authority and is subject to the control of the Control Prosecutor at the Magistrate's Court in Stellenbosch.

VAT transactions arise from the Value Added Tax Act 89 of 1991. VAT is an indirect tax on the consumption of goods and services in the economy. VAT is levied on all goods and services subject to certain exemptions, exceptions, deductions and adjustments provided for in the Value Added Tax Act 89 of 1991.

Determination of transaction amount

Property rates transaction amounts are determined in line with the Annual Tariff List of the municipality approved by Council as part of the Budget Process in terms of the Municipal Finance Management Act, 56 of 2003.

The municipality makes use of estimates to determine the amount of revenue that it is entitled to collect. Where settlement discounts or reductions in the amount payable are offered, the municipality considers past history in assessing the likelihood of these discounts or reductions being taken up by receivables.

VAT transactions amounts are determined in line with the Value Added Tax Act 89 of 1991. VAT increased from 14% to 15% from 1 April 2018.

Interest or other charges levied/charged

Interest or other charges levied on Property rates balances are in line with the Annual Tariff List of the municipality approved by Council as part of the Budget Process in terms of the Municipal Finance Management Act, 56 of 2003.

"Interest" means a charge levied, on all arear accounts calculated at an interest rate which is one percent higher than the prime interest rate.

Traffic fines: Additional charges includes contempt of court fees / warrant of arrest fee determined in terms of the Criminal Procedure Act.

The rates and interest charges are determined by the Value Added Tax Act 89 of 1991.

Basis used to assess and test whether a statutory receivable is impaired

The basis used to assess Property Rates receivables is to look at the extent to which debtors on an individual basis defaulted on payments already due and an assessment of their ability to make payments based on their historical collection trend.

The basis used to assess Traffic fine receivables is to look at the extent to which debtors per group of fines (Municipal fines, Provincial fines) defaulted on payments already due and an assessment of their ability to make payments based on their historical collection trend.

No impairment on VAT Receivable, balance expected to be fully recoverable.

Discount rate applied to the estimated future cash flows

Interest is calculated using the nominal interest rate as stipulated in the municipal by-laws (Prime plus 1%). This rate is also considered an appropriate discount rate.

Main events and circumstances that led to the recognition or reversal of impairment losses on statutory receivables

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand 2021 2020

6. Receivables from non-exchange transactions (continued)

Significant impairment losses recognised or reversed

Property Rates: Impairment Recognised: The national lockdown and ongoing global pandemic relating to covid-19 resulted in many employers and employees not being able to generate sufficient income to pay their municipal accounts for April to June 2021.

Traffic Fines: Impairment Recognised: Annually the outstanding receivables are assessed in terms of the value of fines issued in comparison to the receipts generated from such fines. The remaining balance is considered recoverable based on this payment percentage.

7. Other receivables from exchange transactions

Prepayments	3,911,792	3,651,254
Deposits	1,758,898	1,589,255
Construction receivable	2,645,278	5,317,560
Public safety account	949,296	949,296
Special rating area debtor	527,684	444,588
Other receivable	2,488,397	1,259,053
Parking debtor	1,450,585	1,265,814
	13,731,930	14,476,820
Non-current assets	1,758,898	1,589,255
Current assets	11,973,032	12,887,565
	13,731,930	14,476,820

8. Inventories

Consumable stores	563,285	2,054,125
Maintenance materials	27,059,728	34,518,310
Water for distribution	1,906,891	1,805,053
Land inventory	14,146,828	14,146,828
Consumables - Zero Rated	13,445	-
Housing inventory	9,625,000	11,550,000
	53,315,177	64,074,316

Inventories recognised as an expense during the year 38,256,231 32,432,482

The amount of inventory reversed/ (written down) is R86 164 (2020:R709 539) and is recognised as an expense and a reduction in the carrying value of inventories. The circumstances relating to the write down is as a result of stock adjustments and shortages on general stock items as reported and approved accordingly.

No inventories were pledged as securities.

9. VAT receivable

VAT	19,509,741	25,493,058
-----	------------	------------

The municipality is registered for VAT on the payment/ cash basis.

VAT meets the definition of a statutory receivable as per the accounting policy. For statutory receivable information regarding VAT refer to note 6.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand

2021

2020

10. Property, plant and equipment

	2021			2020		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Community assets	112,688,072	(18,677,473)	94,010,599	103,913,751	(15,768,421)	88,145,330
Computer equipment	66,815,921	(40,000,469)	26,815,452	57,228,268	(32,713,154)	24,515,114
Electrical infrastructure	1,366,669,796	(419,280,383)	947,389,413	1,310,228,437	(378,145,526)	932,082,911
Furniture and office equipment	48,795,978	(32,881,200)	15,914,778	44,292,344	(30,116,569)	14,175,775
Information and communication infrastructure	3,960,874	(2,729,024)	1,231,850	3,945,508	(2,301,090)	1,644,418
Land	484,712,397	(27,052,477)	457,659,920	483,845,564	(27,052,477)	456,793,087
Machinery and equipment	101,305,664	(56,187,862)	45,117,802	95,622,292	(49,955,747)	45,666,545
Other property, plant and equipment	576,052,509	(90,549,670)	485,502,839	508,334,507	(80,781,755)	427,552,752
Roads infrastructure	1,222,609,036	(433,149,759)	789,459,277	1,160,102,630	(389,089,524)	771,013,106
Solid waste infrastructure	93,869,648	(28,425,895)	65,443,753	94,731,282	(36,733,004)	57,998,278
Stormwater infrastructure	62,944,123	(46,632,721)	16,311,402	62,517,401	(45,958,182)	16,559,219
Transport assets	172,275,893	(67,921,602)	104,354,291	153,679,863	(56,880,434)	96,799,429
Wastewater network	1,196,784,172	(198,683,700)	998,100,472	1,088,234,167	(170,631,081)	917,603,086
Water supply infrastructure	1,825,194,865	(419,769,771)	1,405,425,094	1,769,425,922	(380,016,229)	1,389,409,693
Total	7,334,678,948	(1,881,942,006)	5,452,736,942	6,936,101,936	(1,696,143,193)	5,239,958,743

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand

10. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Transfers	Other changes, movements	Depreciation	Impairment loss	Total
Land	456,793,087	866,833	-	-	-	-	-	457,659,920
Machinery and equipment	45,666,545	5,883,784	(63,394)	-	-	(6,369,133)	-	45,117,802
Furniture and office equipment	14,175,775	5,698,983	(80,709)	-	30,406	(3,909,677)	-	15,914,778
Transport assets	96,799,429	20,239,685	(622,223)	-	-	(12,062,600)	-	104,354,291
Computer equipment	24,515,114	9,833,142	(13,447)	-	-	(7,519,357)	-	26,815,452
Community assets	88,145,330	8,774,322	-	-	-	(2,909,053)	-	94,010,599
Other property, plant and equipment	427,552,752	67,718,002	-	-	-	(9,767,915)	-	485,502,839
Electrical infrastructure	932,082,911	40,548,312	(25,558)	5,906,408	-	(31,122,660)	-	947,389,413
Water supply infrastructure	1,389,409,693	51,833,111	-	476,458	-	(36,294,168)	-	1,405,425,094
Solid waste infrastructure	57,998,278	10,044,338	-	-	3,915,214	(6,514,077)	-	65,443,753
Roads infrastructure	771,013,106	62,506,406	-	-	-	(44,060,235)	-	789,459,277
Information and communication infrastructure	1,644,418	17,441	(2,075)	-	-	(427,934)	-	1,231,850
Wastewater network	917,603,086	108,550,003	-	-	-	(28,052,617)	-	998,100,472
Stormwater infrastructure	16,559,219	426,722	-	-	-	(674,539)	-	16,311,402
	5,239,958,743	392,941,084	(807,406)	6,382,866	3,945,620	(189,683,965)	-	5,452,736,942

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand

10. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Transfers	Other changes, movements	Depreciation	Impairment loss	Total
Land	395,846,824	60,946,263	-	-	-	-	456,793,087
Machinery and equipment	40,203,284	11,635,491	-	-	(6,172,230)	-	45,666,545
Furniture and office equipment	15,144,721	2,695,605	-	-	(3,664,437)	(114)	14,175,775
Transport assets	76,511,108	30,204,426	-	-	(9,844,550)	(71,555)	96,799,429
Computer equipment	21,076,067	10,406,328	-	-	(6,967,281)	-	24,515,114
Community assets	77,749,670	13,697,455	-	-	(3,301,795)	-	88,145,330
Other property, plant and equipment	413,198,576	17,394,439	-	-	(3,040,263)	-	427,552,752
Electrical infrastructure	930,797,075	34,668,146	(1,634,778)	-	(31,747,463)	(69)	932,082,911
Water supply infrastructure	1,372,689,987	55,207,828	128,532	-	(38,616,654)	-	1,389,409,693
Solid waste infrastructure	42,391,179	22,077,986	-	2,369,815	(8,840,702)	-	57,998,278
Roads infrastructure	753,386,115	64,510,114	-	-	(46,883,123)	-	771,013,106
Information and communication infrastructure	1,340,071	734,880	-	-	(430,533)	-	1,644,418
Wastewater network	864,296,670	80,753,967	-	-	(27,447,314)	(237)	917,603,086
Stormwater infrastructure	16,458,276	834,783	-	-	(732,838)	(1,002)	16,559,219
	5,021,089,623	405,767,711	(1,506,246)	2,369,815	(187,689,183)	(72,977)	5,239,958,743

Pledged as security

There were no items of property, plant and equipment that was pledged as security during the current financial year.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
10. Property, plant and equipment (continued)		
Work in progress		
Property, plant and equipment that was not used for any period of time during the reporting period that significantly impacted the delivery of goods and services of the entity (Carrying amount)		
Community assets	14,704,183	15,666,098
Electrical infrastructure	150,839,441	148,532,720
Computer equipment	120,584	-
Roads infrastructure	60,818,043	91,545,608
Stormwater infrastructure	3,077,147	1,669,565
Solid waste infrastructure	6,395,953	25,676,215
Sanitation infrastructure	198,212,518	171,079,963
Water infrastructure	127,673,232	142,694,382
Machinery and equipment	164,532	157,653
Other property, plant and equipment	31,554,487	95,081,840
	593,560,120	692,104,044

There were no projects that were significantly delayed during the current financial year. Significant delays are regarded as projects which has not seen any progress for a period exceeding 12 months.

There were no projects halted during the current financial year.

Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance

Community assets	16,542,937	8,147,815
Electrical infrastructure	9,617,323	1,230,754
Furniture and office equipment	2,976,333	9,461,229
Other property, plant and equipment	9,290,529	532,552
Roads infrastructure	11,835,301	8,007,709
Sanitation infrastructure	13,521,765	1,951,783
Solid waste infrastructure	983,570	1,125,464
Stormwater infrastructure	7,589,624	11,762,052
Transport assets	5,006,673	15,634,122
Water infrastructure	5,681,937	438,915
Information and communication infrastructure	503,823	-
	83,549,815	58,292,395

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand 2021 2020

11. Investment property

	2021			2020		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	424,977,732	(12,581,951)	412,395,781	424,977,732	(12,463,316)	412,514,416

Reconciliation of investment property - 2021

	Opening balance	Additions	Depreciation	Total
Investment property	412,514,416	-	(118,635)	412,395,781

Reconciliation of investment property - 2020

	Opening balance	Additions	Depreciation	Total
Investment property	412,767,003	-	(252,587)	412,514,416

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Maintenance of investment property

There were no repairs and maintenance expensed on rental properties. This is mainly due to the fact that rental agreements as entered into with the lessee states maintenance of these properties will be for the lessee's expense.

Amounts recognised in surplus or deficit

Rental revenue from Investment property	14,129,066	8,756,326
---	------------	-----------

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand

12. Intangible assets

	2021			2020		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	17,943,517	(8,304,652)	9,638,865	18,985,754	(9,291,580)	9,694,174

Reconciliation of intangible assets - 2021

	Opening balance	Additions	Amortisation	Total
Computer software	9,694,174	-	(55,309)	9,638,865

Reconciliation of intangible assets - 2020

	Opening balance	Additions	Amortisation	Total
Computer software	11,956,450	163,200	(2,425,476)	9,694,174

Pledged as security

There were no items of intangible assets that were pledged as security in the current financial year.

Restricted title

There were no items of intangible assets that that a restricted title in the current financial year.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand 2021 2020

13. Biological assets that form part of an agricultural activity

	2021			2020		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Trees in timber plantation - Consumable	6,321,448	-	6,321,448	6,321,448	-	6,321,448

Reconciliation of biological assets that form part of an agricultural activity - 2021

	Opening balance	Additions	Depreciation	Total
Trees in timber plantation - Consumable	6,321,448	-	-	6,321,448

Reconciliation of biological assets that form part of an agricultural activity - 2020

	Opening balance	Additions	Depreciation	Total
Trees in timber plantation - Consumable	6,321,448	-	-	6,321,448

Financial information

2021 Nature and quantities of each biological asset	Opening Balance	Decrease due to Harvest	Fair value (decrease) /increase	Closing balance
Botmanskop Plantation	861,605	-	-	861,605
Paradyskloof Plantation	5,459,843	-	-	5,459,843
	6,321,448	-	-	6,321,448

2020 Nature and quantities of each biological asset	Opening Balance	Decrease due to Harvest	Fair value (decrease) /increase	Closing balance
Botmanskop plantation	861,605	-	-	861,605
Paradyskloof Plantation	5,459,843	-	-	5,459,843
	6,321,448	-	-	6,321,448

The determination of fair value was as follows:

Principle:

Price determination was done on the basis of current sale value of the tender for the current year i.e. R602.10/m³ excluding 15% VAT. This value was given to all trees as the estimated yield takes into consideration the age of the trees. The harvestable age starts from 20 years old where the minimum estimated yield would be 100m³/ha.

It must also be noted that this yield is based on optimum growing conditions and the existing microclimates, and thus the yield might vary per compartment. Refer to the Forestry Handbook p204 which can be obtained at the municipal offices.

Description of the Biological Assets

1. Botmanskop plantation (Block E) Some compartments remain which can be harvested at a later stage due to the age of the trees.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
-----------------	------	------

13. Biological assets that form part of an agricultural activity (continued)

2. Paradyskloof plantation (Block G)	Some compartments remain which can be harvested at a later stage due to the age of the trees.
--------------------------------------	---

Strategy to mitigate risks

The strategy to mitigate risks attached to this category of assets is to prevent the spread of runaway veld fires by maintaining fire breaks.

Non - Financial information

Quantities of each biological asset (In hectares)

Botmanskop Plantation	13	13
Paradyskloof Plantation	36	36
	49	49

Pledged as security

There were no items of biological assets pledged as security in the current financial year.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand

14. Heritage assets

	2021			2020		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Collections of rare books, manuscripts and records	143,945	-	143,945	143,945	-	143,945
Historical monuments	630,057	-	630,057	630,057	-	630,057
Total	774,002	-	774,002	774,002	-	774,002

Reconciliation of heritage assets 2021

	Opening balance	Impairment losses recognised	Total
Collections of rare books, manuscripts and records	143,945	-	143,945
Historical monuments	630,057	-	630,057
	774,002	-	774,002

Reconciliation of heritage assets 2020

	Opening balance	Additions	Impairment losses recognised	Total
Collections of rare books, manuscripts and records	143,945	-	-	143,945
Historical monuments	630,057	-	-	630,057
	774,002	-	-	774,002

Pledged as security

There were no heritage assets pledged as security during the current financial year.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
14. Heritage assets (continued)		
Heritage assets used for more than one purpose		
A significant portion of the following heritage assets are used for office accommodation and is therefore included in the balance of property, plant and equipment:		
The following heritage assets are used by the municipality for more than one purpose		
Neethlingshuis and De Withuis	63,061,219	63,560,055
58 - 60 Andringa Street	1,878,899	1,892,985
35B Mark Street	3,139,798	3,152,616
127 Dorp Street, Transvalia, Alma & Bosmanshuis flats	12,680,643	12,723,603
116 - 118 Dorp Street, Voorgelegen - offices	5,557,799	5,585,970
4 Reservoir West, Mooiwater	2,073,119	2,084,388
34 Mark Street, Rynse Komplex; Toy Museum, Tourism	8,180,643	8,223,604
PMU Building, Alexander Street, Burger Huis	1,571,285	1,580,440
Merriman, Bergzicht Training Centre, Oude Libertas Theatre & Restaurant	62,041,821	62,310,290
Die Laan, Landbou Saal	4,343,257	4,352,765
	164,528,483	165,466,716
Expenditure incurred to repair and maintain heritage assets		
The expenditure relating to repairs and maintenance of these buildings is included in the statement of financial performance and disclosed under note 10 to the financial statements.		
There was no repairs and maintenance expenditure incurred on other remaining heritage assets.		
15. Long term receivables		
At amortised cost		
Arrangement debtors	7,761,539	6,200,897
Farmers: Water Schemes	119,134	161,010
	7,880,673	6,361,907
Non-current assets		
At amortised cost	4,932,492	3,560,940
Current assets		
At amortised cost	2,948,181	2,800,967
16. Consumer deposits		
Electricity	11,347,036	10,750,546
Water	6,671,493	6,314,304
Regional services levies	1,053,151	226,378
Housing rental	458,393	493,289
	19,530,073	17,784,517

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
17. Employee benefit obligations		
The amounts recognised in the statement of financial position are as follows:		
Carrying value		
Salary Control	4,120,890	6,011,416
Bonus accrual	13,782,725	13,044,082
Leave gratuity	30,542,342	30,056,890
Post-Retirement Medical Obligation	185,720,000	169,099,000
Long Service Awards	27,466,000	26,522,000
Net liability	261,631,957	244,733,388
Non-current assets	-	-
Current assets	-	-
Non-current liabilities	200,444,000	183,616,000
Current liabilities	61,187,957	61,117,388
	261,631,957	244,733,388

17.1 Post- retirement healthcare benefit liability

The municipality provides certain post-retirement health care benefits by funding the medical aid contributions of qualifying retired members of the municipality. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service) is entitled to remain a continued member of such medical aid fund on retirement, in which case the municipality is liable for a certain portion of the medical aid membership fee. The municipality operates an unfunded defined benefit plan for these qualifying employees. The plan is treated as a defined benefit plan under GRAP 25. No other post-retirement benefits are provided to these employees.

The most recent actuarial valuations of the present value of the defined benefit obligation were carried out at 30 June 2021 by C Weiss, Fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The members of the Post-employment Health Care Benefit Plan are made up as follows:

The members of the post-employment health care benefit plan are made up as follows:

In-service members (Employees)	679	668
Continuation members (Retirees, widow(ers) and orphans)	171	162
In service employees (Non-members)	461	485
Total members	1,311	1,315

The liability in respect of past service has been estimated as follows:

In-service members	67,805,000	63,812,000
In-service non-members	7,922,000	6,777,000
Continuation members	109,993,000	98,510,000
Total liability	185,720,000	169,099,000

The Non-member take up rate increased from previous estimate of 0% to 15%. This change was implemented after reviewing the actual trend of take up rate. The Non-member take up rate refers to the proportion of in-service non-members joining a scheme by retirement and continuing with the subsidy thereafter.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

i) Rates of Interest

Discount rate	9.91 %	10.22 %
Health care cost inflation rate	6.68 %	6.30 %
Net effective discount rate	3.03 %	3.69 %

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand

2021

2020

17. Employee benefit obligations (continued)

ii) Normal retirement age

Expected retirement age - females	62	62
Expected retirement age - males	62	62

The PA (90) ultimate mortality table was used by the actuaries

Pre-retirement: The SA 85-90 ultimate table, adjusted for female lives, was used.

Movements in the present value of the Defined Benefit Obligation were as follows:

Balance at the beginning of the year	169,099,000	187,508,063
Current service costs	5,238,000	5,448,228
Interest cost	16,840,000	17,096,614
Actual employee benefits payments	(9,121,167)	(8,767,265)
Subsidy rate change	(5,989,000)	-
Actuarial (losses) / gains	9,653,167	(32,186,640)
Present Value of Fund Obligation at the end of the Year	185,720,000	169,099,000
Current liability	9,238,000	8,870,000

The amounts recognised in the Statement of Financial Position are as follows

Net Liability	185,720,000	169,099,000
---------------	-------------	-------------

The amounts recognised in the Statement of Financial Performance are as follows:

Current service cost	5,238,000	5,448,228
Interest cost	16,840,000	17,096,614
Actuarial (gain)/ loss recognised in profit and loss	(9,653,167)	(32,186,640)
	12,424,833	(9,641,798)

Amounts for the current and previous four periods are as follows:

Present value of unfunded defined benefit

2021	185,720,000
2020	169,099,000
2019	187,508,063
2018	198,749,000
2017	201,981,567

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand		2021	2020		
17. Employee benefit obligations (continued)					
Sensitivity analysis on the Accrued Liability (R Millions)					
Assumption	Change	In-service	Continuation	Total	% change
Central assumptions		75.727	109.993	185.720	
Health care inflation	1 % (1)%	91.811 63.051	120.852 100.607	212.663 163.658	15 % (12)%
Discount rate	1 % (1)%	63.480 91.440	100.943 120.613	164.423 212.053	(11)% 14 %
Post-retirement mortality	1 yr (1)	73.696 78	106.223 114	179.919 192	(3)% 3
Average retirement age	-1 yr	82.419	109.993	192.412	4 %
Continuation of membership at retirement	(10)%	66.377	109.993	176.370	(5)%

Sensitivity analysis on Current-service and Interest Costs

Assumption	Change	Current-service Cost	Interest cost	Total	% change
Central assumptions		5,238,000	16,840,000	22,078,000	
Health care inflation	1 % (1)%	6,451,000 4,292,000	19,262,000 14,847,000	25,713,000 19,139,000	16 % (13)%
Discount rate	1 % (1)%	4,369,000 6,356,000	16,388,000 17,314,000	20,757,000 23,670,000	(6)% 7 %
Post-retirement mortality	-1 year	5,362,000	17,344,000	22,706,000	3 %
Average retirement age	-1 year	5,572,000	17,484,000	23,056,000	4 %
Continuation of membership at retirement	(10)%	4,295,000	15,578,000	19,873,000	(10)%

Mortality during employment

Pre-retirement: The SA 85-90 ultimate table adjusted for female lives.

Post -employment mortality

PA(90) ultimate table, adjusted down by one year of age, and a 1% annual compound mortality improvement from 2010. This means that we expect 1% fewer people to die next year. In the year thereafter, we expect 1.99% fewer people to die.

Withdrawal from service

If an eligible employee leaves, the employer's liability in respect of that employee ceases. It is therefore important not to overstate withdrawal rates.

Average retirement age

The normal retirement age of employees is 65. It has been assumed that employees will retire at age 62 on average, which then implicitly allows for expected rates of ill-health and early retirement. Employees who have passed the assumed average retirement age, have been assumed to retire at their next birthday.

Continuation of membership

It has been assumed that 75% of in-service members will remain on the Municipality's health care arrangement should they stay until retirement.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand 2021 2020

17. Employee benefit obligations (continued)

Proportion of eligible in-service non-members joining a scheme at retirement

It has been assumed that 15% of eligible in-service non-members will be on a medical scheme by retirement (should they not exit employment before then) and continue with the subsidy at and after retirement.

Family profile

It has been assumed that female spouses will be five years younger than their male counterparts. Furthermore we assumed that 60% of eligible employees on a health care arrangement at retirement will have a spouse dependent on their medical aid. For current retiree members, actual medical aid dependents are used and the potential for remarriage was ignored.

The municipality expects to make a contribution of R13 821 112 to the Defined Benefit Plan during the next financial year.

17.2 Long Service Awards

Current liability	3,504,000	3,135,000
Non current liability	23,962,000	23,387,000
	27,466,000	26,522,000

Movement in the present value of Long Service Awards were as follows:

Opening balance	26,522,000	26,153,883
Current service cost	2,093,000	2,088,254
Interest cost	1,864,000	2,014,792
Actuarial (gains) losses	297,861	(644,043)
Benefits paid	(3,310,861)	(3,090,886)
Total included in employee related costs	27,466,000	26,522,000

The amount recognised in the Statement of Financial Position are as follows:

Present value of long service awards	27,466,000	26,522,000
--------------------------------------	------------	------------

The amount recognised in the Statement of Financial Performance are as follows:

Current service cost	2,093,000	2,088,254
Interest cost	1,864,000	2,014,792
Actuarial gains (losses)	297,861	(644,043)
Closing balance	4,254,861	3,459,003

Under the plan, a Long-service Award is payable after 10 years of continuous service and every 5 years thereafter to employees. Additional to this employees shall be entitled to a 14th cheque for continuous employment on their 30th and every 5th year onward. Furthermore a retirement gift is payable on retirement to employees with 10 years or more service. The provision is an estimate of the long service award based on historical staff turnover. No other long service benefits are provided to employees.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
-----------------	------	------

17. Employee benefit obligations (continued)

Key assumptions used

Assumptions used at the reporting date:

Discount rates used	9.35 %	7.46 %
General salary inflation	5.81 %	4.03 %
Net effective discount rate	3.35 %	3.30 %

Average retirement age

The normal retirement age of employees is 65. It has been assumed that employees will retire at age 62 on average, which then implicitly allows for expected rates of ill-health and early retirement. Employees who have passed the assumed average retirement age, have been assumed to retire at their next birthday.

Pre-retirement mortality

SA85-90 ultimate table, adjusted down for female lives.

Withdrawal from service

If an employee leaves, the employer's liability in respect of that employee ceases. It is therefore important not to overstate withdrawal rates.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand 2021 2020

17. Employee benefit obligations (continued)

Other assumptions

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trends rates would have the following effects:

Amounts for the current and previous four years are as follows:

	2021 R	2020 R	2019 R	2018 R	2017 R
Accrued liabilities	27,466,000	26,522,000	26,153,882	29,621,885	28,469,818

Sensitivity analysis on the Unfunded Accrued Liability (in R Millions)

Assumption	Change	Liability	% change
Central assumptions		27,466.000	
General salary inflation	1 % (1)%	29,249.000 25,851.000	7 % (6)%
Discount rate	1 % (1)%	25,806.000 29,330.000	(6)% 7 %
Average retirement age	+ 2 years - 2 years	31,012.000 22,947.000	13 % (16)%
Withdrawal rates	(50)%	30,962.000	13 %

Sensitivity analysis on Current-service and Interest Costs

Assumption	Change	Current-service Cost	Interest Cost	Total	% change
Central assumptions		2,093,000	1,864,000	3,957,000	
General salary inflation	1 % (1)%	2,274,000 1,929,000	1,995,000 1,746,000	4,269,000 3,675,000	8 % (7)%
Discount rate	1 % (1)%	1,945,000 2,262,000	1,976,000 1,732,000	3,921,000 3,994,000	(1)% 1 %
Average retirement age	+2 years -2 years	2,312,000 1,814,000	2,116,000 1,552,000	4,428,000 3,366,000	12 % (15)%
Withdrawal rates	(50)%	2,515,000	2,117,000	4,632,000	17 %

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
-----------------	------	------

18. Operating lease liability

Operating Leases are recognised on the straight-line basis as per the requirement of GRAP 13. In respect of non-cancellable Operating Leases the following liabilities have been recognised:

Balance at beginning of year	4,958,344	5,775,015
Operating lease expenses recorded	(1,323,420)	(1,070,046)
Operating lease revenue realised	-	(40,195)
Operating lease payments effected	104,550	293,570
	3,739,474	4,958,344

Leasing Arrangements

The Municipality as Lessee:

Operating Leases relate to Property, Plant and Equipment with lease terms not longer than 5 years, with an option to extend for a further period. All operating lease contracts contain market review clauses in the event that the municipality exercises its option to renew. The municipality does not have an option to purchase the leased asset at the expiry of the lease period.

Amounts Payable under Operating Leases

At the reporting date, the municipality had outstanding commitments under non-cancellable Operating Leases for Property, Plant and Equipment, which fall due as follows:

Buildings:

Up to 1 year	6,153,757	5,751,175
2 to 5 years	1,564,019	7,717,777
	7,717,776	13,468,952

Total operating lease expenses

Lease rentals on operating lease	14,880,942	11,837,555
----------------------------------	------------	------------

The following amounts have been recognised as revenue in the Statement of Financial Performance:

19. Borrowings

At amortised cost

Borrowings	368,957,018	292,930,439
------------	-------------	-------------

Annuity loans from the Development Bank of South Africa have settlement periods of 14 to 15 years with fixed interest varying from 9.25% to 11.10% per annum.

Annuity loans from Nedbank Limited have settlement periods of 10 years with fixed interest rates varying

from 9.7% to 8.8% per annum. A new loan has been entered into during the 2020/21 financial year.

Non-current liabilities

At amortised cost	334,733,125	266,177,508
-------------------	-------------	-------------

Current liabilities

At amortised cost	34,223,893	26,752,931
-------------------	------------	------------

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand 2021 2020

20. Provisions

Reconciliation of provisions - 2021

	Opening Balance	Additions	Total
Environmental rehabilitation	121,305,978	20,191,339	141,497,317

Reconciliation of provisions - 2020

	Opening Balance	Additions	Total
Environmental rehabilitation	102,344,476	18,961,502	121,305,978

Environmental rehabilitation provision

In terms of the licensing of the landfill refuse sites, the municipality will incur licensing and rehabilitation costs of R141 497 317 (2020: R121 305 978) to restore the site at the end of its useful life.

The unwinding of the provision for landfill site for the current year was R9 401 213 (2020: R7 757 711) was included in the finance cost in the statement of financial performance.

No expenditure was incurred for the year under review.

Cells 1 and 2 have reached full capacity and must be rehabilitated. Cell 3 has come into use at the end of 30 June 2013 financial year and is the current landfill site in use.

The provision has been determined based on an independent valuation performed by a firm of consulting engineers as at 30 June 2021

Key cost parameters:

- Estimated post closure rehabilitation time 3 years
- Inflation rate 5% (2020: 4.8%%)
- Discount rate 7% (2020: 7.75%)

21. Payables from exchange transactions

Trade and other payables	202,517,311	165,428,400
Khaya Lam free market foundation	-	47,540
Collection fees	190,664	190,664
Deposit sale of land	12,490,791	11,114,923
Don and Pat Bilton	256,056	256,056
Ex gratia pension fund (BDM)	123,541	123,541
Housing beneficiary contribution	115,787	115,787
Grouplife	2,423,664	2,423,664
Libraries	82,795	54,561
Payments received in advanced Retention	23,791,673	18,520,573
Other creditors	31,966,620	45,557,346
Sundry deposits	26,018,231	25,018,427
	338,379	1,972,753
	300,315,512	270,824,235

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
22. Unspent conditional grants and receipts		
Unspent conditional grants and receipts comprises of:		
Unspent conditional grants and receipts		
Cape Winelands disaster grant	146,959	2,030,541
Charitable fund	51,708	72,097
Community development support grant	-	37,296
Housing settlement agreement - Capital	149,611	149,611
Development of sport and recreational facilities	-	67,669
Regional Socio-Economic Project/violence through urban upgrading (RSEP/VPUU)	3,337,700	-
Housing consumer education	68,010	68,010
Housing settlement agreement - Operating	220,103	220,103
Human settlement development grant - capital	679,673	165,416
Khaya Lam free market foundation	102,000	102,000
Lamotte trust fund	4,667,705	3,080,872
Community Library Service Grant - Operational	2,302,051	-
Local government graduate internship and capacity building	164,751	433,752
Municipal accreditation and capacity building grant	238,000	-
National lottery	307,361	307,361
Other sources	288,184	288,184
Title deed restoration grant	1,371,711	1,839,710
Integrated transport planning grant	600,000	-
	14,695,527	8,862,622

The nature and extent of government grants recognised in the annual financial statements and an indication of other forms of government assistance from which the municipality has directly benefited; and

Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

See note 33 for reconciliation of grants from National/Provincial Government.

These amounts are invested in a ring-fenced investment until utilised.

23. Accumulated surplus

Ring-fenced internal funds and reserves within accumulated surplus - 2021

	Capital replacement reserve	Insurance reserve	Housing development fund	Other	Total
Opening balance	249,724,257	9,885,492	(9,396,229)	5,173,239,228	5,423,452,748
Surplus for the year	-	-	-	(12,856,129)	(12,856,129)
Transfer to capital replacement reserve	114,066,225	-	-	(114,066,225)	-
Property, plant and equipment purchases	(211,185,344)	-	-	211,185,344	-
	152,605,138	9,885,492	(9,396,229)	5,257,502,218	5,410,596,619

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020			
23. Accumulated surplus (continued)					
Ring-fenced internal funds and reserves within accumulated surplus - 2020					
	Capital replacement reserve	Insurance reserve	Housing development fund	Other	Total
Opening balance	160,497,338	9,885,492	(9,396,229)	5,174,403,537	5,335,390,138
Surplus for the year	-	-	-	88,062,638	88,062,638
Transfer to capital replacement reserve	336,762,309	-	-	(336,762,309)	-
Property, plant and equipment purchases	(247,535,390)	-	-	247,535,390	-
	249,724,257	9,885,492	(9,396,229)	5,173,239,256	5,423,452,776

The capital replacement reserve is a reserve to finance future capital expenditure and is fully invested in ring-fenced Financial Instrument Investments.

The self insurance reserve is used to offset potential losses or claims of assets that cannot be insured externally.

The housing development fund is depleted. There is no cash or surplus generated from the fund. Therefore any additional cost must be carried by the municipality as part of its operations.

Refer to statement of changes in net assets for more detail and the movement on accumulated surplus.

24. Service charges

Sale of electricity	632,401,484	562,275,303
Sale of water	134,425,799	171,631,994
Solid waste	73,150,291	62,956,545
Sewerage and sanitation charges	92,638,767	83,261,986
	932,616,341	880,125,828

The amounts disclosed above for service charges are in respect of services rendered which are billed to the consumers on a monthly basis according to approved tariffs.

25. Construction revenue

Housing Topstructure

Construction contracts	7,570,000	5,317,560
------------------------	-----------	-----------

Construction revenue relates to income in terms of houses constructed. The topstructures relate to the base form of the houses.

26. Rental of facilities and equipment

Premises

Rental revenue from other facilities	3,887,071	3,363,768
Rental revenue from buildings	9,051	136,656
Rental revenue from housing schemes	7,559,457	7,208,972
	11,455,579	10,709,396

Facilities and equipment

Rental revenue from land	3,258,085	2,892,035
	14,713,664	13,601,431

Included in the above rentals are rentals received from Investment Property of R14 129 066 (2020: R8 756 325.51)

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
27. Interest earned- outstanding receivables		
Electricity	1,144,532	677,176
Water	4,575,916	4,116,971
Waste water management	1,162,343	1,050,384
Waste management	1,231,260	1,109,940
	8,114,051	6,954,471

28. Agency services

Vehicle Registration	4,833,132	3,976,481
----------------------	-----------	-----------

The municipality collects licence fees on behalf of the Provincial Government Western Cape and receives a 12% agency fee.

The municipality, as an agent, recognises only the portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

No resources are held by the municipality on behalf of the principle.

29. Licences and permits (exchange)

Licences and permits	5,216,026	4,413,324
----------------------	-----------	-----------

Licences and permits relate to income earned on market porters and road and transport permits,

30. Other income

Application fees	385,630	387,648
Building clause	34,609	56,291
Building plan fees	4,394,866	4,171,623
Cemetery and burial	1,025,770	937,472
Clearance certificates	354,384	242,747
Collection fees	1,811,699	1,601,270
Entrance fees	72,694	559,140
Flamable substance	179,511	206,771
Merchandising, jobbing and contracts	1,671,500	1,949,293
Parking revenue	7,163,797	10,224,268
Removal of restrictions	1,122,312	1,589,031
Skills development levy	578,140	769,889
Special rating area	7,427,468	5,585,885
Staff recoveries	333,149	724,737
Sundry	739,654	780,264
Development charges	13,657,931	10,275,343
	40,953,114	40,061,672

The amounts disclosed above are in respect of services, other than described in notes 24 and 25 rendered which are billed to or paid for by users as the services are reclaimed according to approved tariffs or offers received in terms of supply chain procedures, i.e wood sales.

31. Investment revenue

Interest revenue		
Bank	2,586,944	7,490,240
Investment deposits	16,928,417	32,981,762
	19,515,361	40,472,002

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
32. Property rates		
Rates received		
Residential	187,463,249	173,866,187
Commercial	177,067,260	164,553,707
Agricultural	22,526,166	21,669,383
	<u>387,056,675</u>	<u>360,089,277</u>
Property rates - interest earned	1,970,109	1,822,264
	<u>389,026,784</u>	<u>361,911,541</u>

Assessment Rates are levied on the value of land and improvements, which valuation is performed every four years. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions. The last valuation came into effect on 1 July 2017. With reference to S78 of the Municipal Property Rates Act four reviews have been finalised and one interim valuation was performed during the financial year and implemented accordingly.

The following assessment rates were charged for the period ending June 2021:

R 0.011901 - Non Residential (2020: R0.011175)

R 0.00541 - Residential (2020: R 0.005080)

R 0.001354 - Agricultural (2020: R 0.001271)

Rates are levied monthly on property owners and are payable the 7th of each month. Property owners can request that the full amount for the year be raised in July in which case the amount has to be paid by 7 October annually. Interest is levied as per council's Credit Control and Debt Collection Policy on outstanding rates amounts.

Valuations

Relief measures

The relief measures on property rates are generally described in paragraph 8 of the approved Rates Policy of the municipality. This includes the specific under mentioned relief measures:

Rebate and gross monthly household income for Qualifying senior citizens and Disabled persons	Gross monthly household income	% Rebate
	Up to R8 000	100%
	From R8 001 to R 10 000	75%
	From R10 001 to R12 000	50%
	From R12 001 to R15 000	25%

Municipal valuation threshold value

On qualifying residential properties, up to a maximum value of R200 000, which amount includes the R15 000 as per Section 17(1)(h) of the MPRA and the R185 000 reduction granted as per paragraph 8.2.1(ii) of the approved Rates policy. Paragraph 8.2.1 (ii) is only applicable on properties with valuations up to R5 000 000.

Stellenbosch special rebate

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

Other rebates

Rebates have also been granted to qualifying non-profit organisations and to organisations who qualified for the rebate as defined in paragraph 8.11 of the approved Rates policy. Any other exclusions or exemptions have been granted in accordance with the Local Government Property Rates Act.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
33. Government grants and subsidies		
Operating grants		
Equitable share	170,632,000	136,177,000
Title deeds restoration grant	468,000	1,933,440
Cape Winelands disaster grant	1,883,582	472,126
Local government financial management grant	1,550,000	1,550,000
Cape Winelands District Tourism Grant	100,000	-
Community development workers	93,296	18,704
Integrated Urban Development Grant - Operating	1,424,700	-
Housing accreditation and capacity building grant	-	167,980
Safety Initiative Implementation-whole of society approach (WOSA)	440,000	-
Municipal disaster management grant	-	209,000
Library services support grant	10,719,949	12,454,000
Local government support grant	-	900,000
Maintenance and construction of transport infrastructure	-	384,000
Taipie COVID-19 donation	-	132,023
Local government graduate internship and capacity building	569,001	446,248
Expanded public workers programme support grant	4,961,000	5,227,000
Local government financial management support grant	-	255,000
LG SETA Discretionary grant	138,960	62,706
Natural resources management grant	-	90,870
Development bank of South Africa	1,809,380	172,147
	194,789,868	160,652,244

Capital grants		
Integrated urban development grant	45,481,299	46,886,000
National lottery	-	151,414
Integrated national electrification programme grant	12,000,000	15,640,000
Regional social economic project/violence through urban upgrading	662,300	1,500,000
Integrated transport planning grant	-	600,000
Human settlement development grant	11,648,219	56,593,662
Fire services capacity building grant	-	3,003,000
Library services support grant	55,000	-
	69,846,818	124,374,076
	264,636,686	285,026,320

Conditional and Unconditional

Included in above are the following grants and subsidies received:

Conditional grants received	94,004,686	148,849,320
Unconditional grants received	170,632,000	136,177,000
	264,636,686	285,026,320

Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. Bulk basic services are also provided free of charge to informal settlements to ensure that these communities have access to basic services. The R20 828 000 was provided to assist the municipal pandemic response relating to Covid-19.

Municipal disaster management grant

Current-year receipts	-	209,000
Conditions met - transferred to revenue	-	(209,000)
	-	-

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
-----------------	------	------

33. Government grants and subsidies (continued)

To provide for the immediate release of funds for disaster response.

Taipei covid-19 donation

Current-year receipts	-	132,023
Conditions met - transferred to revenue	-	(132,023)
	<u>-</u>	<u>-</u>

Personal Protective equipment was donated to Stellenbosch Municipality from the Cape Town Taiwanese Chamber of Commerce.

Development bank South Africa

Current-year receipts	1,809,380	172,147
Conditions met - transferred to revenue	(1,809,380)	(172,147)
	<u>-</u>	<u>-</u>

Funding provided for the update the capital expenditure framework.

Title deeds development grant

Balance unspent at beginning of the year	1,839,710	3,773,151
Conditions met - transferred to revenue	(467,999)	(1,933,441)
Balance unspent at year end	<u>1,371,711</u>	<u>1,839,710</u>

To provide funding for the eradication of the Pre-2014 title-deeds registration backlog and the professional fees associated with it, including beneficiary verification. Refer to note 22.

The municipality, as an agent, receives a grant from the Department of Human Settlements (principle) to register properties on behalf of the beneficiaries for low cost housing projects.

2020: Title deeds development grant could not be fully spent due to the complexity of the programme. The grant funding provided is utilized for the registration of properties which were built before 2004 up to 2010. The municipality is grappling with deceased estates which take longer to register, missing beneficiaries, houses that were built but wrongly allocated on the subsidy system. The above obstacles encountered have been raised at the quarterly meetings with the Department of Human Settlements.

2021: Title deeds development grant could not be fully spent due to the complexity of the programme. The grant funding provided is utilized for the registration of properties which were built before 2004 up to 2010. The municipality is grappling with deceased estates which take longer to register, missing beneficiaries, houses that were built but wrongly allocated on the subsidy system. The above obstacles encountered have been raised with the Department of Human Settlements. Due to the COVID 19 lock down regulations the deeds office was not operating in its full capacity and this further delayed the registration of title deeds.

The municipality does not recognise any compensation for the services provided on behalf of the principle.

Human settlement agreement - capital

Balance unspent at beginning of the year	<u>149,611</u>	<u>149,611</u>
--	----------------	----------------

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand 2021 2020

33. Government grants and subsidies (continued)

Conditions still to be met - remain liabilities (see note 22).

To provide a financial contribution towards the reallocation of the informal settlement residents which were fire victims.

2019/2020: The unutilised funding relates to prior year funding which have not been assigned to a current year project. The latter will be attended to during the 2020/21 financial year.

2020/2021: The unutilised funding relates to prior year funding which have not been assigned to a current year project. The latter will be attended to during the 2021/22 Mid year adjustment budget process. The funds will be utilised when services are developed.

The unspent funds will remain a liability. Refer to note 22.

Integrated urban development grant - operating

Current-year receipts	1,424,700	-
Conditions met - transferred to revenue	(1,424,700)	-
	<u>-</u>	<u>-</u>

To provide funding for public investment in infrastructure for the poor and to promote increased access to municipal own sources of capital finance in order to increase funding for public investment in economic infrastructure. To ensure that public investments are spatially aligned and to promote the sound management of the assets delivered

Regional Socio-Economic Project/violence through urban upgrading (RSEP/VPUU)

Current-year receipts	4,000,000	1,500,000
Conditions met - transferred to revenue	(662,300)	(1,500,000)
Balance unspent at year end	<u>3,337,700</u>	<u>-</u>

To implement and enhance programmes to interact with stakeholders and empower communities to partner with government in implementing socioeconomic and urban upgrading programmes. Refer to note 22.

The municipality was not able to appoint a service provider to undertake the construction of the proposed transport facility due to the area earmarked for the taxi holding area being invaded and although an eviction order was obtained, no emergency housing/land was available to relocate the illegal occupants. Furthermore, exorbitant costs for the construction of the facility as well as the fact that employees who were responsible for the project and related contract management resigned during October and December 2020.

Local government financial management grant

Current-year receipts	1,550,000	1,550,000
Conditions met - transferred to revenue	(1,550,000)	(1,550,000)
	<u>-</u>	<u>-</u>

To promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (MFMA).

Cape winelands district tourism grant

Current-year receipts	100,000	-
Conditions met - transferred to revenue	(100,000)	-
	<u>-</u>	<u>-</u>

To aid the development and marketing of two unique tourist routes as well as the training of 4 tourist guides.

Library services support grant - capital

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
33. Government grants and subsidies (continued)		
Current-year receipts	55,000	-
Conditions met - transferred to revenue	(55,000)	-
	-	-

To transform urban and rural community library infrastructure, facilities and services (primarily targeting previously disadvantaged communities) through recapitalised programme at provincial level in support of local government and national initiatives.

Natural resource management grant

Balance unspent at beginning of the year	-	2,088,828
Conditions met - transferred to revenue	-	(90,870)
Repayment	-	(1,997,958)
	-	-

To ensure that responsibilities relating to water resource management, biological diversity and the functioning of natural systems whilst ensuring meaningful livelihood opportunities are supported for those employed on these programmes.

Integrated national electrification programme grant

Current-year receipts	12,000,000	15,640,000
Conditions met - transferred to revenue	(12,000,000)	(15,640,000)
Balance unspent at year end	-	-

To implement the Integrated National Electrification Programme (INEP) by providing capital subsidies to municipalities to address the electrification backlog of all existing and planned residential dwellings (including upgrade of informal settlements, new, and normalisation), and the installation of relevant bulk infrastructure.

Integrated urban development grant - capital

Current-year receipts	45,481,300	46,886,000
Conditions met - transferred to revenue	(45,481,300)	(46,886,000)
	-	-

To provide funding for public investment in infrastructure for the poor and to promote increased access to municipal own sources of capital finance in order to increase funding for public investment in economic infrastructure. To ensure that public investments are spatially aligned and to promote the sound management of the assets delivered.

Expanded public workers programme grant

Current-year receipts	4,961,000	5,227,000
Conditions met - transferred to revenue	(4,961,000)	(5,227,000)
	-	-

To incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods in the following identified focus areas, in compliance with the EPWP Guidelines:

- road maintenance and the maintenance of buildings
- low traffic volume roads and rural roads
- basic services infrastructure, including water and sewer reticulation, sanitation, pipelines and dams (excluding bulk infrastructure)
- other economic and social infrastructure
- tourism and cultural industries
- waste management
- parks and beautification
- sustainable land-based livelihoods.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
33. Government grants and subsidies (continued)		
Municipal accreditation and capacity building grant		
Balance unspent at beginning of the year	-	167,980
Current-year receipts	238,000	-
Conditions met - transferred to revenue	-	(167,980)
Balance unspent at year end	238,000	-

Conditions still to be met - remain liabilities (see note 22).

To fund the establishment of a human settlement unit within the accreditation priority municipality as well as enhancing the existing human settlements unit.

To finance the municipal institutional capacity requirements.

The reason for the unspent balance in 2020/21 is due to the municipality not finding a suitable candidate(s) to fill the vacancy.

National lottery

Balance unspent at beginning of the year	307,361	458,775
Conditions met - transferred to revenue	-	(151,414)
Balance unspent at year end	307,361	307,361

Conditions still to be met - remain liabilities (see note 22).

Provide support to be able to bring growth and change within impoverished communities.

The unutilised funding relates to prior year funding which have not been assigned to a current year project. The latter will be attended to during the 2021/22 Mid year adjustment budget process.

Other sources

Balance unspent at beginning/end of the year	288,184	288,184
--	---------	---------

Conditions still to be met - remain liabilities (see note 22).

The funding pertains to different funding contributors for various projects. The unutilised funding relates to prior year funding which have not been assigned to a current year project. The latter will be attended to during the 2021/22 financial year..

Cape Winelands District grant

Balance unspent at beginning of year	2,030,541	-
Current-year receipts	-	2,502,667
Conditions met - transferred to revenue	(1,883,582)	(472,126)
Balance unspent at year end	146,959	2,030,541

Conditions still to be met - remain liabilities (see note 22).

To implement the COVID 19 lockdown regulations.

To address safety in the Stellenbosch municipal area.

Aimed at augmenting and supporting the current humanitarian relief initiatives as well as COVID 19 relating initiatives, which will be implemented during the 2021/22 financial year.r.

Human settlement grant - capital

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
33. Government grants and subsidies (continued)		
Balance unspent at beginning of the year	165,416	45,710,000
Current-year receipts	12,162,475	11,049,077
Conditions met - transferred to revenue	(11,648,218)	(56,593,661)
Balance unspent at year end	679,673	165,416

Conditions still to be met - remain liabilities (see note 22).

To provide funding for the creation of sustainable human settlements.

2019/2020: A service provider has been appointed as the implementing agent for the Longlands project. The land-use rights are in place for the services to be installed. The project is a multi-year project. The COVID 19 lock down regulations adversely affected the implementation of projects.

2020/2021: The approved funding for the project planning application for 1044 sites on 24 February 2021 and informed the Municipality on 2 March 2021 accordingly. A service provider was appointed for the road network linked to the housing development. Due to the timing of the approval the funds could not be spent.

Development of sport and recreational facilities

Balance unspent at beginning of the year	67,669	67,669
Other	(67,669)	-
	-	67,669

To transform urban and rural community library infrastructure, facilities and services (primarily targeting previously disadvantaged communities) through recapitalised programme at provincial level in support of local government and national initiatives.

The unutilised funding relates to prior year funding which have not been assigned to a current year project. The latter will be attended to during the 2020/21 financial year.

Housing settlement agreement - operating

Balance unspent at beginning/end of year	220,103	220,103
--	---------	---------

Conditions still to be met - remain liabilities (see note 22).

To provide a financial contribution towards the reallocation of the informal settlement residents which were fire victims

2019/2020: The unutilised funding relates to prior year funding which have not been assigned to a current year project. The latter will be attended to during the 2020/21 financial year.

2020/2021: The unutilised funding relates to prior year funding which have not been assigned to a current year project. The latter will be attended to during the 2021/22 Mid year adjustment budget process

Local government graduate internship and capacity building

Balance unspent at beginning of the year	433,752	520,590
Current-year receipts	300,000	460,000
Conditions met - transferred to revenue	(569,001)	(446,248)
Other	-	(100,590)
Balance unspent at year end	164,751	433,752

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
-----------------	------	------

33. Government grants and subsidies (continued)

Conditions still to be met - remain liabilities (see note 22).

To provide financial assistance to municipalities in support of capacity building for the future by means of a graduate internship programme

To develop financial human capacity within municipal areas to enable a sustainable local financial skills pipeline that is responsive to municipalities' requirements to enable sound and sustainable financial management and good financial governance.

2019/2020: With reference to 2019/20 unspent an intern was appointed for the period 1 June 2020 – 31 May 2021. The unspent funding of the Local Government Graduate Internship grant will be utilised for the salary payment. Stellenbosch municipality has continuously contacted the tertiary institutions to obtain suitable candidates for the bursary campaign. The tertiary institutions are not willing to provide the list of enrolled student which prohibits the municipality from contacting all enrolled candidates therefore posing a challenge in obtaining suitable candidates whom reside within the municipal area. Stellenbosch municipality will continue liaising with the tertiary institutions to obtain possible candidates for the payment of bursaries. The municipality will also pursue the option of continuing the payment of bursary funding of the successful candidates which were availed bursaries during the 2019/20 financial year, as per the memorandum of agreement, once the new academic year of 2021 commences. A robust social media drive will be embarked upon to ensure that suitable candidates are identified in order to ensure spending of the grant.

2020/2021: Stellenbosch municipality has continuously contacted the tertiary institutions to obtain suitable candidates for the bursary campaign. The tertiary institutions are not willing to provide the list of enrolled student which prohibits the municipality from contacting all enrolled candidates therefore posing a challenge in obtaining suitable candidates whom reside within the municipal area. Stellenbosch municipality will continue liaising with the tertiary institutions to obtain possible candidates for the payment of bursaries. The municipality will also pursue the option of continuing the payment of bursary funding of the successful candidates which were availed bursaries during the 2019/20 financial year, as per the memorandum of agreement, once the new academic year of 2021 commences. A robust social media drive will be embarked upon to ensure that suitable candidates are identified in order to ensure spending of the grant.

Libraries support grant - operating

Current-year receipts	13,022,000	12,454,000
Conditions met - transferred to revenue	(10,719,949)	(12,454,000)
Balance unspent at year end	2,302,051	-

Conditions still to be met - remain liabilities (see note 22).

To transform urban and rural community library infrastructure, facilities and services (primarily targeting previously disadvantaged communities) through recapitalised programme at provincial level in support of local government and national initiatives.

The grant could not be fully spent due to the end of employee contracts, retirements and resignations which occurred during the Covid-19 lockdown period. The complexities around the opening of the libraries and recruitment related procedures during this period did not allow for the full spending of the funding.

Khaya Lam free market foundation

Balance unspent at beginning of the year	102,000	-
Current-year receipts	-	102,000
Balance unspent at year end	102,000	102,000

Conditions still to be met - remain liabilities (see note 22).

To assist municipalities to issue freehold title deeds to registered tenants and recognised resident of municipal properties.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
33. Government grants and subsidies (continued)		
2019/2020: All administration costs for the basic salaries and wages for the title deeds restoration programme have been funded by the Title Deeds Restoration grant. The unutilised funding will be used during the 2020/2021 financial year.		
2020/2021: All administration costs for the basic salaries and wages for the title deeds restoration programme have been funded by the Title Deeds Restoration grant as well as the EPWP grant. The unutilised funding will be used during the 2021/22 financial year		
Housing consumer education		
Balance unspent at beginning/end of the year	68,010	68,010
Conditions still to be met - remain liabilities (see note 22).		
2019/2020: To fund housing within municipalities that demonstrated capacity to plan and deliver housing rapidly, with emphasis on rural areas. The unutilised funding relates to prior year funding which have not been assigned to a current year project. The latter will be attended to during the 2020/21 financial year.		
2020/2021: To fund housing within municipalities that demonstrated capacity to plan and deliver housing rapidly, with emphasis on rural areas. The unutilised funding relates to prior year funding which have not been assigned to a current year project. The latter will be attended to during the 2021/22 Mid year adjustment budget process		
Community development support grant		
Balance unspent at beginning of year	37,296	-
Current-year receipts	56,000	56,000
Conditions met - transferred to revenue	(93,296)	(18,704)
	<u>-</u>	<u>37,296</u>
To provide financial assistance to municipalities to cover the operational costs pertaining to the line functions of the community development workers including regional coordinators.		
2019/2020: Due to the Covid-19 lockdown regulations the activities as per the business plan could not be executed. Provisional concept approval for the activities listed above have been obtained from the transferring department.		
Fire services capacity building grant		
Balance unspent at beginning of the year	-	3,003,000
Conditions met - transferred to revenue	-	(3,003,000)
	<u>-</u>	<u>-</u>
To provide financial assistance to municipalities to ensure functional emergency communication, mobilisation systems and fire services.		
Local government financial management support grant		
Current-year receipts	-	255,000
Conditions met - transferred to revenue	-	(255,000)
	<u>-</u>	<u>-</u>
To provide financial assistance to municipalities to improve overall financial governance within municipalities inclusive of optimising and administration of revenue, improving credibility and responsiveness of municipal budgets, improving of municipal audit outcomes and addressing institutional challenges.		
LG SETA bursary fund		

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
33. Government grants and subsidies (continued)		
Current-year receipts	138,960	62,706
Conditions met - transferred to revenue	(138,960)	(62,706)
	-	-

To develop skilled and capable workforce supporting a responsive, accountable, efficient and effective local government system, through a range of learning programmes that focus on scarce and critical skills in the sector.

Maintenance and construction of transport infrastructure grant

Current-year receipts	-	384,000
Conditions met - transferred to revenue	-	(384,000)
	-	-

To financially assist/subsidise municipalities with the maintenance/construction of proclaimed municipal main roads, where the municipality is the Road Authority (Section 50 of Ordinance 19 of 1976).

Safety Initiative Implementation-whole of society approach (WOSA)

Current-year receipts	440,000	-
Conditions met - transferred to revenue	(440,000)	-
	-	-

To maintain law and order through visible policing in the fight against crime and enforcement of by-laws and traffic legislation. Appointment of contract Law Enforcement officers patrolling and enforcing bylaws of the municipality as legislated and mandated.

Integrated transport planning grant

Current-year receipts	600,000	600,000
Conditions met - transferred to revenue	-	(600,000)
Balance unspent at year end	600,000	-

Conditions still to be met - remain liabilities (see note 22).

To review and update municipal integrated transport plans in terms of the National Land Transport Act, 2009 (Act No. 5 of 2009).

The tender was advertised on the 14th of December 2020 and awarded for the appointment of consulting engineers for professional Civil and Electrical Services for a period ending 30 June 2023.

34. Fines, Penalties and Forfeits

Municipal Traffic Fines	108,807,761	99,921,917
Other fines	100,294	70,893
	108,908,055	99,992,810

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
35. Employee related costs		
Acting allowances	469,116	674,466
Actuarial (Gain) /Loss)	(9,653,167)	(32,830,683)
Bargaining council	335,799	291,210
Basic	338,572,879	322,142,811
Bonus	25,010,300	23,078,364
Car allowance	9,994,856	10,048,311
Cellphone allowance	1,882,670	1,630,691
Contribution to Long service awards	3,903,986	4,109,076
Contribution to Post-Retirement Benefits	18,257,473	5,448,228
Contribution to Leave gratuity	2,966,272	5,758,369
Entertainment	1,767	4,979
Group insurance	4,250,401	3,631,774
Housing benefits and allowances	2,772,698	2,916,315
Medical aid - company contributions	25,304,093	23,336,863
Overtime payments	40,596,224	37,414,315
Pension fund contribution	54,563,639	48,802,560
Performance bonus	1,189,607	710,284
Standby allowance	14,654,376	14,676,603
Sundry allowances	4,376,892	4,262,333
Travel, motor car, accommodation, subsistence and other allowances	13,890	256,942
UIF	2,415,990	2,449,723
Workmen compensation	2,511,700	2,769,522
	544,391,461	481,583,056

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
35. Employee related costs (continued)		
Remuneration of Municipal Manager - G Mettler		
Annual Remuneration	1,393,631	1,394,549
Car Allowance	120,000	127,798
Performance Bonuses	264,072	257,839
Contributions to UIF, Medical and Pension Funds	344,165	341,082
Telephone allowance	22,800	22,800
	2,144,668	2,144,068
Remuneration of Chief Finance Officer - K Carolus		
Annual Remuneration	955,597	957,249
Car Allowance	240,000	248,612
Performance Bonuses	205,722	25,457
Contributions to UIF, Medical and Pension Funds	226,333	222,781
Leave	-	19,659
Telephone allowance	22,800	22,800
Other	18,000	18,000
	1,668,452	1,514,558
Remuneration of the Director Planning and Development - A Barnes		
Annual Remuneration	1,140,632	825,323
Car Allowance	-	80,000
Performance Bonuses	10,770	69,429
Contributions to UIF, Medical and Pension Funds	288,881	189,838
Telephone allowance	22,800	17,100
Other	-	6,134
	1,463,083	1,187,824
Remuneration of the Director Community & Protection Services - G Boshoff		
Annual Remuneration	1,351,975	1,352,200
Car Allowance	60,000	63,267
Performance Bonuses	161,051	23,143
Contributions to UIF, Medical and Pension Funds	27,954	25,830
Telephone allowance	22,800	22,800
	1,623,780	1,487,240
Remuneration of the Director Infrastructure Services - D Louw		
Annual Remuneration	1,294,276	1,293,925
Car Allowance	120,000	122,640
Performance Bonuses	204,886	152,744
Contributions to UIF, Medical and Pension Funds	25,654	24,105
Telephone allowance	22,800	22,800
	1,667,616	1,616,214

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
35. Employee related costs (continued)		
Remuneration of the Director Corporate Services- A De Beer		
Annual Remuneration	1,275,371	1,275,371
Car Allowance	139,200	139,000
Performance Bonuses	152,744	152,744
Contributions to UIF, Medical and Pension Funds	25,055	25,055
Telephone allowance	22,800	22,800
	1,615,170	1,614,970
36. Remuneration of councillors		
Councillors	18,410,760	19,121,037

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
37. Councillors Remuneration per class of councillor		
Executive Mayor -		
Allowance and service related benefits		
Basic Salary	663,015	662,704
Travel Allowance	223,463	223,457
Cell Phone Allowance	40,800	40,800
Data Card Allowance	3,600	3,600
Skills Development Levy	7,373	7,667
	938,251	938,228
Deputy Executive Mayor -		
Allowance and service related benefits		
Basic Salary	493,904	537,403
Travel Allowance	178,769	189,782
Cell Phone Allowance	40,800	42,743
Data Card Allowance	3,600	3,771
Pension Fund Contributions	37,043	15,461
Skills Development Levy	5,361	6,194
Medical Aid Benefits	-	10,080
	759,477	805,434
Speaker -		
Allowance and service related benefits		
Basic Salary	513,057	464,648
Travel Allowance	178,769	166,214
Cell Phone Allowance	40,800	38,533
Data Card Allowance	3,600	3,400
Pension Fund Contributions	-	21,569
Skills Development Levy	5,971	5,538
Medical Aid Benefits	17,280	7,200
	759,477	707,102
Chief Whip -		
Allowance and service related benefits		
Basic Salary	446,922	446,623
Travel Allowance	167,597	167,593
Cell Phone Allowance	40,800	40,800
Data Card Allowance	3,600	3,600
Pension Fund Contributions	33,519	33,497
Skills Development Levy	5,069	5,377
Medical Aid Benefits	17,280	17,280
	714,787	714,770
Executive Committee		
Allowances and service related benefits		
Basic Salary	4,084,705	3,525,755
Travel Allowance	1,481,673	1,281,513
Cell Phone Allowance	361,210	311,990
Data Card Allowance	31,871	27,529
Pension Fund Contributions	222,091	191,000
Skills Development Levy	46,003	40,986
Medical Aid Benefits	96,480	86,400
	6,324,033	5,465,173

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
37. Councillors Remuneration per class of councillor (continued)		
All Other Councillors		
Allowances and service related benefits		
Basic Salary	5,947,306	6,457,034
Travel Allowance	2,126,055	2,309,681
Cell Phone Allowance	1,226,613	1,279,533
Data Card Allowance	108,231	112,900
Pension Fund Contributions	242,017	281,448
Skills Development Levy	73,537	79,940
Medical Aid Benefits	115,200	110,880
	9,838,959	10,631,416
38. Contribution to/from provision		
Landfill site	6,874,912	8,828,974
The municipality has an obligation to dismantle, remove and restore items of property, plant and equipment. The amount disclosed in note 37 relates to the current year contribution to that, that the municipality needs to provide for.		
39. Depreciation and amortisation		
Property, plant and equipment	189,681,267	187,689,208
Investment property	118,636	252,587
Intangible assets	994	2,425,462
	189,800,897	190,367,257
40. Finance costs		
Employee benefits	16,840,000	17,096,614
Current borrowings	28,233,434	31,049,766
Interest costs non-current provisions	9,401,213	7,757,711
Other interest paid	-	99,808
	54,474,647	56,003,899
41. Lease rentals on operating lease		
Operating leases		
Contractual amounts	10,209,872	9,225,916
Equipment		
Contractual amounts	1,639,998	2,035,900
Plant and equipment		
Contractual amounts	3,031,072	575,739
	14,880,942	11,837,555
42. Bad debt written off		
Electricity	395,298	443,505
Refuse	1,542,651	2,576,062
Sewerage	1,542,328	2,135,635
Water	16,298,538	19,414,877
Housing rental	931,717	1,261,985
Rates	1,423,322	3,222,192
Traffic fines	86,648,070	94,132,600
	108,781,924	123,186,856

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
43. Contribution to allowance for doubtful debt		
Receivable from exchange allowance contribution	14,150,861	7,657,579
Receivable from non-exchange allowance contribution	19,834,930	(14,171,401)
	33,985,791	(6,513,822)
44. Bulk purchases		
Electricity	422,734,759	414,765,005
Water	31,023,395	30,855,992
	453,758,154	445,620,997

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
45. Contracted services		
Outsourced Services		
Animal Care	11,550	4,250
Catering Services	1,135,359	2,113,721
Cleaning Services	1,070,043	1,265,831
Clearing and Grass Cutting Services	3,309,738	1,827,439
Litter Picking and Street Cleaning	2,984,107	4,200,546
Personnel and Labour	437,150	595,337
Professional Staff	678,855	353,227
Refuse Removal	43,648,687	36,052,981
Security Services	36,179,964	26,740,306
Translators, Scribes and Editors	539	9,567
Traffic Fines Management	8,087,356	9,424,022
Transport Services	66,750	508,011
Drivers Licence Cards	553,531	734,542
Consultants and Professional Services		
Business and Advisory	21,454,995	20,153,500
Infrastructure and Planning	5,984,874	389,363
Laboratory Services	1,702,239	1,735,428
Legal Cost	8,596,231	6,578,813
Contractors		
Artists and Performers	-	243,225
Bore Waterhole Drilling	22,884	53,648
Catering Services	141,453	399,899
Employee Wellness	36,465	112,349
Event Promoters	-	137,253
Gardening Services	3,072,253	924,242
Graphic Designers	452,348	120,644
Interior Decorator	16,657	523,624
Maintenance of Buildings and Facilities	15,082,869	10,025,728
Maintenance of Equipment	3,694,460	1,906,557
Maintenance of Unspecified Assets	44,857,435	33,672,495
Management of Informal Settlements	1,579,358	1,050,699
Medical Services	9,154	8,846
Pest Control and Fumigation	91,260	29,696
Plants, Flowers and Other Decorations	601,645	365,042
Prepaid Electricity Vendors	7,853,173	7,801,057
Preservation/Restoration/Dismantling/Cleaning Serv	744,649	652,874
Tracing Agents and Debt Collectors	1,902,155	1,809,741
Transportation	5,791,689	5,167,403
Sewerage Services	5,768,142	5,311,095
Stage and Sound Crew	83,590	449,998
	227,703,607	183,452,999
46. Transfers and subsidies paid		
Other subsidies		
Grant-in-aid tourism	5,095,000	4,600,000
Grant-in-aid animal welfare	1,200,000	1,113,000
Grant-in-aid sundries	4,219,194	3,861,920
Bursary Scheme	495,346	379,903
Grants-in-aid COVID-19 Humanitarian Relief	-	900,000
	11,009,540	10,854,823

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
47. General expenses		
Advertising, publicity and marketing	1,857,518	1,935,556
Assets less than capitalisation threshold	238,995	362,236
Auditors remuneration	6,598,373	6,703,882
Bank charges, facility and card fees	1,071,859	1,222,864
Bursaries (Employees)	875,830	401,598
Communication	9,243,166	5,624,569
Commission paid	2,751,951	2,944,923
Domestic subsistence and travel	189,906	1,084,614
Drivers licences and permits	23,435	20,565
Entertainment	1,240,684	48,463
External computer services	20,501,778	15,238,716
Foreign subsistence and travel	-	38,438
Full time union representative	122,344	103,917
Hire charges	7,737,685	11,331,736
Honoraria (voluntary workers)	27,500	4,500
Indigent relief	5,667,667	4,855,792
Insurance	5,854,429	5,357,969
Inventory - materials and supplies	17,091,004	13,749,289
Inventory - standard rated	4,085,236	2,953,561
Inventory - zero rated	11,212,590	13,120,184
Inventory consumed water	314,829	114,000
Licences: motor vehicle licence and registrations	1,633,590	1,212,251
Management fees	12,033,015	10,587,548
Municipal services	14,385,116	8,172,424
Office decorations	40,329	41,389
Other expenses	123,919	78,322
Printing, publications and books	428,506	441,250
Professional bodies, membership and subscription	5,722,419	7,869,951
Samples and specimens	1,074,305	180,745
Seminars, conferences, workshops and events	2,831,706	1,857,032
Skills development levy	3,919,807	3,669,220
Supplier development programme	740,416	577,200
Title deed search fees	46,982	20,100
Uniform and protective clothing	2,793,151	6,236,877
Vehicle tracking	558,638	620,214
	143,038,678	128,781,895

The following principle agent arrangements were in place in relation to the expenditure as contained in note 46 to the annual financial statements:

Pay@ (Agent) provides the Municipality with payment service solutions on behalf of the Municipality. Pay@ pays over the monies generated from the payment services to the Municipality. The municipality recognises 100% of the money's collected as revenue from exchange transactions and the fee to be paid to Pay@ (as stipulated in the relevant service schedule or based on Pay@'s standard prevailing rates), is recognized as an expense.

EasyPay (Agent) is a payment platform used to collect municipal service payments from third parties. These payments are accepted by EasyPay on behalf of the Municipality (Principal), from third parties. A service charge is levied by EasyPay for collection of the payments. This fee is recognised as commissions paid.

SPS (Agent) collects parking tariffs from motorists on behalf of the Municipality. SPS pays over the tariffs collected to the Municipality, minus the service charge levied. The municipality recognises 100% of the tariff as revenue from exchange transactions and the service charges incurred to SPS is recognized as an expense.

Syntell (Agent) sells and collects money from the sale of prepaid electricity on behalf of the Municipality. SPS pays over the monies collected to the Municipality, minus the collection fee levied, determined at a rate specific in the Service Level Agreement. The municipality recognises 100% of the money's collected as revenue from exchange transactions and the collection fee paid to Syntell (which includes costs incurred on debit or credit card electricity sales and cash handling fees incurred), is recognized as an expense.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
47. General expenses (continued)		
TMT (Agent) manages the collection of traffic fines (both legacy fines issue before 1 July 2017 and fines issued after this date), on behalf of the Municipality. TMT pays over the monies collected to the Municipality. The municipality recognises 100% of the money's collected as revenue from non - exchange transactions and the fee incurred to TMT is recognized as an expense.		
These arrangements are subject to standard terms and conditions upon termination.		
None of the municipalities assets are under the custodianship of the agents.		
48. Fair value adjustments		
Other financial assets		
• Discounting of long term receivables	(922,034)	(634,971)
Movement in discounting of long term receivables		
Opening balance	(2,899,292)	(2,264,321)
Discounting of long term receivables	(922,034)	(634,971)
	(3,821,326)	(2,899,292)
49. Cash generated from operations		
(Deficit) surplus	(12,856,129)	88,062,638
Adjustments for:		
Depreciation and amortisation	189,800,897	190,367,257
Loss on sale of assets and liabilities	(877,046)	(33,133)
Fair value adjustments	922,034	634,971
Other non-cash adjustments	(140,541)	(863,567)
Impairment deficit	-	72,977
Debt impairment	108,781,924	123,186,856
Contribution to debt impairment	33,985,791	(6,513,822)
Movements in operating lease liability	(1,218,870)	(816,671)
Movements in retirement benefit assets and liabilities	16,898,569	(12,697,155)
Movements in provisions	20,191,339	18,961,502
Other non-cash items	(10,328,486)	-
Changes in working capital:		
Inventories	10,759,139	483,626
Other receivables from exchange transactions	744,890	1,433,147
Receivables from exchange transactions	(72,120,792)	(5,067,640)
Receivables from non-exchange transactions	(93,878,246)	(85,478,578)
Payables from exchange transactions	29,491,272	(638,032)
VAT	5,983,317	22,675,432
Unspent conditional grants and receipts	5,832,905	(50,183,017)
Consumer deposits	1,745,556	706,605
Long term receivables	(2,440,800)	(2,340,920)
	231,276,723	281,952,476

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand		2021	2020
50. Financial instruments disclosure			
Categories of financial instruments			
2021			
Financial assets			
		At amortised cost	Total
Cash and cash equivalents	3	111,896,629	111,896,629
Receivables from exchange transactions	5	153,119,571	153,119,571
Other receivables from exchange transactions	7	9,820,138	9,820,138
Receivables from non exchange transactions	6	14,582,189	14,582,189
Short term investments	4	222,186,762	222,186,762
Long term receivables	15	7,880,673	7,880,673
		519,485,962	519,485,962
Financial liabilities			
		At amortised cost	Total
Consumer deposits	16	19,530,073	19,530,073
Borrowings	19	334,733,125	334,733,125
Payables from exchange transactions	21	276,523,839	276,523,839
		630,787,037	630,787,037
2020			
Financial assets			
		At amortised cost	Total
Cash and cash equivalents	3	111,201,845	111,201,845
Receivables from exchange transactions	5	115,860,178	115,860,178
Other Receivables from exchange transactions	7	10,825,566	10,825,566
Receivables from non-exchange transactions	6	19,239,900	19,239,900
Short term investments	4	306,637,342	306,637,342
Long term receivables	15	6,361,907	6,361,907
		570,126,738	570,126,738
Financial liabilities			
		At amortised cost	Total
Consumer deposits	16	17,784,517	17,784,517
Borrowings	19	292,930,439	292,930,439
Payables from exchange transactions	21	252,303,662	252,303,662
		563,018,618	563,018,618

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

51. Risk management

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Council, which has built an appropriate liquidity risk management framework for the management of the municipality's short, medium and long-term funding and liquidity management requirements. The municipality manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below analyses the municipality's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amount disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 30 June 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Consumer deposits	19,530,073	-	-	-
Borrowings	34,223,894	37,636,221	132,581,088	164,515,816
Payables from exchange transactions	276,523,839	-	-	-

At 30 June 2020	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Consumer deposits	17,784,517	-	-	-
Borrowings	26,752,932	27,454,371	100,328,166	138,394,971
Payables from exchange transactions	252,303,653	-	-	-

Risk from biological assets

The municipality is exposed to financial risks arising from changes in wood prices. The municipality does not anticipate that wood prices will decline significantly in the foreseeable future. The municipality has not entered into derivative contracts to manage the risk of a decline in wood prices. The municipality reviews its outlook for wood prices regularly in considering the need for active financial risk management.

Interest rate risk management

Interest Rate Risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes.

Potential concentrations of interest rate risk consist mainly of variable rate deposit investments, long-term receivables, consumer debtors, other debtors, bank and cash balances.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with well-established financial institutions of high credit standing. No investment with a tenure exceeding twelve months shall be made without consultation with the councillor responsible for financial matters.

In the case of receivables whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

Long-term receivables and other debtors are individually evaluated annually at the reporting date for impairment or discounting. A report on the various categories of receivables are drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

The municipality is not exposed to interest rate risk as the municipality borrows funds at fixed interest rates.

The municipality's exposures to interest rates on Financial Assets and Financial Liabilities are detailed in the Credit Risk Management section of this note.

Interest Rate Sensitivity Analysis

The municipality had no variable rate long-term financial instruments at year-end requiring an Interest Rate Sensitivity Analysis.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
-----------------	------	------

51. Risk management (continued)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the municipality. The municipality has a sound credit control and debt collection policy and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The municipality uses other publicly available financial information and its own trading records to assess its major customers. The municipality's exposure of its counterparties are monitored regularly.

Potential concentrations of credit rate risk consist mainly of long-term receivables, consumer debtors, other debtors, bank and cash balances.

The municipality limits its counterparty exposures from its investment operations (financial assets that are neither past due nor impaired) by only dealing with well-established financial institutions of high credit standing. The credit exposure to any single counterparty is managed by setting transaction / exposure limits, which are included in the municipality's Investment Policy. These limits are reviewed annually by the Chief Financial Officer and authorised by the Council.

Receivables from exchange transactions comprise of a large number of ratepayers, dispersed across different industries and geographical areas within the jurisdiction of the municipality. Ongoing credit evaluations are performed on the financial condition of these receivables. Receivables from exchange transactions are presented net of the allowance for impairment.

Receivables from non-exchange transactions comprise of a large number of ratepayers, dispersed across different industries and geographical areas within the jurisdiction of the municipality. Ongoing credit evaluations are performed on the financial condition of these receivables. Receivables from exchange transactions are presented net of the allowance for impairment.

The municipality establishes an allowance for impairment that represents its estimate of anticipated losses in respect of receivables. Receivables are provided for based on estimated irrecoverable amounts, determined by reference to a non payment rate.

In the case of debtors whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

Long-term Receivables and Other Debtors are individually evaluated annually at reporting date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

Payment to accounts of consumer debtors who are unable to pay, are renegotiated as an ongoing customer relationship in response to an adverse change in the circumstances of the customer.

The municipality does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The municipality defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings.

There is no collateral held for security in respect of consumer debtors.

The impact of the Covid-19 pandemic was taken into account with the allowance for impairment calculation of consumer debtors.

The maximum credit and interest risk exposure in respect of the relevant financial instruments is as follows:

Cash and cash equivalents	111,896,629	169,490,533
Short term investments	222,186,762	398,163,664
Receivables from exchange transactions	153,119,571	161,402,873
Other receivables from exchange transactions	9,820,138	4,276,034
Receivables from non-exchange transactions	14,582,189	16,106,082
Long term receivable	7,880,673	4,655,958
	519,485,962	754,095,144

Foreign currency risk management

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
-----------------	------	------

51. Risk management (continued)

The municipality's activities do not expose it to the financial risks of foreign currency and therefore has no formal policy to hedge volatilities in the interest rate market.

Other price risks

The municipality is not exposed to equity price risks arising from equity investments as the municipality does not trade these investments.

52. Commitments

Authorised capital expenditure

Already contracted for but not provided for

• Property, plant and equipment - Infrastructure assets	253,046,178	289,021,469
• Property, plant and equipment - other assets	25,469,651	36,471,981
	278,515,829	325,493,450

Total capital commitments

Already contracted for but not provided for	278,515,829	325,493,450
---	-------------	-------------

This committed expenditure relates to property, plant and equipment and will be financed by available bank facilities, retained surpluses, existing cash resources, funds internally generated.

The amounts as disclosed are VAT inclusive.

53. Related parties

Loans granted to related parties

In terms of the MFMA, the municipality may not grant loans to its councillors, management, staff and public with effect from 01 July 2004. Loans, together with conditions thereof granted prior to this date are disclosed in note 15 in the annual financial statements.

Remuneration of management

Compensation of key management and personnel is set out in notes 35, 36 and 37 respectively in the annual financial statements.

All Councillors and Employees have disclosed their interest in related parties and no one has the ability to control or exercise significant influence over Council in making financial and operating decisions.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

54. Awards in the service of the state

The detail listed below is disclosed in terms of Regulation 45 of the Municipal Supply Chain Regulations 2005 that determines that the municipality must disclose particulars of any awards of more than R2 000 to a person who is a spouse, child or parent of a person in service of the state or has been in service of the state in the previous twelve months.

Supplier	Name	State Department	Spouse, Child or Parent	2021	2020
Aurecon South africa (Pty) Ltd/ Zutari (PTY) Ltd	Refer to detail below	Refer to detail below	Spouse, Child and Parent	11,476,644	7,864,895
ARB Electrical Wholesalers (Pty) Ltd	J Modise	Eskom Holdings: Non Executive Director and Road Accident Fund (RAF) CEO	Spouse	68,185	26,203
Kemanzi (Pty) Ltd	J N Du Toit	City of Cape Town	Spouse	560,580	480,920
CSM Consulting Services	A Vancoillie	Department of Environmental affairs and Development Planning	Child	-	84,051
Red Hills Electronics	L Hartley	Department of Education	Spouse	-	1,823,316
Milhon HVAC	J Sampson	Stellenbosch Municipality	Spouse	-	10,941
NCC Environmental Servicess (Pty) Ltd	C Rhode	City of Cape Town	Spouse	-	3,600
Rhode Bros Steel Pro	D Rhode	South African Police Service	Child	-	16,100
Flowers in the Foyer	E Gunter	Other Government department	Spouse	7,150	-
Silver Solutions 1765	D Simpson	Department of Education	Spouse	-	14,000
Idas Valley Cleaning Solutions	G Jonkers	Stellenbosch Municipality	Child	-	12,000
	C Jonkers	Department of Local Government			
IKapa Reticulation and flow	S Davids	Department of Education	Spouse	4,705,180	3,202,534
Smec South Africa (Pty) Ltd	Y Phosa	Department of the Premier	Spouse	-	1,804,142
AECOM SA (Pty) Ltd	Refer to detail below	Refer to detail below	Spouse, Child and Parent	14,259,259	9,900,413
Conlog (Pty) Ltd	N Moodley	Department of Health	Spouse	2,658,508	1,465,045
Steven Happie	F Happie	City of Cape town		-	28,779
G and G Maintenance	GB Gabriels	Department of Local Government	Parent	-	42,780
Novus3 (Pty) Ltd	M De Vries	Department of Education		2,292,425	1,615,267
	J Scheepers	Council for Medical Services			
Landfill Consult (Pty) Ltd	MM Dube	DICRO	Spouse	1,774,023	2,985,554
Man 4 Trading (Pty) Ltd	MS Samuels	Department of Education	Spouse	312,382	7,530
ARCUS GIBB	B September	City of Cape Town	Spouse	-	6,619,848
Massamatic (Pty) Ltd	Mr Barnard	Department of Health	Daughter in law	87,168	-
Mpumamanzi Group CC	E Bouwers	Department of Health	Parent	185,334	793,792
SMEC South Africa (Pty) Ltd	Yvonne Phosa	Department of the Premier		4,969,526	-

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

54. Awards in the service of the state (continued)

Sowerby Engineering	J Scheepers	Department of Education	Spouse	16,100	-
SMS ICT CHOCE (Pty) Ltd	Mrs Maqula	Department of Health	Spouse	256,866	500,279
Mubesko Africa (Pty) Ltd	J Niehaus	Department of Health	Spouse	-	478,092
Du Toit Environmental	F Shariff	Department of Local Government	Spouse	228,959	105,225
GIBB (Pty) Ltd	Britt September	Department of Local Government	Child	1,680,087	-
EM Hartley t/a Redhills Electr	Lizelle Hartley	Education department	Spouse	5,009,813	-
Red Ants Security Services	N Lesiela	Mogale City Local Municipality	Spouse	-	2,545,646
Lillian 4 Zonke (PTY)	F Monk	Other Government departments	Spouse	1,380	-
				50,549,569	42,430,952

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

54. Awards in the service of the state (continued)

The following are the close family names of Aurecon South Africa (Pty) Ltd.

Name	State Department	Spouse, Child or Parent
HC Ahlschlager	Special investigation unit; Legal representative	Spouse
B Alheit CMM Barnard	Denel Dynamics; Executive Manager Gauteng Department of Education, Deputy Principle	Parent Spouse
CJ Barry Prof CJG Bender J Blackmore	City of Cape Town; Head Finance University of Johannesburg, Professor Department of Public Works; Project Manager	Spouse Spouse Parent
T Botha	Oudtshoorn Municipality; Technical Manager	Parent
Councillor JJJ Daniels	West Coast District Municipality; Deputy Mayor	Parent
MC Dunga WZ Erasmus HG Esterhuysen	South African Navy; Engineer in Training Cape Nature; Programme Manager West Coast District Municipality; Senior Manager Roads	Spouse Spouse Spouse
N Geldenhuys	Transnet Port Terminals; Mechatronic Engineer	Child
T Govender	Umgeni Water: Fleet Management Administrator - Asset Management	Child
N Grobbelaar	Central University of Technology; Programme Manager	Spouse
SM Grobbelaar	Northern Cape Education Department of Cooperative Governance: Human Settlements and Traditional Affairs; Town Regional Planner	Parent
Cr B Groenewald Cr CP Herbst	Twaing Municipality; Councillor Dr S Mompoti District Municipality; Councillor	Parent Parent
E Herlodi	Manager Investigation Services; Limpopo Department of Economic Development and Tourism	
A Heyns	Stellenbosch Municipality; Assistant Superintendent	Parent
JH Higgs A Hougaard	SARS; Regional Manager Department of Correctional Services; Principle Network Controller	Spouse Spouse
J Jacobs	Eastern Cape Department of Education; Personal assistant to Chief Director	Spouse
T Kholoanyane	Naledi Local Municipality; Tourism Manager	Spouse
B Kleynhans Cr BJ Kriegler	Hessequa Municipality; Accountant Cape Winelands District Municipality and Breede Valley Municipality; Councillor	Parent Parent
M Marques	Department of Home Affairs; Deputy Director	Spouse
RT Mehlala	Eastern Cape Arts and Culture Council; Chief Executive Officer	Parent
R Meyer AJ Moore	Telkom SA; Project Manager Department of Water affairs; Chief Engineer	Parent Spouse
K Nadasen	National Department of Public Works; Director Key Account Management	Spouse
R Nair D Ntsebeza NH Ntsebeza SM O'Connell	eThekweni Municipality; Building Inspector Buffalo City Metropolitan Municipality Eastern Cape Department of Health Sol Plaatjie Municipality; Librarian	Parent Spouse Parent Spouse

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

54. Awards in the service of the state (continued)

JF Phillips	Northern Cape Department of Economic Development and Tourism; Manager - Township Revitalisation	Spouse
PS Pretorius	Sol Plaaityje Municipality; Chief Officer	Parent
JH Riekert	SA Reserve Bank; Engineering	Spouse
JM Robertson	Ekurhuleni Metropolitan Municipality; Roads Engineer	Parent
G Saaiman	Auditor General Kimberley; Manager	Child
JJ Saaiman	Armscor; Quality Manager	Parent
J Scheepers	Council for Medical Schemes; Chief Financial Analysts	Spouse
EM Schon	Northern Cape Department of Co-operative Governance; Human Settlements and Traditional affairs; Assistant Manager	Spouse
Dr M Skead	Nelson Mandela Bay Metropolitan University; Senior Manager- Staff Development	Spouse
R Tebane	Ekurhuleni Metropolitan Municipality; Executive Manager	Parent
J Theron	Nelson Mandela Bay Metropolitan University; Head: Graduate School Relations	Spouse
GJ Tong	North West Department of Finance; Deputy Director	Parent
N Towers	Department of Mineral Resources; Inspectorate of Mines	Parent
J Tredoux	Department of Water Affairs; Deputy Director Accounts Payable	Spouse
A Treurnich	Umjindi Municipality; Community Services Assistant Director	Parent
AN van Taak	Stellenbosch Municipality; Director Water and Sewerage	Parent
ZC Venter	Eastern Cape Department of Health; Deputy Director Employment Relations	Spouse
PC Vermeulen	City of Cape Town; Superintendent - Building Maintenance	Parent
J Wilkins	Correctional Services; Vice Director- Provincial	Parent
NS Wolmarans	IDC; Senior Accounts Manager	Spouse
NS Wolmarans	University of Johannesburg; Professor	Spouse
SW Zulu	Kwazulu Natal Department of Health; Human Resources Manager	Parent

The following are the close family names of AECOM South Africa (Pty) Ltd.

Name	State Department	Spouse, Child or Parent
Sandra	Bloem water	Parent
A Powell	Department of Education	Spouse
L Wolff	Department of Education	Spouse
M Breytenmbach	Eendracht Primary School	Spouse
A Rossouw	Eskom	Child
A Mahomed	eThekweni Municipality	Spouse
R Meyer	Grey College	Parent
E Venter	Gauteng Education Department	Spouse
C van der Merwe	Protea Park Primary School	Spouse
JHS Viljoen	SA Air Force- Waterkloof	Spouse
JC van der Walt	SANRAL	Parent
T Liversage	Transnet	Spouse
P de Waal	University of Pertoria	Spouse
A De Wet	UNISA	Spouse

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

55. Events after the reporting date

The outbreak of COVID-19 has resulted in authorities implementing numerous measures to try contain the virus, such as travel bans and restrictions both within Republic of South Africa and around the world. These measures have not only negatively impacted consumer and business spending habits, they have adversely impacted and may further impact our operations and operations of our consumers. These measures may remain in place for a significant period of time and they are likely to continue to adversely affect our service delivery and financial condition. We do not yet know the full extent of the impact on the municipality or our consumers or the economy as a whole. However, the effects could have a material impact on our operations and we will continue to monitor the COVID-19 situation closely.

Currently there are no events after the reporting date to report on.

56. Unauthorised expenditure

No unauthorised expenditure for the year under review.

57. Fruitless and wasteful expenditure

No fruitless and wasteful expenditure for the year under review.

58. Irregular expenditure

Opening balance as previously reported	63,548,476	39,223,925
Opening balance as restated	63,548,476	39,223,925
Add: Irregular Expenditure - current	89,842,416	30,781,737
Less: Amount written off - current	(53,921,763)	(6,457,186)
Closing balance	99,469,129	63,548,476

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

58. Irregular expenditure (continued)

Incidents/cases identified in the current year include those listed below:

Irregular expenditure was identified as it breached the procurement process in terms of the Supply Chain Management Policy.	687,992	9,820,158
The Auditor-General, in its findings during the 2019/2020 financial year, identified that the Municipality awarded that does not comply with Preferential Procurement Regulations 2017.	72,799,452	-
The Auditor-General, in its findings during the 2017/2018 financial year, identified that the Municipality did not include a specific condition that local production and content is applicable when inviting bidders to tender (advertisement). Furthermore the Municipality also did not include the local production and content in the bid documents (MBD 6.2) and the suppliers declared accordingly. The Auditor-General concluded that the tender award does not comply with Preferential Procurement Regulations 2017.	13,118,325	18,363,816
Irregular expenditure identified related to the approval of tenders where the Bid Adjudication Committee was not constituted in terms of Municipal Supply Chain Management Regulations by four senior managers. This award pertained to a multi-year contract.	1,952,711	2,152,849
Irregular expenditure identified was due to the bid specifications that were drafted in a manner that is not fair, equitable, transparent and competitive as it was found that the specifications made reference to a specific brand/model. This is a multi-year contract and irregular expenditure will be disclosed on a yearly basis until the contract ends.	1,283,934	444,914
	89,842,414	30,781,737

59. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

Opening balance	194,920	220,945
Current year subscription / fee	6,212,159	6,293,349
Early settlement discount	(310,195)	(5,484,586)
Amount paid - current year	(5,875,939)	(314,282)
	-	(520,506)
Balance Unpaid (included in Creditors)	220,945	194,920
Audit fees		
Opening balance	52,448	24,612
Current year fees	7,636,778	7,545,695
Amount paid - current year	(7,538,677)	(7,517,859)
Balance Unpaid (included in Creditors)	150,549	52,448

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

59. Additional disclosure in terms of Municipal Finance Management Act (continued)

PAYE and UIF

Current year payroll deductions	87,922,805	79,360,357
Amount paid - current year	(87,922,805)	(79,360,357)
Balance Unpaid (included in Creditors)	-	-

Pension and Medical Aid Deductions

Current year payroll deductions	123,816,201	115,603,507
Amount paid - current year	(123,816,201)	(115,603,507)
Balance Unpaid (included in Creditors)	-	-

VAT

VAT receivable	613,498,286	47,119,788
VAT payable	(593,988,545)	(21,626,730)
	19,509,741	25,493,058

All VAT returns have been submitted by the due date throughout the year.

Councillors' arrear consumer accounts

There were no councillors who had arrear accounts for more than 90 days at 30 June 2021:

During the year the following Councillors' had arrear accounts outstanding for more than 90 days.

Distribution losses

In terms of section 125(2)(d)(i) of the Municipal Finance Management Act, the municipality experienced the following distribution losses for the year under review.

Electricity (KW)

System input	365,664,272	381,810,592
Sales	(333,260,467)	(346,076,786)
Distribution loss	32,403,805	35,733,806

Electricity losses are calculated as 8.86% (2020: 9.68%). Electricity losses are within the industry norm.

Water (KL)

System input	10,003,874	8,015,027
Sales	(8,188,560)	(6,374,474)
	1,815,314	1,640,553

Water losses are calculated as 18.1% (2020: 20.5%). Water losses are within the industry norm.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

60. Multi-employer retirement benefit information

The Municipality makes provision for post-retirement benefits to eligible councilors and employees who belong to different pension schemes. These funds are governed by the Pension Funds Act and include both defined benefit and defined contribution schemes.

The only obligation of the municipality with respect to the retirement benefit plans is to make the specified contributions. Where councilors/employees leave the plans prior to full vesting of the contributions, the contributions payable by the municipality are reduced by the amount of forfeited contributions.

The total expense recognised in the Statement of Financial Performance of R115,534,139 (2020: R104,788,535) represents contributions payable to these plans by the municipality at rates specified in the rules of the plans.

These schemes are subject to a tri-annual, bi-annual or annual actuarial valuation as set out hereunder.

These schemes are subject to either a tri-annual, bi-annual or annual actuarial valuation, details which are provided below.

DEFINED BENEFIT SCHEMES

SALA Pension Fund

The SALA Pension Fund operates both as a defined benefit and defined contribution scheme.

The statutory valuation performed as at 1 July 2018 revealed that the assets of the fund amounted to R14,298,600.00 (30 June 2015: R13,231,200.00), with funding levels of 96.0% (30 June 2015: 100%). Recommended that employers continue to contribute at the current rate of 19.18% of pensioners salaries.

It is the actuary's opinion that:

They are satisfied with the investment strategy of the Fund;

The nature of the assets is, in their opinion, suitable for the nature of the liabilities of the Fund as defined in the Rules of the Fund;

The matching of assets with the liabilities of the Fund is adequate; and

The insurance arrangements are appropriate compared to the cover provided can be regarded as financially sound at the valuation date.

LA retirement Fund (Previously Cape Joint Pension Fund)

The LA RETIREMENT FUND operates both as a defined benefit and defined contribution scheme.

DEFINED CONTRIBUTION SCHEMES

LA Retirement Fund (Previously Cape Joint Pension Fund)

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

60. Multi-employer retirement benefit information (continued)

Defined benefit scheme

The contribution rate payable is under the defined benefit section is 27%, 9% by the members and 18% by their councils. The actuarial valuation report at 30 June 2020 disclosed an actuarial valuation amounting to R1,420,856,000 (30 June 2019: R1,655,893,000), with a net accumulated surplus of R0 (2019: R11,200,000), with a funding level of 100.0% (30 June 2019: 100.7%).

Defined contribution scheme

The actuarial valuation report at 30 June 2020 indicated that the defined contribution scheme of the fund is in a sound financial position, with assets amounting to R1,891,631,000 (30 June 2019: R1,960,090,000), net investment reserve of R0 (30 June 2019: R0) and with a funding level of 100% (2019: 100%).

The actuary concluded that:

The funding level of the Pensioner Account reduced from 100.7% to 100.0% on the funding basis;

The surplus in the Pensioner Account decreased from R11.2 million to zero as at the valuation date;

The Trustees awarded a 1.0% pension increase with effect from 1 January 2021 and 55% of monthly pension payable as a bonus in December 2020; and

The DC Section funding level was 100%. The DC Section is in a sound financial condition with a Contingency Reserve Account of R5.2 million as at the valuation date.

- The Defined Contribution Section has a funding level of 100% and is in sound Financial condition.
- Overall the fund is in a sound financial condition with a surplus of R63.0 million and the overall funding level of 101.7%.
- The Trustees awarded a 3.22% pension increase effective 1 January 2019.

It is to be noted that:

- All the active members have now all been converted to the Defined Contribution Section.
- There is no longer any contribution rate shortfall as this only applied to 29 residual Defined Benefit Section active members, that have now also converted to the Defined Contribution Section and
- Both the Defined Contribution Section and the Defined Benefit Section were fully funded as at the valuation date.

The nature of the assets is suitable for the Fund, except that the proportion of direct property underlying the pensioner liabilities may represent an over-concentration of assets in this class. The assets are appropriately matched relative to the term and nature of the active member liabilities. The Fund's investment strategy is suitable. Finally the risk benefits are partially re-insured and this is appropriate for the size and nature of the Fund.

Cape Joint Retirement Fund

The last statutory valuation performed as at 30 June 2020 revealed that the net assets of the Fund amounted to R28,560,000,000 (30 June 2019: R26,215,000,000). The members share account and processing reserve account had assets amounting to R27,710,650,000 (2019: R25,389,735,000), and the pensions account had assets amounting to R619,700,000 (2019: R647,516,000) with funding levels of 100.5% and 132.2% (30 June 2019 100.3% and 124.9%) for the Pensions Account and the Share Account respectively. The Preservation Pension Account showed a surplus of R0 and was 100% funded for both 2020 & 2019. The contribution rate paid by the members (7.5%) and the municipalities (7.5% or 19.5%) is sufficient to fund the benefits accruing from the fund in the future. The actuary certified that the structure of the assets is appropriate relative to the nature of the liabilities, given normal circumstances and that the Fund is in a sound financial condition as at the valuation date. |

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

60. Multi-employer retirement benefit information (continued)

Municipal Councillors Pension Fund

The Municipal Councillors Pension Fund operates as a defined contribution scheme. The statutory valuation performed as at 30 June 2018 revealed that the assets of the fund amounted to R1,798,030,000 (30 June 2017: R1,480,549,000), with funding levels of 103.26% (30 June 2017: 101.31%). The contribution rate paid by the members (13.75%) and council (15.00%) is sufficient to fund the benefits accruing from the fund in the future. The Actuary certified that the Fund was in a sound financial condition as at 30 June 2018, in that the assets of the fund were sufficient to cover the accrued service liabilities including the recommended contingency reserves in full.

The appointment of a Curator in terms of section 5(1) of the Financial Institutions (protection of funds) Act 2001 for the whole of the business of the Municipal Councillors Pension Fund was done in December 2017. Due to the provisional curatorship, a short moratorium has been placed on the payment of benefits to members/beneficiaries. In terms of the curatorship order, the Court ordered as follows: 1. The provisional Curatorship order of the 19th December 2017 is made a final; 2. The Curator shall furnish the Registrar of the Pension Fund with progress report; 3. The Curator must deliver a further progress report to the Court by no later than 31st October 2018 which report deals with the status of curatorship as at the 30th September 2018; on the curatorship once every two months

The Municipal Workers Retirement Fund (Previously South African Municipal Workers Union National Provident Fund)

The Municipal Workers Retirement Fund is a defined contribution scheme. Members contribute at a rate of not less than 7.5% of salaries, as required by the Rules. The employers contribute at a total rate of not less than 18% from 1 July 2017, members and employers that fall under other bargaining councils or forums are not bound by the above minimum contribution rates. The statutory valuation performed as at 30 June 2017 revealed that the assets of the fund amounted to R7,720,948,000 (30 June 2014: R6,574,750,000), with funding levels of 102.0% (30 June 2014: 111.7%). As a percentage of members Funds Credits, the investment smoothing reserve has decreased from 5.6% to 4.9% over the valuation period. As a percentage of the market value of assets, it has decreased marginally from 4.6% to 4.4%. The Fund's assets are sufficient to cover the members Funds Credits, the targeted levels of the risk benefits reserve and the data and processing error reserve, and an investment smoothing reserve of 4.9% of members Fund Credits as at 30 June 2017. In addition, there is brought-forward surplus of some R152,827,000 which has been allocated to former members and is awaiting payment. The Fund is therefore in a sound financial position. Newer information could not be obtained as the fund only releases information on payment.

National Fund for Municipal Workers

The fund operates as a defined contribution fund and in terms of the rules of the fund category A and category C members contribute at a rate as agreed upon by the Local Authority and the member, subject to an absolute minimum contribution of 2% and 5% of their remuneration respectively.

Category C members, appointed after 1 July 2012, who are not part of the Schedule shall make monthly contributions to the Fund equal to 7.5% of their Remuneration.

The Local Authority must contribute in respect of category A and category C members such an amount as agreed between the Local Authority and the fund, subject to a minimum contribution rate of 2% and 5% of their remuneration respectively. Category B members are members who belong to both category A and C and the Local Authority must, on behalf of such members, not contribute less than 7% of their remuneration. The contribution rates stipulated above include the amount payable towards the insured risk benefits policy.

The last statutory valuation performed as at 30 June 2019 revealed that the assets of the fund amounted to R17,107,067,000 (30 June 2018: R15,393,671,000), with funding levels of 100.40% (30 June 2018: 100.46%). The actuary certified that the assets of the fund are sufficient to cover 100.40% of the members liabilities, also that it can be expected that the funding level of a fund of this nature will fluctuate around 100%, for example due to timing differences in investment and receipt of monies, slight mismatching of assets and liabilities and processing errors.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

61. Prior period errors and Reclassifications

Below is a summary of the total effect that the prior period errors and reclassifications had on the amount previously disclosed in the annual financial statements, followed by a description of each individual prior period error with the amount involved.

Statement of Financial Position

	Audited	Prior year adjustments	Reclassifying adjustments	Restated
Assets				
Current Assets				
Cash and cash equivalents	111,201,845	-	-	111,201,845
Short term investments	306,637,342	-	-	306,637,342
Receivables from exchange transactions	111,067,546	4,792,632	-	115,860,178
Receivables from non-exchange transactions	71,484,038	-	-	71,484,038
Other receivables from exchange transactions	12,887,565	-	-	12,887,565
Inventories	64,074,316	-	-	64,074,316
VAT receivable	30,285,689	(4,792,632)	-	25,493,058
Long term receivables	2,800,967	-	-	2,800,967
	710,439,308	-	-	710,439,309
Non-Current Assets				
Property, plant and equipment	5,244,686,578	(4,727,835)	-	5,239,958,743
Investment property	412,514,416	-	-	412,514,416
Intangible assets	9,694,174	-	-	9,694,174
Biological assets that form part of an agricultural activity	6,321,448	-	-	6,321,448
Heritage assets	774,002	-	-	774,002
Long term receivables	3,560,940	-	-	3,560,940
	5,677,551,558	(4,727,835)	-	5,672,823,723
Total Assets	6,387,990,866	(4,727,835)	-	6,383,263,032
Liabilities				
Current Liabilities				
Payables from exchange transactions	270,824,235	-	-	270,824,235
Unspent conditional grants and receipts	8,862,622	-	-	8,862,622
Employee benefit obligation	78,214,002	(17,096,614)	-	61,117,388
Borrowings	26,752,931	-	-	26,752,931
Consumer deposits	17,784,517	-	-	17,784,517
Operating lease liability	4,958,344	-	-	4,958,344
	407,396,651	(17,096,614)	-	390,300,037
Non-Current Liabilities				
Employee benefit obligation	166,519,386	17,096,614	-	183,616,000
Borrowings	266,177,508	-	-	266,177,508
Provisions	121,305,978	-	-	121,305,978
	554,002,872	17,096,614	-	571,099,486
Total Liabilities	961,399,523	-	-	961,399,523
Net Assets	5,426,591,343	(4,727,835)	-	5,421,863,509
Net Assets				
Accumulated surplus	5,428,180,605	(4,727,841)	-	5,423,452,764

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

61. Prior period errors and Reclassifications (continued)

61.1 Receivables from exchange transactions

Balance previously reported	111,067,546
VAT Receivable	4,792,632
	-
	-
	<u>115,860,178</u>

The income estimate at year was erroneously included VAT.

61.2 VAT receivable

Balance previously reported	30,285,689
Receivables from exchange transactions	(4,792,631)
	<u>25,493,058</u>

The income estimate at year was erroneously included VAT.

61.3 Property, plant and equipment

Balance previously reported	5,244,686,578
Machinery, furniture and equipment	(4,727,835)
	-
	-
	<u>5,239,958,743</u>

PPE line items relating to machinery, furniture and equipment had an erroneous depreciation calculation.

The accumulated depreciation per asset class was not accounted for correctly.

61.4 Employee benefit obligation

Balance previously reported	78,214,002
Employee benefit obligation -non current liability	(17,096,614)
	<u>61,117,388</u>

Employee Benefits comparative figure (2020) amount disclosed in the note for non-current assets was corrected by an amount of R17 096 614 due to its incorrect mapping.

61.5 Employee benefit obligation

Balance previously reported	166,519,386
Employee benefit obligation - current liability	17,096,614
	<u>183,616,000</u>

Employee Benefits comparative figure (2020) amount disclosed in the note for non-current assets was corrected by an amount of R17 096 614 due to its incorrect mapping.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

61. Prior period errors and Reclassifications (continued)

61.6 Commitments

Balance previously reported	331,469,635
Property, plant and equipment	(5,976,185)
	<u>325,493,450</u>

The commitments register had an error in a calculation that caused the difference.

61.7 Accumulated surplus

Balance previously reported	5,428,180,605
Operating surplus	6,907,634
Property plant and Equipment - Machinery and Equipment	(11,635,475)
	-
	-
	-
	-
	-
	-
	-
	-
	<u>5,423,452,764</u>

Refer to the nature of the adjustments in the financial statement line items as indicated above.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

61. Prior period errors and Reclassifications (continued)

Statement of Financial Performance

	Audited	Prior year adjustments	Reclassifying adjustments	Restated
Revenue				
Revenue from exchange transactions				
Service charges	880,125,828	-	-	880,125,828
Construction contracts	5,317,560	-	-	5,317,560
Rental of facilities and equipment	13,601,431	-	-	13,601,431
Interest received (trading)	6,954,471	-	-	6,954,471
Agency services	3,976,481	-	-	3,976,481
Licences and permits	4,413,324	-	-	4,413,324
Other income	40,061,672	-	-	40,061,672
Investment revenue	40,472,002	-	-	40,472,002
Gains on disposal of assets	33,133	-	-	33,133
Reversal of inventory losses	709,539	-	-	709,539
Total revenue from exchange transactions	995,665,441	-	-	995,665,441
Revenue from non-exchange transactions				
Taxation revenue				
Property rates	360,089,277	-	-	360,089,277
Property rates - interest earned	1,822,264	-	-	1,822,264
Transfer revenue				
Government grants & subsidies	285,026,320	-	-	285,026,320
Fines, Penalties and Forfeits	99,992,810	-	-	99,992,810
Total revenue from non-exchange transactions	746,930,671	-	-	746,930,671
Total revenue	1,742,596,112	-	-	1,742,596,112
Expenditure				
Employee related costs	(481,583,056)	-	-	(481,583,056)
Remuneration of councillors	(19,121,037)	-	-	(19,121,037)
Contribution to/from provisions	(8,828,974)	-	-	(8,828,974)
Depreciation and amortisation	(197,274,891)	6,907,634	-	(190,367,257)
Impairment of non cash generating assets	(72,977)	-	-	(72,977)
Finance costs	(56,003,899)	-	-	(56,003,899)
Lease rentals on operating lease	(11,837,555)	-	-	(11,837,555)
Debt impairment	(123,186,856)	-	-	(123,186,856)
Contribution to allowance for doubtful debt	6,513,822	-	-	6,513,822
Bulk purchases	(445,620,997)	-	-	(445,620,997)
Contracted services	(183,452,999)	-	-	(183,452,999)
Transfers and subsidies	(10,854,823)	-	-	(10,854,823)
Collection costs	(700,000)	-	-	(700,000)
Fair value adjustments	(634,971)	-	-	(634,971)
General Expenses	(128,781,895)	-	-	(128,781,895)
Total expenditure	(1,661,441,108)	6,907,634	-	(1,654,533,474)
Operating surplus	81,155,004	6,907,634	-	88,062,638
Surplus for the year	81,155,004	6,907,634	-	88,062,638

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

61. Prior period errors and Reclassifications (continued)

61.8 Depreciation and amortisation

Balance previously reported	(197,274,891)
Furniture and office equipment, Machinery and equipment, Other assets	6,907,634
	-
	-
	<u>(190,367,257)</u>

The accumulated depreciation amount exceeded the cost of the asset and was corrected after investigation of the entire population.

62. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The Covid 19 pandemic has affected various aspects of the municipality during the 2020/2021 financial year. However due to the fact that the municipality's cash forecast performed, budget process and other considerations the municipality is still of the opinion that the pandemic and the restrictions it has placed on certain operations will not affect the municipality's ability to operate as a going concern.

63. Deviations from SCM regulations - SCM Regulation 36

In terms of section 36 of the municipality SCM regulations, any deviations from SCM policy needs to be approved by the accounting officer and noted by Council. The awards listed below have been approved by the accounting officer and noted by Council.

All deviations considered by the accounting officer are processed in terms of the SCM regulations and the municipality's SCM policy. This process entails being assessed by the SCM Bid Adjudication Committee in terms of the stipulated criteria for emergency procurements and circumstances where it is impractical or not possible to follow the official procedure.

Deviation from, and ratification of minor breaches of, the procurement processes

In terms of section 36(2) of the Supply Chain Management Policy approved by Council it is stipulated that bids where the formal procurement processes could not be followed, must be noted in the annual financial statements.

SCM paragraph			
relevance			
36 (1)(a) i	Dispense with the official procurement processes in an emergency	10,236,826	16,615,449
36 (1)(a) ii	Dispense with official procurement processes if such goods or services are produced or available from a single source or sole provider.	7,121,099	155,945
36 (1)(a) v	Dispense with official procurement processes in any other exceptional case where it is impractical or impossible to follow the official procurement processes.	13,691,278	14,315,571
Total deviations		<u>31,049,203</u>	<u>31,086,965</u>

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand

64. Budget differences**Material differences between budget and actual amounts**

The materiality framework of the municipality informs the determining base ranges. The framework outlines all principles and guiding practices to allow management to enforce a consistent application of the framework's guidelines. With regard to reporting, the understandability and transparency to users of the financial statements was a determining factor when deciding on the base %.

Statement of Financial Performance**Revenue**

The determining base range used was 1 % of total revenue.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand

64. Budget differences (continued)

Service charges (BD1)

The service charge has been adversely affected by the COVID-19 lockdown regulations and its concomitant impact on the economy.

Government grants & subsidies (BD2)

Delays were experienced with the implementation of capital projects due to the national lockdown enforced, as a result of the covid-19 pandemic

Fines, Penalties and Forfeits (BD3)

The budget projection for fines was based on previous performance. The lockdown restrictions had a negative effect on the issuing of traffic fines.

Expenditure

The determining base range was 2% of total expenditure.

General Expenses (BD4)

The variance is as a result of the COVID-19 lockdown regulations that had an adverse impact the expenditure.

Statement of financial position

Assets

The determining base was 1% of total assets and 5% of accumulated surplus.

Liabilities

The determining base was 2% of total liabilities.

Cash and cash equivalents (BD5)

Due to cash flows, some short term investments were converted into cash & cash equivalent

Short Term Investments (BD6)

Due to cash flows, some short term investments were converted into cash & cash equivalents

Receivables from exchange transactions (BD7)

The variance is as a result of the economic conditions of consumers in the municipal area and further impacted by the national lockdown due to the covid-19 pandemic.

Receivables from non-exchange transactions (BD8)

The variance is as a result of the economic conditions of consumers in the municipal area and further impacted by the national lockdown due to covid-19

Property Plant and Equipment (BD9))

The variance relates to underspending on the capital budget

Payables from exchange transactions (BD10)

This was mainly due to late contractor appointments, delays in projects which led to more invoices not being paid at year end.

Unspent conditional grants and receipts (BD11)

Due to unforeseen circumstances, late contractor appointments, delays in projects, etc, conditions of some grants could not be met at year end.

Borrowings (BD12)

The external loan was taken up towards taken up towards the end of the financial year.

Accumulated Surplus (BD13)

This variance arises out of cumulative differences within the statement of financial position and is as a direct result of the

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand

64. Budget differences (continued)

variances already highlighted in the statement of financial position. The reason for the variance is due to an error on the data string for which the amount did not reflect on the Schedule B that served before council. The council approved budget included an amount for net asset of R5 693 368 561.

Cash flow Statements

Sale of Goods and services (CF1)

Sale of goods and services are based on the demand and the demand for the services decreased due to the lockdown restrictions.

Suppliers and employees (CF2)

Bulk purchases which are bought by the municipality are based on the consumption of the community have decreased compared to the prior year.

Employee related cost decrease due to vacancies not filled and posts becoming vacant during the financial year.

Transfers and grants (CF3)

The actual expenditure was more than what was anticipated by management.

Finance Cost (CF4)

An external loan was taken up during the financial year and the interest cost for the employee benefits increased more than what was projected.

Property Plant and Equipment (CF5)

The variance relates to the underspending on the capital budget.

Repayment of other financial liabilities (CF6)

The external loan was taken up towards the end of the financial year.

65. BBBEE Performance

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand

66. Contingent liabilities

State / Matanise CAS NR 98/03/2015/ Stellenbosch Municipality - 100,000

A traffic officer made a U-turn on the R44 pursuant to obtaining an instruction from his superintendent that he need to attend to a complaint in Klapmuts. The claimant, alleged that he had to turn into another lane to prevent an accident to occur, losing control over the vehicle and overturning the vehicle in the process.

Labour court review - MATUSA on behalf of an employee / Stellenbosch Municipality - 380,000

MATUSA on behalf of a former employee obtained an arbitration award against Stellenbosch Municipality in terms of which the former employee was reinstated and certified the arbitration award in terms of section 143(3) of the LRA. They instructed the sheriff to attached the movable properties of the Municipality to be sold in execution..The Municipality instituted review proceedings against the arbitration award and stay the execution of the arbitration award.

Ricmal Green (Pty) Ltd & another / The unlawful occupiers and others - 200,000

Ricmal Green (Pty) Ltd applied for an interdict that the National Minister of Agriculture, Deputy Minister of Agriculture and the National Government be interdicted and restrained from placing any third parties in occupation of the Property or in any way encouraging, promoting, supporting and or allowing any persons to come onto the farm to occupy the Property.

Anonymous Employee / Stellenbosch Municipality - 100,000

An employee applied for default judgment against Stellenbosch Municipality for alleged unfair labour practice in relation to failure to promote and/or demotion and alleged that he/she is being unfairly discriminated against.

SPS / Stellenbosch Municipality - 100,000

MZ Loghdey t/a Street Parking Solutions submitted a tender, which was awarded to him. The tender was implemented on or about 1 April 2019. A dispute arose between the parties around various issues in terms of the tender. Clause 27.1 of the GCC provides that if any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation. Clause 27.2 provides further if, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party. Clause 27.3 provides that should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law. Notwithstanding the above clause 27.4 provides that notwithstanding any reference to mediation and/or court proceedings herein the parties shall continue to perform their respective obligations under the contract unless they otherwise agree and the purchaser shall pay the supplier any monies due for goods delivered and/or services rendered according to the prescripts of the contract. Both SPS and the Municipality alleged that certain conditions of the tender/contract was breached and that mediation is required to solve the dispute. A mediator was appointed and a date for the mediation need to be set to argue the matter.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand

66. Contingent liabilities (continued)

Anonymous Employee / Stellenbosch Municipality - 300,000

Review application instituted by Stellenbosch Municipality setting aside the Arbitration Award made under WCP121702 under the South African Local Bargaining Council to pay the employee compensation for additional work done.

Former Employee / South African Local Government Bargaining council and others 200,000 200,000

Review application instituted by an former employee to have the arbitration award dated 18 July 2019 under case numbers WCP 071722 and 01719 reviewed and set aside and in the alternative should the court elect not to correct the award that the dispute be remitted and referred back to the Bargaining Council for adjudication before an arbitrator.

Stellenbosch Municipality / Urlan Groenewaldt & Jacques Francois Swart - 500,000

Motor vehicle collision in which the municipal traffic lights were damaged.

Stellenbosch Municipality / Sliyazama CP Constructions (Pty) Ltd - 200,000

Stellenbosch Municipality have to institute eviction proceedings against the illegal occupiers of the property, which the Municipality is leasing to Kindersorg to operate a crèche in Kayamandi. The eviction application is pending. The founding affidavit of the Municipality needs to be finalised, whereafter the municipality can proceed with the institution of the eviction application. The municipality has received the founding affidavit and is in the process of proposing amendments thereto.

Stellenbosch Municipality / Klapmuts mediation 250,000 250,000

Stellenbosch Municipality is under obligation to provide emergency housing to evictees of various eviction orders in Klapmuts. The Klapmuts community has threatened violence against evictees and destruction of property should the municipality proceed to utilise Klapmuts housing facilities for evictees rather than for members of the Klapmuts community. Independent expert mediator appointed to facilitate mediation which is currently pending. The mediator had meetings with the community and a committee was elected to discuss the matter and proposals made. The chairperson of the Committee was not available for a period to attend meetings and new proposed dates were arranged by the mediator for such meetings. The community still refuse the Municipality to implement emergency housing. The mediation needs to be finalised to obtain the buy-in of the community to relocate evictees to Klamputs.

Stellenbosch Municipality / NE Properties (Pty) Ltd 200,000 250,000

Application to declare the dissolution of NE Industries void in terms of section 83(4) of the Companies Act and to direct the Companies and Intellectual Property Commission of South Africa to restore NE Industries' name to the register of companies. NE Industries was deregistered and its name was removed from the register of companies on 16 July 2010 due to its failure to file its annual returns. NE Industries is the single largest debtor on the Municipality's debtor's book. The Municipality wants to collect the outstanding amount due to it but established that NE Industries was deregistered as a result of its failure to file its annual returns and its name was removed from the register of companies.

Stellenbosch Municipality / IMATU on behalf of Employee 200,000 200,000

Review application instituted against the arbitrator's award by Commissioner Der Vlieger-Seynhaeve including application for condonation and to oppose the application for contempt of court proceedings instituted by IMATU obo employee.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand

66. Contingent liabilities (continued)		
Stellenbosch Municipality / E Ross and Others	200,000	250,000
<p>Stellenbosch Municipality have to institute eviction proceedings against Respondents of the property at 609 Lavanda Flats, Jan Cillier Street, Stellenbosch due to the Respondents actions. The eviction application is still pending.</p>		
Stellenbosch Municipality / L Bailey and Another	200,000	200,000
<p>Stellenbosch Municipality is in the process instituting eviction proceedings against the Respondents of the property at 108 Aurora Flats, Jan Cilliers Street, Stellenbosch, due to the Respondents actions. The eviction application is still pending.</p>		
Stellenbosch Municipality / J Morgan and Others	-	200,000
<p>Stellenbosch Municipality is in the process of instituting eviction proceeding against the Respondents of the property at 12 Weber Street, Idas Valley, Stellenbosch, due to the Respondents actions. The eviction is still pending.</p>		
Stellenbosch Municipality / A De Ruiter and Others	200,000	200,000
<p>Stellenbosch Municipality have to institute eviction proceedings against the Respondents of Erf 5281 Cloeteville, due to the Respondents actions.</p>		
Stellenbosch Municipality / Francois Jansen	50,000	50,000
<p>Application for eviction of unlawful occupants from municipal property.</p>		
Stellenbosch Municipality / Tania Wasmuth and Others	50,000	50,000
<p>Application for eviction of unlawful occupants from municipal property.</p>		
Stellenbosch Municipality / Cobus Visagie	50,000	50,000
<p>Approximately R684 000.00 owed by Cobus Visagie for a tender to harvest wood.</p>		
Fusion Properties 233 CC / The Municipality of Stellenbosch	33,465,000	33,465,000
<p>This matter involves a summons issued against the Municipality for alleged damages pursuant to the sale of certain immovable property belonging to the Municipality. The amount claimed is R32 115 000.00 together with interest calculated at the rate of 9% per annum from 28 July 2015. The Municipality is defending the action. Pleadings have now closed and the Plaintiff is in the process of applying for a court date.</p>		
<p>The application that the Plaintiff has to provide security for costs was granted and the interlocutory application to strike out certain allegations was also successful. The Plaintiff made application for leave to appeal against the judgment, which application was refused with costs. The Plaintiff has delivered a petition to the Supreme Court of Appeal ("SCA") in terms of which it is now seeking leave to appeal either to the SCA or the full bench of the Western Cape Division of the High Court.</p>		
<p>Should the litigation against the Municipality be successful, the estimate of financial exposure will be the R32 115 000.00 together with interest calculated at the rate of 9% per annum from 28 July 2015 including legal costs and disbursements of approximately R1 350 000.00.</p>		

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand

66. Contingent liabilities (continued)

Independent Schools Association of Southern Africa / Ethekewini Municipality / Stellenbosch Municipality & Others	250,000	250,000
--	---------	---------

This matter involves an application on behalf of the Municipality to be joined as co-applicant together with eThekweni Municipality in an application for the review and setting aside of the Amended Municipal Property Rates Regulations promulgated on 12 March 2010. The Municipality has been joined successfully as co-applicant.

This matter involves an application on behalf of the Municipality to be joined as co-applicant together with eThekweni Municipality in an application for the review and setting aside of the Amended Municipal Property Rates Regulations promulgated on 12 March 2010. The Municipality has been joined successfully as co-applicant.

De Zalze Golf Club / Valuation Appeal Board for Stellenbosch Municipality	400,000	500,000
--	---------	---------

De Zalze Golf Club applied to have the Valuation Appeal Board for the Stellenbosch Municipality's decision dated 5 September 2018 to place a value of R26 500 000.00 on the leasehold rights in respect of remainder Erf 296 De Zalze reviewed and set aside and to replace the decision with an order valuing the property at R1 000.00 alternatively R4 900 000.00. In the alternative, and in the event that the Court is not prepared to grant the relief sought indicated above, remitting the matter to the Valuation Appeal Board and directing it, within a reasonable period and in accordance with the Court's directions, to make a fresh decision as to the value of the property. De Zalze Golf Club also applied that the Valuation Appeal Board and Stellenbosch Municipality pay De Zalze's costs jointly and severally, including the costs of two counsel (save that costs are only sought against Stellenbosch Municipality in the event of it opposing the application). The matter was heard on 13 August 2020 and judgment has been reserved. This matter does not involve any amounts claimed.

Stellenbosch Municipality / LJ Turnkey Investments (Pty) Ltd	250,000	250,000
---	---------	---------

The owner of Portion 9 of Farm 100 Stellenbosch ("the Property") applied for a declaratory order that the zoning of the Property is general residential and allows them to utilise the Property for student accommodation. The Municipality opposed the declaratory order and filed its answering affidavit.

The Municipality is in the process of instituting a counter-application for, amongst others, a declaratory order regarding the zoning of the Property and interdictory relief regarding the utilisation of the Property for student and/or any other rental accommodation in contravention of the Municipality's Zoning Scheme By-law. This matter does not involve any amounts claimed.

Anonymous Employee/Stellenbosch Municipality	300,000	-
---	---------	---

Review application instituted by Stellenbosch Municipality setting aside the Arbitration Award made under WCP121702 under the South African Local Government Bargaining Council to pay her compensation for additional work done.

STELLENBOSCH MUNICIPALITY / FORMER EMPLOYEE	200,000	-
--	---------	---

Review Application instituted in the Labour Court against the disciplinary sanction of the chairperson in the disciplinary hearing of Leon Lourens. Leon Lourens was found guilty on three charges, which involves dishonesty but was not dismissed by the chairperson. The Municipality has served and filed its founding affidavit to have the ruling of the chairperson set aside and replace for a dismissal. The Municipality is in the process of transcribing the recordings of the hearing whereafter Leon Lourens will provide its answering affidavit in the matter.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand

66. Contingent liabilities (continued)

WS SMIT N.O & OTHERS /STELLENBOSCH MUNICIPALITY 200,000 -

Community members illegally occupied Portion 5 of Farm 183 Stellenbosch also known as Watergang. An eviction application was subsequently instituted and Acting Judge Martin granted an eviction order against the illegal occupiers. The illegal occupiers filed an appeal against the eviction order granted by Acting Judge Martin which appeal is still pending. The appeal, or any proceedings before the Supreme Court or Higher Court should leave to appeal be granted and any other actions flowing from the Interdict need to be oppose.

STELLENBOSCH MUNICIPALITY / OSCAN INVESTMENTS ENTERPRISE (PTY) LTD 485,200 -

Property owner of Erf 1727 Stellenbosch erected a fence which encroach on municipal public open space. The Municipality needs to apply for a demolition order if the owner refuse/fail to remove the illegal wooden fence. Notice was served on the property owner to address the issues highlighted in the letter of refusal of the building plan and to resubmit the building plan together with the requested information and documents required alternatively to have the illegal fence removed. Should the property owner not comply with the notice served, the Municipality will proceed with the demolition application of the illegal fence.

FORMER EMPLOYEE / STELLENBOSCH MUNICIPALITY 200,000 -

Application instituted by Elizabeth Rhoda against Stellenbosch Municipality to have her reinstated retrospectively with accumulated benefits and salary or adjustments and that the Municipality pay compensation to her in the amount of 12 months' salary including the cost of suit as well as a condonation application for the late submission of her application. The application was opposed by the Municipality and the Municipality is in the process to serve and file its Statement of Defence

STELLENBOSCH MUNICIPALITY / THE CHILDREN MR BESS AND ILLEGAL OCCUPIERS 100,000 -

Eviction application against the children of Mr Johnny Bess, who was employed by Stellenbosch Municipality and retired from the employ of the Municipality on or about 31 July 2006. Mr Bess passed on and his children continued to occupy the house. There are various complaints from community members that the children who are currently occupying the house are involved in alleged drug dealing and anti-social behaviour. The house is vandalised and not maintained. The surrounding homeowners handed in a petition demanding that the children be evicted from the house due to an increase in illegal activities from the house, which is making living with them unbearable.

STELLENBOSCH MUNICIPALITY / ISAYA NKUKUMANA 400,000 -

Opinion and Review application against decision of the Chairperson in the disciplinary hearing of Isaya Nkunkumana to have the ruling on the sanction issued against Isaya Nkunkumana reviewed and set aside. Review application with condonation application was finalised and served on the respective parties.

SURREY HOLMES (PTY) LTD / STELLENBOSCH MUNICIPALITY 400,000 -

Surrey Holmes instituted a review application against Stellenbosch Municipality for its alleged failure to make a decision in terms of section 6(2) (g) of the Promotion of Administrative Justice Act 3 of 2000 (PAJA) and directing the Municipality to perform its duties and exercise its powers by; accepting and considering the amended ceiling height of the Attic Room. The review application was opposed by the Municipality. The Municipality is in the process to provide the Rule 53 records.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand

66. Contingent liabilities (continued)

STELLENBOSCH MUNICIPALITY / LEELYN MANAGEMENT CC	400,000	-
<p>Opinion and institution of Monetary claim against Leelyn Management CC for alleged parking revenue collected on behalf of the Municipality which was not paid over by Leelyn Management CC to the Municipality.</p>		
STELLENBOSCH MUNICIPALITY / CHOISY –LE-ROI OWNERS (PTY) LTD	200,000	-
<p>Review application instituted by the owner of Erf 13500 Technopark, Stellenbosch against the appeal judgment of the Executive Mayor. The Municipality served and filed notice of opposition against the application. Rule 53 record was subsequently filed at court. Choisy-le-Roi supplemented their application and the Municipality served and filed its answering affidavit. A court date needs to be obtained to argue the matter.</p>		
DEON GARDEN & CONSTRUCTION CC / STELLENBOSCH MUNICIPALITY	200,000	-
<p>Monetary claim in the amount of R4 374 192.67 including interest at a rate of 7.75% per annum for alleged damages suffered by Deon Garden & Construction CC. The Municipality defended the claim instituted and is in the process of finalising its plea in the matter.</p>		
SECURITEM (PTY) LTD/ STELLENBOSCH MUNICIPALITY	200,000	-
<p>Securitem instituted legal action against the Municipality to pay VAT on top of their tender price. The Municipality is of the view that VAT was included in the tender price submitted by SECURITEM and opposed the application.</p>		
STELLENBOSCH MUN / MOFFAT & OTHERS	100,000	-
<p>Eviction application against the Moffat family who illegally occupy the Eikestad Hall. The Municipality provided temporary accommodation to the Moffat family pursuant to the Moffat family wendy house being destroyed by a fire. The intension was that the Moffat family should occupy the Eikestad Hall temporarily and to relocate to Mountain View. The Municipality provided emergency accommodation at Mountain View, Jamestown, but the Moffat family refused to relocate. The Moffat's was given notice to vacate the Eikestad Hall and eviction proceedings is being instituted. The draft affidavit to institute eviction proceedings is being circulated for comment.</p>		
STELLENBOSCH MUNICIPALITY/ABSA	9,000,000	-
<p>The municipality is in a dispute with ABSA bank in relation to the fleet vehicle expenditure as controlled by ABSA.</p>		
SHAHIEDA JACOBS / STELLENBOSCH MUNICIPALITY	200,000	-
<p>Shahieda Jacobs instituted legal proceedings against Stellenbosch Municipality and a municipal official for alleged sexual harassment and unfair discrimination in the Labour Court. The Municipality filed its Statement of Response to the Plaintiff's Statement of Claim. The Special Plea on Shahieda's new Statement of Claim will be determine on 29 July 2020 on the papers before the Judge.</p>		

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand

66. Contingent liabilities (continued)

RICARDO GALANDT AND OTHERS/STELLENBOSCH MUNICIPALITY	100,000	-
<p>Spoliation application instituted by the Applicants against Stellenbosch Municipality for the alleged demolishing of their homes/structures. The Municipality raised an issue that the Stellenbosch Magistrate's Court does not have jurisdiction to hear the matter. The point in time was argued and the Court granted judgement in favour of the Municipality. The Applicants appealed the judgment.</p>		
THAPELO MBASA SMITH AND OTHERS/ STELLENBOSCH MUNICIPALITY	200,000	-
<p>Thapelo Mbas Smith & Others applied for an interim interdict against Stellenbosch Municipality & Others pending the determination of the final relief sought in Part B of the Notice of Motion. The Municipality did not oppose the interim interdict but opposed the Review application instituted by Thapelo Mbas Smith & Others against the Municipality declaring inter alia the Municipality's decision taken on 13 November 2020, to acquire, or accept the donation of, the Property from the Trust, to be unlawful and invalid. The Municipality subsequently filed its answering affidavit in the matter.</p>		
Van der Westhuizen K/Stellenbosch Municipality	73,037	-
<p>Kyla van der Westhuizen issued summons against the Municipality for damages to her vehicle, VW Polo Cross 2015 model for allegedly colliding with a pothole. The Municipality defended the matter and filed its plea in the matter. Discovery affidavit was served and filed and a court date needs to be obtained to argue the matter.</p>		
Mhlenze, N R / Stellenbosch Municipality	325,469	-
<p>Nomzi Renee Mlenze (Mlenze) is applying to the Labour Court for condonation of the non-compliance with the time periods envisaged by the Labour Court in terms of the applicable Rules. Mlenze is employed at Stellenbosch Municipality as Senior Clerk: Accounts in the Finance Department. She earns a salary of R8033.00 per month. In 2013 she raised a number of grievances relating to the fact that she was not being remunerated the same as other Senior Clerks who were performing same task as her. Despite the fact that her Head of the Department agreed that her post will be evaluated on a urgent basis her job was not evaluated. She submitted an appeal on 22 April 2016, which was submitted to the Municipal Manager. She subsequently referred the matter to the Labour Court for adjudication. Mlenze did not file the court papers within the 90-day period allowed, is out of time, and applied for condonation to the Labour Court to grant her permission to proceed with the matter. The application for condonation need to be opposed. The Municipality filed its exception to Mlenze's Statement of Claim and will file a condonation application for the late filing of the Municipality's opposition against the application instituted by Mlenze.</p>		
LABOUR COURT REVIEW - MATUSA OBO REVONAH ANTHONY ("ANTHONY") / STELLENBOSCH MUNICIPALITY- STE10/031	380,000	-
<p>MATUSA obo Revona Anthony obtained an arbitration award against Stellenbosch Municipality in terms of which she was reinstated and certified the arbitration award in terms of section 143(3) of the LRA. They instructed the sheriff to attached the movable properties of the Municipality to be sold in execution. The Municipality instituted review proceedings against the arbitration award and stay the execution of the arbitration award.</p>		

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand

66. Contingent liabilities (continued)

RICMAL GREEN (PTY) LTD & ANOTHER / THE UNLAWFUL OCCUPIERS & OTHERS	200,000	-
---	---------	---

Ricmal Green (Pty) Ltd applied for an interdict that the National Minister of Agriculture, Deputy Minister of Agriculture and the National Government be interdicted and restrained from placing any third parties in occupation of the Property or in any way encouraging, promoting, supporting and or allowing any persons to come onto the farm to occupy the Property. That the persons attempting to occupy the Property be interdicted and restrained from entering onto or remaining on the Property and erecting or attempting to erect any form of structure, be it temporary, permanent or semi-permanent of nature on the Property. Ricmal Green (Pty) Ltd also applied for an urgent eviction application in terms of rule 6(12) against all unlawful occupiers of the Property listed in Annexure A to be ordered to vacate the Property and should they fail/refuse that the Sheriff be ordered to evict them from the Property. Stellenbosch Municipality is sited as Seventh Respondent to the matter. No relief is sought against the Municipality unless the Municipality oppose the application. The Municipality was joined as the Property is situated within its jurisdiction and its statutory and/or constitutional obligations as regards the occupiers. The Municipality is supporting the application of the Applicants and filed an explanatory affidavit.

ANGELA ADELINE MOGOLEGENG / STELLENBOSCH MUNICIPALITY	100,000	-
--	---------	---

Angela Adeline Mogolegeng applied for Default Judgment against Stellenbosch Municipality for alleged unfair labour practice in relation to failure to promote and/or demotion and alleged that she is being unfairly discriminated against

SPS / STELLENBOSCH MUNICIPALITY	100,000	-
--	---------	---

MZ Loghdey t/a Street Parking Solutions submitted a tender, which was awarded to him. The tender was implemented on or about 1 April 2019. A dispute arose between the parties around various issues in terms of the tender. Clause 27.1 of the GCC provides that if any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation. Clause 27.2 provides further if, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party. Clause 27.3 provides that should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law. Notwithstanding the above clause 27.4 provides that notwithstanding any reference to mediation and/or court proceedings herein the parties shall continue to perform their respective obligations under the contract unless they otherwise agree and the purchaser shall pay the supplier any monies due for goods delivered and/or services rendered according to the prescripts of the contract. Both SPS and the Municipality alleged that certain conditions of the tender/contract was breached and that mediation is required to solve the dispute. A mediator was appointed and a date for the mediation need to be set to argue the matter.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand

67. Segment information

General information

Identification of segments

The municipality is organised and reports to management on the basis of four major functional areas. These four functional segments are governance and administration, community and public safety, economic and environmental services as well as trading services. The segments were organised around the type of service delivered and the target market.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

Reportable segments are identified based on activities performed of the municipality that generates economic benefits or service potential including internal services that contribute to achieving the municipality's objectives without necessarily generating net cash inflows.

Management has only identified segment information for which data is reported on and reviewed during the decision making process of the municipality. Aspects relating to GRAP 18 paragraph 21 (a) - (j) which does not form part of the review process of the management reports will not form part of the segment information.

Segmental reporting was based and identified on the MFMA S71 monthly budget statements/reports that are reviewed by senior management and council to make strategic decisions and in monitoring segment performance. The disclosure of information about segments in these reports are organised around the type of service delivered, in a standardised format namely the C2 schedule. This is considered appropriate for external reporting purposes to achieve the objectives of GRAP 18.

Types of goods and/or services by segment

These reportable segments as well as the goods and/or services for each segment are set out below:

Reportable segment	Goods and/or services
Community and public safety	Primary services providing community safety, crime prevention and law enforcement.
Governance and administration	Primary services in relation to financial management, financial and governance decision making.
Economic and environmental services	Urban and developmental planning in accordance with the relevant laws and regulations. Environmental planning and protection for long term sustainability.
Trading services	Primary basic service provision including water, electricity, sanitation and refuse.

Measurement of segment surplus or deficit, assets and liabilities

Basis of accounting for transactions between reportable segments

The accounting policies of the segments are the same as those described in the summary of significant accounting policies.

Information about geographical areas

All the municipality's operations are located in the Republic of South Africa in the Cape Winelands area. Information to report on different geographical areas is not available would be expensive and impractical to develop.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Reportable Segments for the year ended 30 June 2021

2021

	Governance and administration	Community and public safety	Economic and environmental services	Trading services	Other	Total
Segment revenue						
External revenue from non-exchange transactions	461,667,189	21,303,592	142,331,274	137,310,011	100,000	762,712,066
External revenue from exchange transactions	18,705,429	10,186,217	36,544,969	949,348,116	108,638	1,014,893,369
Interest revenue	19,493,405	-	-	21,956	-	19,515,361
Total	499,866,023	31,489,809	178,876,243	1,086,680,083	208,638	1,797,120,796
Segment expenses						
Total segment expenses	(261,951,810)	(217,592,279)	(270,535,087)	(771,795,794)	(100,000)	(1,521,974,970)
Depreciation and amortisation	(15,030,784)	(16,169,366)	(53,453,700)	(105,147,044)	-	(189,800,894)
Fair value adjustments	(922,034)	-	-	-	-	(922,034)
Contribution to/from provisions	-	-	-	(6,874,912)	-	(6,874,912)
Cost of housing sold	-	-	(1,925,000)	-	-	(1,925,000)
Inventory losses/write downs	(18,583)	-	-	-	-	(18,583)
Debt impairment	(677,699)	(4,748,896)	(16,096,098)	(12,463,098)	-	(33,985,791)
Interest expense	(16,840,000)	-	-	(37,634,647)	-	(54,474,647)
Total	(295,440,910)	(238,510,541)	(342,009,885)	(933,915,495)	(100,000)	(1,809,976,831)
Surplus for the year	204,425,113	(207,020,732)	(163,133,642)	152,764,588	108,638	(12,856,035)
Other information						
Total capital expenditure	72,029,245	34,931,316	94,662,736	191,317,790	-	392,941,087

ANNEXURE B: ANNUAL PERFORMANCE REPORT 2020/21



STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

Annual Performance Report

2020/21

(01 July 2020 – 30 June 2021)

Table of Contents

1. PURPOSE	2
2. LEGISLATIVE REQUIREMENTS	2
3. MUNICIPAL OVERVIEW	2
3.1 Vision	3
3.2 Socio-economic status	4
4. PERFORMANCE MANAGEMENT OVERVIEW	5
4.1 Top Layer Service Delivery and Budget Implementation Plan	5
4.2 Departmental Service Delivery and Budget Implementation Plan	6
5. PLANNED TARGETS VS ACTUAL RESULTS FOR THE 2020/21 FINANCIAL YEAR	6
5.1 Municipal performance per National Key Performance Indicator	7
5.1.1 Municipal Transformation and Institutional Development	7
5.1.2 Basic Service Delivery	7
5.1.3 Local Economic Development	7
5.1.4 Municipal Financial Viability and Management	7
5.1.5 Good Governance and Public Participation	8
5.2 Overall performance per Municipal Strategic Focus Area	8
5.3 SFA 1 - Valley of Possibility	9
5.4 SFA 2 - Green and Sustainable Valley	11
5.5 SFA 4 - Dignified Living	15
5.6 SFA 5 - Good Governance and Compliance	18

List of Figures

Figure 3:1 Location of the Stellenbosch Municipality	3
--	---

List of Tables

Table 1: Total population	4
Table 2: Total number of households	4
Table 3: Access to Services	4
Table 4: Performance Management System Checklist	5
Table 5: Performance Assessment Criteria	6
Table 6: NKPA- Municipal Transformation and Institutional Development	7
Table 7: NKPA- Basic Service Delivery	7
Table 8: NKPA- Local Economic Development	7
Table 9: NKPA- Municipal Financial Viability and Management	7
Table 10: NKPA- Good Governance and Public Participation	8
Table and Graph 11: Overall performance per SFA- 01 July 2020 – 30 June 2021	8

© Stellenbosch Municipality
PO Box 17
Stellenbosch
7599

Phone: 021 808 8025 • Email: mm@stellenbosch.gov.za

1. PURPOSE

The Annual Performance Report 2020/21 is hereby submitted to the Stellenbosch Municipal Council in terms of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA), Section 46(1) and (2). The report covers the performance information from 01 July 2020 to 30 June 2021 and focuses on the implementation of the Top Layer (TL) Service Delivery and Budget Implementation Plan (SDBIP), in relation to the objectives as encapsulated in the municipality's Integrated Development Plan (IDP) for the year under review.

The format of the report will reflect the Stellenbosch Municipality's Key Performance Indicators (KPIs) per Strategic Focus Area (SFA).

This report will also endeavour to report to Council on the municipality's performance in terms of the five (5) National Government's Key Performance Areas for local government, which are (1) Basic Service Delivery; (2) Local Economic Development; (3) Municipal Institutional Transformation and Development; (4) Municipal Financial Viability and Management and (5) Good Governance and Public Participation.

2. LEGISLATIVE REQUIREMENTS

This Annual Performance Report has been compiled in compliance with the requirements of Section 46(1) of the MSA, which stipulates as follows:

- (1) A municipality must prepare for each financial year a performance report reflecting—
 - (a) the performance of the municipality and each external service provider during that financial year;
 - (b) a comparison of the performance referred to in paragraph (a) with targets set for performance in the previous financial year; and
 - (c) measures taken to improve performance.

In addition, regulation 7(1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players." Performance management is not only relevant to the organisation as a whole, but is also applicable to the individuals employed in the organisation as well as the external service providers.

3. MUNICIPAL OVERVIEW

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

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

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

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

Figure 3:1 Location of the Stellenbosch Municipality



3.1 Vision

“Valley of Opportunity and Innovation”

3.2 Socio-economic status

Table 1: Total population

Total population		
2018/19	2019/20	2020/21
186 274*	186 274*	192 879**

*Western Cape Government, 2018 & 2019 Socio-economic Profile, Stellenbosch Municipality

**DLG 2020 Socio- Economic Profile- Stellenbosch Municipality

Table 2: Total number of households

Households	2018/19	2019/20	2020/21
Number of households in municipal area	52 374*	52 374*	52 374*
Number of registered indigent households in municipal area	6 817	7 011	7 283

*STATSSA, 2011

Table 3: Access to Services

Community Survey 2016	Stellenbosch	Cape Winelands District
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

4. PERFORMANCE MANAGEMENT OVERVIEW

In order to improve on performance planning, implementation, measurement and reporting, the municipality implemented the following actions:

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

Table 4: Performance Management System Checklist

	Performance Management Policy	All MSA s57/56 Performance contracts signed	Audit Committee	Municipal Public Accounts Committee (MPAC)	Quarterly Performance Reporting to Council	Annual Performance Reporting to Council
In place?	√	√	√	√	√	√

4.1 Top Layer Service Delivery and Budget Implementation Plan

The organisational performance is evaluated by means of a Municipal Scorecard (TL SDBIP) at organisational level and through the Service Delivery and Budget Implementation Plan (SDBIP) at directorate and departmental levels.

The SDBIP is a plan that converts the IDP and Budget into measurable indicators on how, where and when the strategies, objectives and normal business processes of the municipality are implemented. It also allocates responsibilities to directorates to deliver the services in terms of the IDP and Budget.

The MFMA Circular No.13 prescribes that:

- The IDP and budget must be aligned;
- The budget must address the strategic priorities;
- The SDBIP should indicate what the municipality is going to do during next the 12 months; and
- The SDBIP should form the basis for measuring the performance against goals set during the budget / IDP processes.

The TL SDBIP was prepared as described in the paragraphs below and approved by the Executive Mayor on 24 June 2020.

The approved TL SDBIP 2020/21 was revised in February 2021 and again in June 2021. These revisions were made in line with the adjustment budget, internal audit findings and recommendations made by the Auditor General of South Africa (AGSA).

The overall assessment of actual performance against targets set for the Key Performance Indicators as documented in the SDBIP is illustrated in terms of the following assessment methodology:

Table 5: Performance Assessment Criteria

Color	Category	Explanation
N/A	KPI Not Yet Measured	KPIs with no targets or actual results for the selected period
R	KPI Not Met	Actual vs. target less than 75%
O	KPI Almost Met	Actual vs. target between 75% and 100%
G	KPI Met	Actual vs. target 100% achieved
G2	KPI Well Met	Actual vs. target more than 100% and less than 150% achieved
B	KPI Extremely Well Met	Actual vs. target more than 150% achieved

The TL SDBIP (the Municipal Scorecard) consolidate service delivery targets set by Council / Senior Management and provide an overall picture of performance for the Municipality as a whole, reflecting performance on its strategic priorities. The TL SDBIP is a detailed one-year plan and the necessary components should include:

- Monthly projections of revenue to be collected for each source;
- Expected revenue to be collected not billed;
- Monthly projections of expenditure (operating and capital) and revenue for each vote;
- Quarterly projections of service delivery targets and performance indicators for each vote;
- Non-financial measurable performance objectives in the form of targets and indicators; and
- Detailed capital project plan broken down by ward over three years.

4.2 Departmental Service Delivery and Budget Implementation Plan

The Departmental Service Delivery and Budget Implementation Plan (the detailed SDBIP) capture the performance of each Directorate. Unlike the TL SDBIP, which reflects on the strategic performance of the municipality, the Departmental SDBIP 2020/21 provides a comprehensive picture of the performance per Directorate, Department and Section. It was compiled by the Directors and Senior Managers for their respective Departments and Sections and consists of objectives, indicators and targets derived from the approved TL SDBIP 2020/21.

5. PLANNED TARGETS VS ACTUAL RESULTS FOR THE 2020/21 FINANCIAL YEAR

This section of the Annual Performance Report 2020/21 will report on the municipality's actual performance against the planned targets as derived from the municipality's IDP. Due to the fact that the municipality has developed five (5) Strategic Focus Areas (SFAs), the performance reporting will follow these themes.

5.1 Municipal performance per National Key Performance Indicator

5.1.1 Municipal Transformation and Institutional Development

Table 6: NKPA- Municipal Transformation and Institutional Development

INDICATOR	MUNICIPAL ACHIEVEMENT 2019/20	MUNICIPAL ACHIEVEMENT 2020/21
The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	4	5
The percentage of a municipality's budget actually spent on implementing its workplace skills plan	$\frac{R2\ 262\ 082.24}{R1\ 661\ 441\ 108} \times 100 = 0.14\%$	$\frac{R2\ 831\ 705}{R1\ 779\ 347\ 338} = 0.16\%$

5.1.2 Basic Service Delivery

Table 7: NKPA- Basic Service Delivery

INDICATOR	MUNICIPAL ACHIEVEMENT 2019/20*	MUNICIPAL ACHIEVEMENT 2020/21*
The percentage of households earning less than R6,500 per month with access to free basic services (In the case of Stellenbosch Municipality- percentage of registered Indigent households are being reported)	100%	100%
The percentage of households with access to basic level of water	100%	100%
The percentage of households with access to basic level of sanitation	100%	100%
The percentage of households with access to basic level of electricity	74.4%	71%
The percentage of households with access to basic level of solid waste removal	100%	100%

* The percentage of households with access to basic level of water, sanitation, electricity and solid waste services is based on formal households only. The information on informal households and backyard dwellings were not taken into account.

5.1.3 Local Economic Development

Table 8: NKPA- Local Economic Development

INDICATOR	MUNICIPAL ACHIEVEMENT 2019/20	MUNICIPAL ACHIEVEMENT 2020/21
The number of jobs created through municipality's local economic development initiatives including capital projects	1 656	1 129

5.1.4 Municipal Financial Viability and Management

Table 9: NKPA- Municipal Financial Viability and Management

INDICATOR	MUNICIPAL ACHIEVEMENT 2019/20	MUNICIPAL ACHIEVEMENT 2020/21
Debt coverage ((Total operating revenue - operating grants received) / Debt service payments due within the year)	27.79%	29.06%
Service debtors to revenue (Total outstanding service debtors / Annual revenue received for services)	6.71%	8.86%
Cost coverage ((Available cash + investments) / Monthly fixed operating expenditure)	2.41	2.08

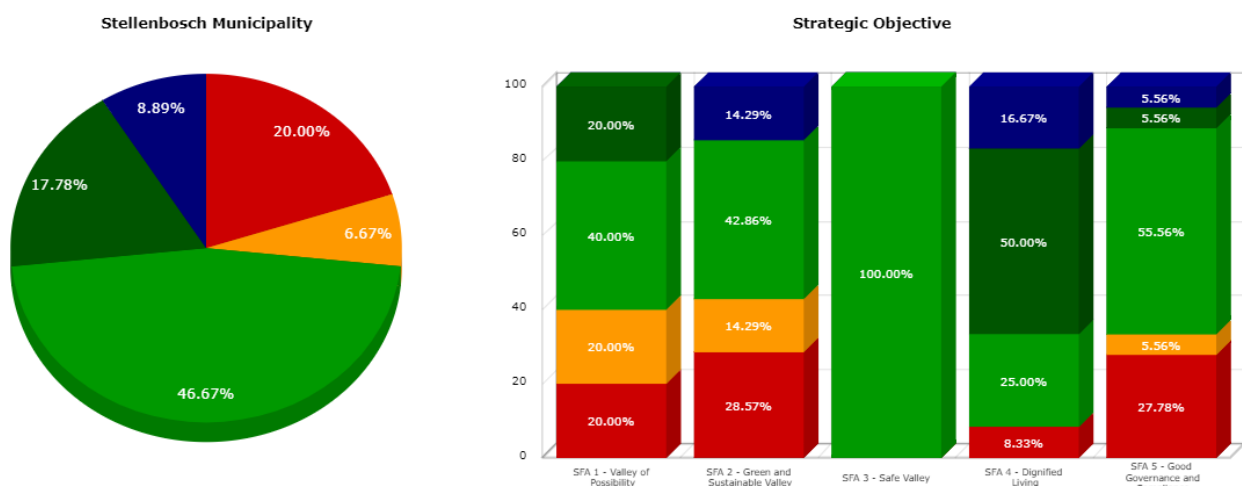
5.1.5 Good Governance and Public Participation

Table 10: NKPA- Good Governance and Public Participation

INDICATOR	MUNICIPAL ACHIEVEMENT 2019/20	MUNICIPAL ACHIEVEMENT 2019/21
The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan	70.24%	86.54%

5.2 Overall performance per Municipal Strategic Focus Area

The following graph and table illustrate the Municipality's overall performance per Municipal Strategic Focus Area (SFA).



Stellenbosch Municipality		Municipal Strategic Focus Areas (SFAs)				
		SFA 1 - Valley of Possibility	SFA 2 - Green and Sustainable Valley	SFA 3 - Safe Valley	SFA 4 - Dignified Living	SFA 5 - Good Governance and Compliance
KPI Not Yet Measured	-	-	-	-	-	-
KPI Not Met	9 (20%)	1 (20%)	2 (28.57%)	-	1 (8.33%)	5 (27.78%)
KPI Almost Met	3 (6.67%)	1 (20%)	1 (14.29%)	-	-	1 (5.56%)
KPI Met	21 (46.67%)	2 (40%)	3 (42.86%)	3 (25%)	10 (55.56%)	
KPI Well Met	8 (17.78%)	1 (20%)	-	6 (50%)	1 (5.56%)	
KPI Extremely Well Met	4 (8.89%)	-	1 (14.29%)	2 (16.67%)	1 (5.56%)	
Total:	45	5	7	3	12	18
	100%	11.11%	15.56%	6.67%	26.67%	40%

Table and Graph 11: Overall performance per SFA- 01 July 2020 – 30 June 2021

5.3 SFA 1 - Valley of Possibility

SFA 1 - VALLEY OF POSSIBILITY											
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2020 to 30 June 2021			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)
							Target	Actual	R		
TL58	KPI007	The number of jobs created through the Municipality's local economic development initiatives including capital projects (NKPI Proxy - MSA, Reg. S10(d))	Number of job opportunities created through the Municipality's local economic development initiatives including capital projects by 30 June	1 656	1 300	1 300	1 300	1 129	O	Projects in a number of internal Departments could not be implemented due to a number of factors which included the impact of the COVID-19 pandemic.	The municipality is in the process of developing a Standard Operating Procedure (SOP) which includes a quarterly monitoring process for internal departments participating in the EPWP. This SOP will be finalised by 31 December 2021.
TL59	KPI008	Land-use applications considered by the Municipal Planning Tribunal within 120 days from a complete land-use application	Percentage of land-use applications considered by the Municipal Planning Tribunal within 120 days after a complete land-use application	0%	90%	90%	90%	58%	R	11 / 19 x 100 = 58% The monitoring system for the management of the land-use application process as well as a new task management system for the individual case officers were instituted to improve the monitoring of the processing of land use applications in order to address compliance to legislative timeframes. As a result, there is a marked increase in the finalisation of land-use applications within 120 days when compared to the 2019/20 financial year of 0%.	The TPAMS electronic application management system for land-use applications is in the process of being finalised and will be implemented by 31 December 2021.
TL60	KPI009	Training opportunities provided for entrepreneurs and Small, Medium and Micro Enterprises (SMMEs)	Number of quarterly training opportunities provided for entrepreneurs and SMMEs	4	4	4	4	5	G2		

SFA 1 - VALLEY OF POSSIBILITY											
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2020 to 30 June 2021			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)
							Target	Actual	R		
TL61	KPI012	Revised Housing Pipeline (document) submitted to the Mayoral Committee (MayCo)	Number of Revised Housing Pipelines (documents) submitted to the MayCo by 31 May	1	1	1	1	1	G		
TL62	KPI080	Submission of Tourism Strategic Plan to the Municipal Manager	Number of Tourism Strategic Plans submitted to the Municipal Manager by 30 June	New KPI	1	1	1	1	G		

Summary of Results: SFA 1 - Valley of Possibility

N/A	KPIs with no targets or actuals in the selected period	0
R	KPI Not Met	1
O	KPI Almost Met	1
G	KPI Met	2
G2	KPI Well Met	1
B	KPI Extremely Well Met	0
Total KPIs		5

5.4 SFA 2 - Green and Sustainable Valley

SFA 2 - GREEN AND SUSTAINABLE VALLEY											
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2020 to 30 June 2021			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)
							Target	Actual	R		
TL52	KPI078	Submission of the Revised Facility Management Plan to the MayCo	Number of Revised Facility Management Plans submitted to the MayCo by 31 May	1	1	1	1	0	R	The report was finalised and submitted to the Director: Corporate Services to review.	The final report will be submitted to management for approval by 31 December 2021. This KPI will also be removed from the TL SDBIP 2021/22 in February 2022 and allocated to the departmental SDBIP 2021/22.
TL63	KPI018	Building plan applications processed within 30 days	Percentage of building plan applications of <500sqm processed within 30 days after date of receipt	72.92%	90%	80%	80%	64.30%	O	$650 / 1\ 011 \times 100 = 64.30\%$ There was a considerable increase in building plan applications (1 011 during the 2020/21 financial year) when compared to the 857 applications received during 2019/20. Due to resource constraints and the impact of the COVID-19 pandemic (staff testing positive and or isolating), the productivity of the Building Development Section where impaired.	Attempts are and will continue to be made to monitor individual applications and alert the responsible internal Departments on outstanding comments to improve compliance with timeframes.
TL64	KPI016	Conduct an external audit of the Stellenbosch Municipality Waste Disposal Facilities	Number of external audits of the Stellenbosch Municipality Waste Disposal Facilities conducted by 30 June	1	1	1	1	1	G		

SFA 2 - GREEN AND SUSTAINABLE VALLEY											
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2020 to 30 June 2021			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)
							Target	Actual	R		
TL65	KPI073	Implementation of identified waste minimisation projects	Number of identified waste minimisation projects implemented by 30 June	1	2	2	2	2	G		
TL66	KPI019	Waste water quality managed and measured to the Department of Water and Sanitation's License Conditions for physical and micro parameters	Percentage waste water quality compliance as per analysis certificate measured quarterly	60.70%	80%	70%	70%	51%	R	Wemmershoek WWTW B/SM 28/21 Contractor appointed - on site mid-July if no appeals were received. Stellenbosch - submission made to DWS to relax licence limits. Pniël WWTW Construction 60% completed Raithby - Still in discussion with land owner to extend the WWTW.	Wemmershoek WWTW B/SM 28/21 - Contractors appointed and was requested to be onsite by 31 July 2021 to commence with Phase 1 and to address effluent quality challenges. Stellenbosch - Regularly following up with DWS on progress of relaxation of license limits. Pniël WWTW Construction 60% completed. The upgrade is in progress and the new phase will start in February 2022. Raithby - Land has been identified and regular discussions will be held with owner and property management. The budget has been identified as well. Klappmuts WWTW- A senior official has been appointed to oversee process controllers to ensure maintenance and operations at the plant are well supervised.
TL67	KPI081	Reduce organic waste	Percentage of organic waste reduced by 30 June	New KPI	20%	20%	20%	48%	B	102 786 T / 141 088 T x 100 = 48%	

SFA 2 - GREEN AND SUSTAINABLE VALLEY											
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2020 to 30 June 2021			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)
							Target	Actual	R		
										Garden waste is included in the definition of organic waste. As such, the volumes of garden waste dealt with is used in the above calculations. As a long term strategy, food waste will feature more prominently as processes in this regard develops, in line with the National Waste Strategy.	
TL68	KPI082	Submission of an Integrated Waste Management Plan to the MayCo	Number of Integrated Waste Management Plans submitted to the MayCo by 31 March	New KPI	1	1	1	1	G		

Summary of Results: SFA 2 - Green and Sustainable Valley

N/A	KPIs with no targets or actuals in the selected period	0
R	KPI Not Met	2
O	KPI Almost Met	1
G	KPI Met	3
G2	KPI Well Met	0
B	KPI Extremely Well Met	1
Total KPIs		7

SFA 3 - Safe Valley

SFA 3 - SAFE VALLEY											
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2020 to 30 June 2021			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)
							Target	Actual	R		
TL49	KPI025	Revised Disaster Management Plan submitted to the Municipal Manager	Number of Revised Disaster Management Plans submitted to the Municipal Manager by 31 March	1	1	1	1	1	G		
TL50	KPI026	Revised Safety and Security Strategy submitted to the Municipal Manager	Number of Revised Safety and Security Strategies submitted to the Municipal Manager by 31 March	1	1	1	1	1	G		
TL51	KPI027	Revised Traffic Management Plan submitted to the Municipal Manager	Number of Revised Traffic Management Plans submitted to the Municipal Manager by 28 February	1	1	1	1	1	G		

Summary of Results: SFA 3 - Safe Valley

N/A	KPIs with no targets or actuals in the selected period	0
R	KPI Not Met	0
O	KPI Almost Met	0
G	KPI Met	3
G2	KPI Well Met	0
B	KPI Extremely Well Met	0
Total KPIs		3

5.5 SFA 4 - Dignified Living

SFA 4 - DIGNIFIED LIVING											
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2020 to 30 June 2021			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)
							Target	Actual	R		
TL69	KPI037	Provision of waterborne toilet facilities in informal settlements as identified by the Department: Integrated Human Settlements	Number of waterborne toilet facilities provided in informal settlements as identified by the Department: Integrated Human Settlements by 30 June	51	50	50	50	0	R	Waterborne toilets are provided and installed as and when required by the municipality. The municipality awaited funding approval from the Provincial Department of Human Settlements during the 2020/21 financial year to construct the required waterborne toilet facilities.	The required funding from the Provincial Department of Human Settlements was allocated for the 2021/22 financial year. The municipality is in the process of constructing 100 toilets in the Watergang Informal Settlement area. The project will be completed by 30 June 2022.
TL70	KPI040	Limit unaccounted electricity to less than 9% annually {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold (incl. Free basic electricity)) / Number of Electricity Units Purchased and/or Generated} x 100}	Percentage average electricity losses measured by 30 June	9.36%	<9%	<9%	<9%	8.86%	B	(36 566 271.67kWh – 333 260 466.63kWh) / 36 566 271.67kWh = 8.86%	
TL71	KPI041	Water quality managed and measured quarterly into the SANS 241 physical and micro parameters	Percentage water quality level as per analysis certificate measured quarterly	90.96%	90%	90%	90%	94.60%	G2		
TL72	KPI042	Limit unaccounted water to less than 25%	Average percentage water losses measured quarterly	20.50%	<25%	<25%	<25%	14.90%	B	1 495 190kl / 10 003 874kl x 100 = 14.90%	
TL74	KPI039	Registered indigent formal households with access to free basic water (NKPI Proxy - MSA, Reg. S10(a), (b))	Percentage of registered indigent formal households with access to free basic water, measured quarterly	100%	100%	100%	100%	100%	G	7 283 / 7 283 x 100 = 100%	

SFA 4 - DIGNIFIED LIVING											
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2020 to 30 June 2021			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)
							Target	Actual	R		
TL75	KPI043	Registered indigent formal households with access to free basic electricity provided by the Municipality (NKPI Proxy - MSA, Reg. S10(a), (b))	Percentage of registered indigent formal households with access to free basic electricity provided by the Municipality, measured quarterly	73.99%	65%	65%	65%	71%	G2	5 189 / 7 283 x 100 = 71%	
TL76	KPI044	Registered indigent formal households with access to free basic refuse removal (NKPI Proxy - MSA, Reg. S10(a), (b))	Percentage of registered indigent formal households with access to free basic refuse removal, measured quarterly	100%	100%	100%	100%	100%	G	7 283 / 7 283 x 100 = 100%	
TL77	KPI045	Registered indigent formal households with access to free basic sanitation (NKPI Proxy - MSA, Reg. S10(a), (b))	Percentage of registered indigent formal households with access to free basic sanitation, measured quarterly	100%	100%	100%	100%	100%	G	7 283 / 7 283 x 100 = 100%	
TL78	KPI074	Formal households with access to water (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to water, measured quarterly	26 397	26 500	25 500	25 500	26 588	G2		
TL79	KPI075	Formal households with access to electricity (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to electricity, measured quarterly	26 397	24 000	24 000	24 000	26 588	G2		
TL80	KPI076	Formal households with access to refuse removal (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to refuse removal, measured quarterly	26 397	26 500	25 500	25 500	26 588	G2		
TL81	KPI077	Formal households with access to sanitation (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to sanitation, measured quarterly	26 397	26 500	25 500	25 500	26 588	G2		

Summary of Results: SFA 4 - Dignified Living

N/A	KPIs with no targets or actuals in the selected period	0
R	KPI Not Met	1
O	KPI Almost Met	0
G	KPI Met	3
G2	KPI Well Met	6
B	KPI Extremely Well Met	2
Total KPIs		12

5.6 SFA 5 - Good Governance and Compliance

SFA 5 - GOOD GOVERNANCE AND COMPLIANCE											
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2020 to 30 June 2021			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)
							Target	Actual	R		
TL43	KPI058	Employment equity appointments made within the financial year in the three highest levels of management	Percentage of employment equity appointments made within the financial year in the three highest levels of management, measured by 30 June	66.67%	75%	75%	75%	50%	R	5 / 10 x 100 = 50% Employment Equity targets are considered in every appointment in the municipality. Where candidates from target groups did not apply or did not pass the assessment test they could not be appointed.	The municipality is in the process to review the Recruitment and Selection Policy. The reviewed policy will be submitted to the Municipal Manager by 30 June 2022.
TL44	KPI062	Revised Risk-Based Audit Plan (RBAP) submitted to the Audit Committee	Number of Revised RBAPs submitted to the Audit Committee by 30 June	1	1	1	1	1	G		
TL45	KPI063	AGSA Audit Action Plan (AAP) submitted to the Audit Committee	Number of AGSA Audit Action Plans submitted to the Audit Committee by 28 February	1	1	1	1	0	R	The AGSA Audit Action Plan is developed from the Management Report issued by AGSA. However, the AGSA processes were delayed with the Final Management Report only signed off in July 2021.	The AGSA Audit Action Plan has been drafted and submitted to the Directorate: Financial Services for comment. This will be submitted to the APAC at the next scheduled APAC meeting on 27 August 2021 and followed up until December 2021.
TL46	KPI064	Revised Strategic Risk Register (SRR) submitted to the Risk Management Committee	Number of Revised Strategic Risk Registers submitted to the Risk Management Committee by 30 June	1	1	1	1	1	G		
TL47	KPI067	Draft Integrated Development Plan (IDP) submitted to Council	Number of Draft IDPs submitted to Council by 31 March	1	1	1	1	1	G		

SFA 5 - GOOD GOVERNANCE AND COMPLIANCE											
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2020 to 30 June 2021			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)
							Target	Actual	R		
TL48	KPI070	IDP / Budget / SDF time schedule (process plan) submitted to Council	Number of IDP / Budget / SDF time schedules (process plan) submitted to Council by 31 August	1	1	1	1	1	G		
TL53	KPI059	The percentage of actual payroll budget spent on implementing the Municipal Workplace Skills Plan (NKPI Proxy- MSA, Reg. S10(f))	Percentage of the municipality's payroll budget actually spent on implementing its Workplace Skills Plan ((Total Actual Training Expenditure/ Total Annual payroll Budget) x100), measured by 30 June	0.13%	0.58%	0.58%	0.58%	0.62%	G2	R3 300 217 / R532 497 021 x 100 = 0.62%	
TL54	KPI065	Revised Information and Communication Technology (ICT) Backup Disaster Recovery Plan submitted to the ICT Steering Committee	Number of Revised ICT Backup Disaster Recovery Plans submitted to the ICT Steering Committee by 31 March	1	1	1	1	1	G		
TL55	KPI066	Revised Strategic ICT Plan submitted to the ICT Steering Committee	Number of Revised Strategic ICT Plans submitted to the ICT Steering Committee by 31 March	1	1	1	1	1	G		
TL56	KPI072	Submission of a Draft Smart City Framework to the MayCo	Number of Draft Smart City Frameworks submitted to the MayCo by 31 May	0	1	1	1	1	G		
TL57	KPI083	Submission of a Cyber-attack Mitigation and Resilience Strategy to the Municipal Manager	Number of a Cyber-attack Mitigation and Resilience Strategies submitted to the Municipal Manager by 31 March	New KPI	1	1	1	1	G		
TL73	KPI071	Revised Electrical Master Plan submitted to Council	Number of Revised Electrical Master Plans submitted to Council by 30 June	1	1	1	1	0	R	The Electrical Master Plan specifications have been signed off by Department heads and is being submitted to SCM for processing.	The Revised Electrical Master Plan will be submitted to Council by 30 November 2021.
TL82	KPI055	Financial viability measured in terms of the available cash to cover fixed operating	Cost coverage as at 30 June annually [(Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term	2.41	4	4	4	2.08	R	((R118 870 586 + R222 186 762 – R91 811 461)) / R120 020 625.83)	For the 2021/22 financial year the municipality implemented

SFA 5 - GOOD GOVERNANCE AND COMPLIANCE

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2020 to 30 June 2021			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)
							Target	Actual	R		
		expenditure (NKPI Proxy - MSA, Reg. S10(g)(iii))	Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation)							The actual result of 2.08 for the 2020/21 financial year is within the National Treasury norm.	additional cost containment measures as well as operational efficiencies to limit the increase in operational expenditure. These measures will be continued to be implemented for the 2021/22 financial year.
TL83	KPI056	Achieve an average payment percentage of 96% by 30 June (Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100	(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100	89.17%	96%	96%	96%	96%	G	(R309 044 693.38 + R1 124 527 134.65 – R322 114 237.87 – R30 830 836.19) / R1 124 527 134.65 x 100=96%	
TL84	KPI057	Actual expenditure on the approved Capital Budget for the Municipality by 30 June (NKPI - MSA, Reg. S10(c))	Percentage of the approved Capital Budget for the Municipality actually spent by 30 June	70.24%	90%	90%	90%	86.54%	O	R392 791 313 / R453 880 008 x 100 = 86.54%	Supply chain management indicators were developed and allocated to each Snr Manger in the Departmental SDBIP 2021/22. These indicators are also aligned to the Demand Management Plan.
TL85	KPI060	Financial viability measured in terms of the Municipality's ability to meet its service debt obligations (NKPI Proxy - MSA, Reg. S10(g)(i))	Debt coverage ratio ((Total operating revenue - operating grants received) / (Debt service payments due within the year)) measured by 30 June	27.79%	15%	15%	15%	29.06%	B	(R1 792 554 026 – R194 789 868) / R54 986 365.33)	

SFA 5 - GOOD GOVERNANCE AND COMPLIANCE

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2020 to 30 June 2021			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)
							Target	Actual	R		
TL86	KPI061	Financial viability measured in terms of the outstanding service debtors (NKPI Proxy - MSA, Reg. S10(g)(ii))	Service debtors to revenue ratio - (Total outstanding service debtors / revenue received for services) measured by 30 June	6.71%	27%	27%	27%	8.86%	R	(R39 199 338 + R17 930 128 + R7 998 075 + R6 065 834 + R58 114 283 + R17 087 753) / R1 652 018 176 x 100 = 8.86%	A Revenue Enhancement Strategy was developed as well as a Debt Review Committee was established to monitor the progress on outstanding debt and deliberating on acceptable and reasonable arrangements for the settlements of arrear debts by all affected municipal debtors. These initiatives will continue to be implemented during the 2021/22 financial year.
TL87	KPI084	Submission of the Revised Comprehensive Integrated Transport Plan (CTIP) to the MayCo	Number of Revised Comprehensive Integrated Transport Plans (CTIPs) submitted to the MayCo by 30 June	New KPI	1	1	1	1	G		

Summary of Results: SFA 5 - Good Governance and Compliance

N/A	KPIs with no targets or actuals in the selected period	0
R	KPI Not Met	5
O	KPI Almost Met	1
G	KPI Met	10
G2	KPI Well Met	1
B	KPI Extremely Well Met	1
Total KPIs		18

GERALDINE METTLER
MUNICIPAL MANAGER

DATE:

**ANNEXURE C: AUDIT AND PERFORMANCE AUDIT COMMITTEE
ANNUAL REPORT 2020/21**

**ANNEXURE D: REPORT OF THE AUDIT GENERAL OF SOUTH AFRICA
2020/21**

6.2	MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT FOR 2020/2021
------------	---

Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance and Compliance

21 January 2022

1. SUBJECT: MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT FOR 2020/2021

2. PURPOSE

To submit the Section 72 report (Mid-year Budget and Performance Assessment Report) to Council.

3. DELEGATED AUTHORITY

FOR NOTICE BY MUNICIPAL COUNCIL

In terms of Section 54 of the Municipal Finance Management Act (MFMA), 56 of 2003.

4. EXECUTIVE SUMMARY

This report provides the progress made by the Municipality in terms of the Service Delivery Budget and Implementation Plan (SDBIP) for the period 1 July 2021 to 31 December 2021.

5. RECOMMENDATIONS

- (a) that Council take note of the report and more specifically the assessment and forecasts contained in the report,
- (b) that Council take note that an Adjustments Budget will be tabled to Council as a result of the following:
 - the appropriation of additional allocations received and increased realistically anticipated revenue during the financial year;
 - the reprioritization of projects in line with being completed by the communicated cut-off dates to facilitate year- end preparation;
- (c) that Council note the performance of the Municipality against the set objectives contained in Section 2; and
- (d) that the Accounting Officer attend to ensuring that Directors put the necessary corrective measures in place to ensure that projects are managed proactively in a bid to ensure that Council meet its strategic objectives contained in the Service Delivery and Budget Implementation Plan and to report on same at the end of quarter

6. DISCUSSION / CONTENTS

6.1. Background

In terms of the Municipal Finance Management Act (MFMA) Section 72(1) the Accounting Officer of the municipality must by 25 January each year assess:

- (a) the performance of the municipality during the first half of the financial year; taking into account the following:
 - (i) the monthly statements referred to in Section 71 for the first half of the financial year;
 - (ii) the municipality's 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;
 - (iii) the past year's annual report, and progress on resolving problems identified in the annual report; and
- (b) submit a report on such assessment to-
 - (i) the mayor of the municipality;
 - (ii) the National Treasury; and
 - (iii) the relevant Provincial Treasury

Once the Mayor has considered the section 72 report, it must be submitted to Council by the 31st of January of each year in terms of section 54 (1) (f) of the MFMA.

The statements as referred to in section 71 (1) of the MFMA for the first half of the financial year, specifically the sixth month, is incorporated into the mid-year budget and performance assessment in accordance with section 72 (2) of the MFMA.

As part of the review in terms of Section 72 (3) the Accounting Officer must:

- (a) make recommendations on whether an adjustments budget is necessary; and
- (b) recommend revised projections for revenue and expenditure to the extent that this may be necessary.

6.2 Discussion

The Financial Mid-year Performance is reported on in **APPENDIX 1** (Section 1). This report encapsulates the performance of the first six months of the financial year and places emphasis on the positive as well as the areas of concern.

The condensed comparative statement report for operating revenue and operating expenditure for the period ending 31 December 2021 can be found in the budget performance analysis of the attached report. It should however be noted that the following services included in the Operating Revenue relate to actual levied amounts against consumer accounts and not actual cash received:

- Property Rates
- Property Rates-Penalties imposed and collection charges
- Service Charges

- Electricity
- Refuse Removal
- Sewerage
- Water
- Interest earned-Outstanding Debtors

It is important to note that in the past the following services were levied for the full year and minimal movement were seen for the rest of the financial year:

- Property Rates
- Refuse Removal
- Sewerage

Due to the implementation of mSCOA all services are levied on a monthly basis and consumers must apply if they want annual levies for above services.

An under performance is noted for electricity revenue due to the noticeable decline in consumption. The service charge has been adversely affected by the COVID-19 lockdown regulations and its concomitant impact on the economy. The budget will be reduced during the Mid-year adjustment budget process.

An under performance is noted for sanitation revenue due to the noticeable decline in billed revenue. The municipality has re-assessed the sanitation revenue budget as the decline in the industrial waste water charges has negatively affected the revenue stream. The budget will be reduced with R21 528 774 during the Mid-year adjustment budget process.

An underperformance is noted for fines, penalties and forfeits. The budget will be reduced with R27 260 178 during the Mid-year Adjustment budget process.

The transfers and subsidies will be increased by R24 198 483 during the Mid-year Adjustment budget process due to the following;

- An increase in the budget due to the unspent grant balances as at 30 June 2021 in respect of the following;
 - Development Bank of South Africa Grant : R18 472
 - Cape Winelands Disaster Grant : R146 959
 - Community Library Services Grant : R2 302 051
 - Title Deeds Restoration Grant : R1 371 711
 - Municipal Accreditation and Capacity Building Grant : R238 000
 - Financial Management Capacity Building Grant : R164 751
 - Khaya Lam Free Market Foundation : R102 000
 - Integrated Transport Planning Grant : R600 000
 - National Lottery : R307 361
- An increase in the budget due to additional as well as new grant allocations in respect of the following;
 - LGSETA Funding : R237 440
 - Municipal Library Support Grant : R3 252 000
 - Municipal Accreditation and Capacity Building Grant : R200 000
 - Western Cape Financial Management Support Grant : R550 000
 - Western Cape Municipal Energy Resilience Grant (WC MER Grant) : R710 000

- Local Government Public Employment Support Grant : R1 800 000
- Informal Settlements Upgrading Partnership Grant: Provinces (Beneficiaries) : R18 350 000
- Households - Cash - Other (National Housing Programme) : R4 929 738
- A decrease in the grant funding in respect of the following;
 - Human Settlements Development Grant to the amount of R11 059 000 due to the funding being gazetted under a new grant (Informal Settlements Upgrading Partnership Grant: Provinces (Beneficiaries)) and a R23 000 reduction in the roll over approval granted during August 2021 as a result of a debtor which had been cleared subsequent to the application.
- A revised funding allocation letter has been approved by the transferring department indicating that an amount of R708 230 will be moved from operating to capital in order to expedite the spending of the Urban Infrastructure Development grant.

An underperformance is noted for other revenue. . The budget will however be increased with approximately R8 558 696 during the Mid-year adjustment budget process. The adjustment has been necessitated due to the following;

- Sales of goods and rendering of services: Parking fees.
An underperformance of R3 788 134 has been noted. Cognisance is taken of the new parking model as well as the deployment of new parking marshals which will improve the parking revenue performance. However, the past three (3) financial years yielded an average income of R7 755 446 per year. This renders the adjustment budget of R13 060 177 as unattainable, and it is recommended that the budget be reduced during the Mid-year adjustment process.
- Sales of Goods and Rendering of Services: Cemetery and Burial.
An underperformance of R933 062 has been noted. The past three financial years yielded an average income of R940 817 per year. Considering the average increase of 9% per year based on actual collections it is probable that R1 118 089 will be collected during the 2021/22 financial year. This renders the adjustment budget of R3 302 015 as unattainable, and it is recommended that the budget be reduced during the Mid-year adjustment process.
- The sales of goods and rendering of services: Development Charges
The municipality has generated an average of R12 324 314 over the past 4 financial years and has generated R12 360 208 to date. The revenue budget will be increased to R16 047 353 in order to include a budget for the development charges levied by the municipality.
- Employee costs: An under performance of R12 496 679 is noted against the year to date budget projections. The underspending is due to vacancies which have not yet been filled. Various advertisements for vacancies have been issued during the last quarter. The expenditure budget for this line item will be assessed during the Mid-year adjustment budget process.
- Materials and Bulk purchases: An over performance of R14 653 618 is noted for materials and bulk purchases. An increase will be implemented during the Mid-year adjustment budget process for materials and supplies. The increase is necessitated to make provision for adequate funding needed for fleet management.

- Contracted Services: An under performance of R12 328 967 is noted against the year to date budget projections. The underperformance is due to the following;
 - Contracted Services: Consultants and Professional Services: Business and Advisory: Project Management (Project Management Unit): The municipality planned to spend R5 123 668 of the adjusted budget. No spending has been incurred to date. A revised funding allocation letter has been received during December 2021 and the budget will be reduced by R13 286 000 during the Mid-year adjustment budget process.
 - Contracted Services: Expenditure: Contracted Services: Outsourced Services: Security Services: The municipality planned to spend R14 262 562 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R10 043 684. Additional funding was requested to fund the costs relating to land invasions, private security, and armed security to secure municipal buildings from November 2021 until end of June 2022.
- Other expenditure: An under performance of R57 619 999 against a year to date budget of R131 811 182 has been noted. The underspending is largely due to the following;
 - Expenditure: Operational Cost: External Computer Service: Software Licences: The municipality planned to spend R13 729 483 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R12 516 494. Additional funding of R2 300 000 was requested to fund the year two (2) Annual License Renewal as well as for BSM 07/21 R 1 208 295 and the ICT Helpdesk Solution.
 - Debt impairment: The planned cash flows for the year to date budget was R45 165 000 of the adjusted budget. The year to date actual expenditure incurred amount to R193 069. The monthly budget projections will be re-assessed during the Mid-year adjustment budget process.

Various other line items were also identified where additional funds are requested due to operational requirements. This will be addressed in the Mid-Year Adjustments Budget.

Mid-year Non-Financial Performance Assessment

Non-Financial Mid-year Performance is reported on in **APPENDIX 2** Section 2). It covers the overall performance of the Municipality on the Key Performance Indicators (KPI's) that are assessed in the period from 1 July 2021 to December 2021. The performance of the first six 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.

6.3. Financial Implications

The financial implications of this report will be dealt with in the adjustments budget.

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:

The previous resolution relevant to this item was made on:

- 34th Council meeting, 29th January 2020, item 8.2.1.

6.7 Risk Implications

none

ANNEXURES**Appendix 1: Financial Mid-year Performance****FOR FURTHER DETAILS CONTACT:**

<i>NAME</i>	Kevin Carolus
<i>POSITION</i>	<i>Chief Financial Officer</i>
<i>DIRECTORATE</i>	<i>Financial Services</i>
<i>CONTACT NUMBERS</i>	<i>021 – 808 8528</i>
<i>E-MAIL ADDRESS</i>	<i>Kevin.Carolus@stellenbosch.gov.za</i>
<i>REPORT DATE</i>	<i>20 January 2020</i>

APPENDIX 1



STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

MID YEAR BUDGET AND PERFORMANCE ASSESSMENT

DECEMBER 2021



INDEX	PAGE
Purpose	3
Legislative Background	3
Budget Performance Analysis	3 - 19
Progress made on resolving problems identified in the annual Report	20
Recommendations	20
Quality certificate	21
PART A	
Operational Revenue	
Operational Expenditure	
Capital Expenditure	
Employee Related Costs	
Grant allocations: Received	
Grant allocations: Expenditure	
Investments and borrowings	

BUDGET & FINANCIAL PERFORMANCE OF STELLENBOSCH MUNICIPALITY AS AT 31 DECEMBER 2020

1. PURPOSE

The mid-year report is used as a management tool to assess the Municipality's performance and financial position against the approved budget by analyzing trends and patterns for the first six months of the 2021/2022 financial year, with a view of giving effect to the Mayor and Council's oversight role and to recommend the need for an adjustment budget as envisaged by the Municipal Finance Management Act.

2. LEGISLATIVE BACKGROUND

In terms of Section 72 (1) (a) of the Local Government Municipal Finance Management Act No. 56 of 2003 (MFMA) the Accounting Officer must by the 25th of January of each year assess the performance of the Municipality during the first half of the financial year. A report on such assessment must then be submitted to the Mayor, Provincial Treasury and National Treasury in terms of Section 72 (1) (b) of the Act. Once the Mayor has considered the report in terms of Section 54 (1) (f) of the MFMA, she must table the report with recommendations to Council by 31 January of each year.

3. BUDGET PERFORMANCE ANALYSIS

3.1 Overview of Operating Revenue and Expenditure performance for the period July to December 2021.

Description	Adjusted Budget	Year-to-date Budget	Year-to-date Actual	Year-to-date Variance
Revenue By Source				
Property rates	423 632 548	210 766 411	246 722 476	17.06%
Service charges - electricity revenue	787 275 170	356 020 139	377 306 029	5.98%
Service charges - water revenue	166 399 723	60 186 508	58 850 708	-2.22%
Service charges - sanitation revenue	114 485 332	39 521 945	53 690 433	35.85%
Service charges - refuse revenue	87 936 447	31 983 069	46 859 400	46.51%
Rental of facilities and equipment	11 174 739	4 890 987	4 942 725	1.06%
Interest earned - external investments	13 200 000	10 844 115	8 238 775	-24.03%
Interest earned - outstanding debtors	14 034 400	5 665 832	5 910 114	4.31%
Fines, penalties and forfeits	147 425 010	73 722 194	49 850 933	-32.38%
Licences and permits	5 778 049	2 857 422	3 556 777	24.48%
Agency services	3 077 493	1 521 554	1 381 818	-9.18%
Transfers and subsidies	204 313 279	139 006 608	127 084 680	-8.58%
Other revenue	41 318 678	16 099 094	12 330 222	-23.41%
Gains on disposal of PPE	-	-	43 400	
Total Revenue (excluding capital transfers and contributions)	2 020 050 868	953 085 878	996 768 489	4.58%

<u>Expenditure</u>	Adjusted Budget	Year-to-date Budget	Year-to-date Actual	Year-to-date Variance
Employee costs	607 458 297	268 823 406	281 320 085	4.65%
Remuneration of Councillors	21 977 888	11 051 942	8 776 037	-20.59%
Depreciation & asset impairment	211 541 195	70 513 714	-	-100.00%
Finance charges	43 842 076	21 921 039	17 801 022	-18.79%
Materials and bulk purchases	577 331 912	253 277 101	267 930 719	5.79%
Transfers and subsidies	13 600 456	6 885 375	11 238 732	63.23%
Other expenditure	541 738 600	189 431 181	131 811 182	-30.42%
Total Expenditure	2 017 490 424	821 903 758	718 877 777	-12.54%

Below follows a synopsis of significant revenue and expenditure variances:

Property Rates and Service Charges

Property rates and service charges refuse are billed monthly. However, some consumers applied to have their property rates and service charges billed annually.

Property Rates

The municipality has billed R35 956 065 more property rates than initially anticipated. The over performance is due to the annual applications which did not form part of the monthly budgeted revenue projections.

Service charges - electricity revenue

The municipality has billed R21 285 890 more electricity charges than initially anticipated. The largest over performance relates to the high usage during peak times reflected for the time of use tariffs (R20 857 446). The over performance is due to the linear budget projections used for this tariff category. Considering the consumption over the past 6 months of the current financial year, the average consumption over the last 6 months of the past 4 financial years (R 55 681 689) as well as the tariff increase of 14.59%, the current budget of R787 275 170 is deemed unattainable. It is recommended that the budget be reduced during the Mid-year adjustment budget process.

Service charges - water revenue

The municipality has billed R1 335 800 less water charges than initially anticipated. This decline in billings is a result of the decrease in consumption. Considering the consumption over the past 6 months of the current financial year, the average consumption over the last 6 months of the past 4 financial years (R15 673 022) as well as the tariff increase of 6%, the current budget of R166 399 723 is deemed sufficient due to the seasonal trends that will increase consumption.

Service charges - sanitation revenue

The municipality has billed R14 168 488 more sanitation charges than initially anticipated. The largest over performances were noted for general sanitation charges (R7 156 695) and industrial effluent charges (R4 401 008). The municipality have billed R6 876 295 more general sanitation charges than for the same period of the prior financial year, however, the low consumption noted at 31 December 2020 was due to the impact of the covid pandemic and the economic recovery has been incorporated in the current budget amount. The over performance relating to industrial effluent charges is due to no budget being allocated to this category of usage on the financial system. On average the municipality has billed R733 501 per month. Last year's billings equated to R9 975 384 with an average billing of R1 130 562 per month during the last six (6) months of the previous financial year. Taking the above into account, it is probable that the municipality will generate approximately R11 184 382 for industrial effluent charges for the 2021/22 financial year. An amendment will be proposed during the Mid-year adjustment budget process to separately account for the budget for industrial effluent charges.

Considering the consumption over the past 6 months of the current financial year, the average consumption over the last 6 months of the past 4 financial years (R7 497 544) as well as the tariff increase of 6%, the current budget of R114 485 332 is deemed unattainable. It is recommended that the budget be reduced with R21 528 774 during the Mid-year adjustment budget process.

Service charges - Refuse revenue

The municipality has billed R14 876 331 more refuse charges than initially anticipated. Considering the billings over the past 6 months of the current financial year, the average billings over the last 6 months of the past 4 financial years (R6 883 344) as well as the tariff increase of 12%, the current budget of R87 936 447 is deemed unattainable. It is recommended that the budget be reduced with R2 287 474 during the Mid-year adjustment budget process.

Interest Earned- External Investments

An under performance was noted for interest earned – external investments to the amount of R2 605 340. The variance is mainly due to the Covid- 19 pandemic which resulted in the prime interest rate being reduced. This reduction has resulted in a significant decrease in our call accounts and primary bank account interest rates. Furthermore, we have received lower rates on offer from investing institutions than the previous financial years and a decline in the availability of capital investment further negatively impacts this line item.

Fines, penalties and forfeits

An underperformance was noted to the amount of R23 871 261. The recognition of traffic fines in terms of iGRAP 1 will be done monthly, including the journal processed on the financial system. It should be noted that no journal was processed during December 2021 and will reflect in the next reporting period. Furthermore, cognisance should be

taken of the budget projections which need to be re-assessed during the Mid-year adjustment budget process. The past three financial years yielded an average income of R100 294 857 per year which renders the adjustment budget of R147 425 010 as unattainable.

Licences and permits

An over performance is noted for licences and permits to the amount of R699 355. The over performance is due to more licences and permit renewals as well as accompanying applications being received than initially anticipated. Considering the actuals generated over the past 4 financial years (average: R5 357 652) no adjustment to the budget is recommended during the Mid-year adjustment budget process.

Transfers and subsidies

The transfers and subsidies will be increased with R24 198 483 during the Mid-year Adjustment budget process. A decrease of R983 159 relates to operating grants and an increase of R25 181 642 relates to capital grants. The adjustment to revenue is due to roll over grant approvals and unspent grant balances as at 30 June 2021 of R5 251 305 and additional grant allocations to the amount of R14 017 440. The following changes will be incorporated;

- An increase in the budget due to the unspent grant balances as at 30 June 2021 in respect of the following;
 - Development Bank of South Africa Grant : R18 472
 - Cape Winelands Disaster Grant : R146 959
 - Community Library Services Grant : R2 302 051
 - Title Deeds Restoration Grant : R1 371 711
 - Municipal Accreditation and Capacity Building Grant : R238 000
 - Financial Management Capacity Building Grant : R164 751
 - Khaya Lam Free Market Foundation : R102 000
 - Integrated Transport Planning Grant : R600 000
 - National Lottery : R307 361
- An increase in the budget due to additional as well as new grant allocations in respect of the following;
 - LGSETA Funding : R237 440
 - Municipal Library Support Grant : R3 252 000
 - Municipal Accreditation and Capacity Building Grant : R200 000
 - Western Cape Financial Management Support Grant : R550 000
 - Western Cape Municipal Energy Resilience Grant (WC MER Grant) : R710 000
 - Local Government Public Employment Support Grant : R1 800 000

- Informal Settlements Upgrading Partnership Grant: Provinces (Beneficiaries) : R18 350 000
- Households - Cash - Other (National Housing Programme) : R4 929 738
- A decrease in the grant funding in respect of the following;
 - Human Settlements Development Grant to the amount of R11 059 000 due to the funding being gazetted under a new grant (Informal Settlements Upgrading Partnership Grant: Provinces (Beneficiaries)) and a R23 000 reduction in the roll over approval granted during August 2021 as a result of a debtor which had been cleared subsequent to the application.
- A revised funding allocation letter has been approved by the transferring department indicating that an amount of R708 230 will be moved from operating to capital in order to expedite the spending of the Urban Infrastructure Development grant.
- It should be noted that the user department responsible for the Maintenance and Construction of Transport Infrastructure grant is deliberating on changing the grant from operating to capital. The latter will be concluded before the Mid-year adjustment budget process.

Other revenue

An under performance is noted for other revenue to the amount of R3 768 872. The budget will however be increased with approximately R8 558 696 during the Mid-year adjustment budget process. The adjustment has been necessitated due to the following;

- Sales of goods and rendering of services: Parking fees.
An underperformance of R3 788 134 has been noted. Cognisance is taken of the new parking model as well as the deployment of new parking marshals which will improve the parking revenue performance. However, the past three (3) financial years yielded an average income of R7 755 446 per year. This renders the adjustment budget of R13 060 177 as unattainable, and it is recommended that the budget be reduced during the Mid-year adjustment process.
- Sales of Goods and Rendering of Services: Cemetery and Burial.
An underperformance of R933 062 has been noted. The past three financial years yielded an average income of R940 817 per year. Considering the average increase of 9% per year based on actual collections it is probable that R1 118 089 will be collected during the 2021/22 financial year. This renders the adjustment budget of R3 302 015 as unattainable, and it is recommended that the budget be reduced during the Mid-year adjustment process.
- The sales of goods and rendering of services: Development Charges

The municipality has generated an average of R12 324 314 over the past 4 financial years and has generated R12 360 208 to date. The revenue budget will be increased to R16 047 353 in order to include a budget for the development charges levied by the municipality.

Operating Expenditure

The expenditure to date reflects an under spending of R103 025 981 when comparing the financial performance of the first six months to the pro-rata budget.

It should be noted that three budget items reflected an under spending when compared to the year-to-date budget and is as follows:

- Employee costs: An under performance of R12 496 679 is noted against the year to date budget projections. The underspending is due to vacancies which have not yet been filled. Various advertisements for vacancies have been issued during the last quarter. The expenditure budget for this line item will be assessed during the Mid-year adjustment budget process.
- Remuneration of Councillors: An underperformance of R2 275 905 is noted against the year to date budget projections. The cost is expected to be increased due to two additional councillors elected.
- Depreciation and asset impairment: An underperformance of R70 513 714 is noted against the year to date budget projections. The underperformance is skewed as a result of the monthly projections which will be adjusted during the Mid-year adjustment budget process.
- Finance charges: An underperformance of R4 120 017 is noted against the year to date budget projections. This is largely due to the allocation of a monthly budget to the amount of R5 708 003 in respect of non-cash provisions which will only be processed during the year end procedures. The monthly projections will be adjusted during the Mid-year adjustment budget process.
- Materials and Bulk purchases: An over performance of R14 653 618 is noted for materials and bulk purchases. An increase will be implemented during the Mid-year adjustment budget process for materials and supplies. The increase is necessitated to make provision for adequate funding needed for fleet management.
- Contracted Services: An under performance of R12 328 967 is noted against the year to date budget projections. The underperformance is due to the following;
 - Contracted Services: Consultants and Professional Services: Business and Advisory: Project Management (Project Management Unit): The municipality planned to spend R5 123 668 of the adjusted budget. No spending has been incurred to date. A revised funding allocation letter has been received during December 2021 and the budget will be reduced by R13 286 000 during the Mid-year adjustment budget process.

- Contracted Services: Contractors: Maintenance of Unspecified assets (Roads): The municipality planned to spend R4 866 961 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R628 934. Orders to the amount of R873 803 have been loaded on the financial system. An improvement will be noted in the next reporting period.
- Contractors: Maintenance of Unspecified Assets (Sewerage Purification Stellenbosch): The municipality planned to spend R4 167 228 of the adjusted budget. The year to date actual expenditure incurred amounted to R41 073. Orders to the amount of R8 080 184 have been loaded on the financial system.
- Contracted Services: Contractors: Maintenance of Unspecified assets (Engineering Services): The municipality planned to spend R1 921 654 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R483 606. Orders to the amount of R2 704 875 have been loaded on the financial system. An improvement will be noted in the next reporting period.
- Contracted Services: Expenditure: Contracted Services: Outsourced Services: Security Services: The municipality planned to spend R14 262 562 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R10 043 684. Invoices are paid a month in arrears and a delay in the submission of invoices have been experienced. Orders to the amount of R6 016 660 have been loaded on the financial system. Additional funding was requested to fund the costs relating to land invasions, private security, and armed security to secure municipal buildings from November 2021 until end of June 2021.
- Transfers and subsidies: An over performance of R4 353 357 is noted against the year to date budget projections. The over performance is skewed as a result of the monthly projections which will be adjusted during the Mid-year adjustment budget process. The major contributor to the over performance are as follows;
 - Transfers and Subsidies: Operational: Monetary Allocations: Non-profit institutions: Tourism: The municipality planned to spend R1 465 347 of the adjusted budget. The year- to- date actual expenditure incurred amounted to R5 861 393. All the payments in respect of the adjustment budget of R5 861 393 have been concluded. The budget projections will be amended during the Mid-year adjustment budget process.
 - Transfers and Subsidies: Operational: Monetary Allocations: Non-profit institutions: Sport Councils: The municipality planned to spend R249 996 of the adjusted budget. No spending has been incurred to date. The budget of R500 000 will be removed during the Mid-year adjustment budget process.

- Other expenditure: An under performance of R57 619 999 against a year to date budget of R131 811 182 has been noted. The underspending is largely due to the following;
 - Expenditure: Operational Cost: External Computer Service: Software Licences: The municipality planned to spend R13 729 483 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R12 516 494. Orders to the amount of R4 435 943 for the approved software license contracts have been loaded on the financial system. Invoices to the amount of R19 332 have been received and will be submitted for payment. Additional funding of R2 300 000 is needed to fund the year two (2) Annual License Renewal as well as for BSM 07/21 R 1 208 295 and the ICT Helpdesk Solution.
 - Debt impairment: The municipality planned to spend R45 165 000 of the adjusted budget. The year to date actual expenditure incurred amounted to R193 069. The monthly budget projections will be re-assessed during the Mid-year adjustment budget process.

Various other line items were also identified where additional funds are requested due to operational requirements. This will be addressed in the Mid-Year Adjustments Budget.

3.2 Overview of Capital Budget performance for the period July to December 2021

	Approved Adjustment Budget	Planned	Actuals	Variance (Planned vs Actuals)	Variance (Planned vs Actuals)%
Municipal Manager	44 000	22 002	-	-22 002	-100.00%
Planning & Development Services	17 272 325	4 888 077	1 156 239	-3 731 838	-76.35%
Infrastructure Services	388 012 987	184 784 540	92 085 614	-92 698 926	-50.17%
Corporate Services	31 973 919	12 710 453	9 205 219	-3 505 234	-27.58%
Community and Protection Services	33 976 933	17 302 916	13 272 399	-4 030 517	-23.29%
Financial Services	400 000	130 000	192 187	62 187	47.84%
Grand Total	471 680 164	219 837 988	115 911 658	-103 926 330	-47.27%

Expenditure on the Capital Budget for the six months ended 31 December 2021 is R115 911 658 representing 25% capital spending performance measured against the total capital budget of R471 680 164 which is lower than the spending performance of 30% for the same period in December 2021.

Period	Dec-18	Dec-19	Dec-20	Dec-21
Total Capital Budget	587 748 280	613 274 958	483 710 958	471 680 164
Actual Spending	147 499 939	202 978 608	147 011 293	115 587 333
Spending Performance	25.10%	33.10%	30.39%	24.51%

This spending only represents actual payments, whilst orders for work still in progress amount to R146 709 882. Of concern is the fact that R208 823 105 worth of capital projects have not yet been provisionally committed. The capital budget will have to be adjusted to make the necessary amendments to various projects in order to accelerate progress on the priorities identified.

3.3 Financial performance analysis

3.3.1 Liquidity Analysis- Acid Test Ratio

The liquidity position of the municipality was 3.19:1 at 31 December 2020 and has regressed to 1.94:1 at 31 December 2021. This indicates that funding could be made available immediately to cover short-term commitments. The municipality is operating within the ambit of the norm of 2:1.

3.3.2 Financial Performance – Net Operating Surplus Margin

The municipality's net operating surplus margin has improved indicated at 25.92% at 31 December 2020 to 27.88% at 31 December 2021. The positive ratio indicates that the municipality is able to generate a surplus which will assist to contribute towards its capital funding requirements and ensure sustainable service delivery.

3.3.3 Cost Coverage Ratio

The municipality's cost coverage ratio has decreased from 6 months at 31 December 2020 to 5 months at 31 December 2021. The ratio is above the norm of 1 to 3 months. This ratio indicates the municipality's ability to meet at least its monthly fixed operating commitments from cash and short-term investment without collecting any additional revenue, during that month.

3.3.4 Debtors collection rate

The debtors collection rate has increased from 97% at 31 December 2020 to 99% at 31 December 2021. Cognisance should be taken that the percentages includes the collection of arrear debt. The municipality will continue to enforce strict credit control procedures to ensure an improvement is evident during the next 6 months of the current financial year.

3.3.5 Liability Management

3.3.5.1 Cost required to service borrowings

The municipality's cost required to service borrowings has increased marginally from 4.31% at 31 December 2020 to 4.78% at 31 December 2021. The ratio depicts the borrowing or payment obligation expressed as a percentage of total operating expenditure. The municipality is well below the norm of 6% to 8%.

3.3.5.2 Affordability of total borrowings

The municipality's affordability of borrowings has increased from 17.02% at 31 December 2020 to 20.32% year to date. The municipality is well below the norm of 45% and has the capacity to increase funding from borrowings.

3.4 Outstanding Debtors

Below is an analysis of the outstanding consumer debtors as at 31 December 2020 compared to the position as at 31 December 2019:

Debtors' Age Analysis as at 31 December 2021:

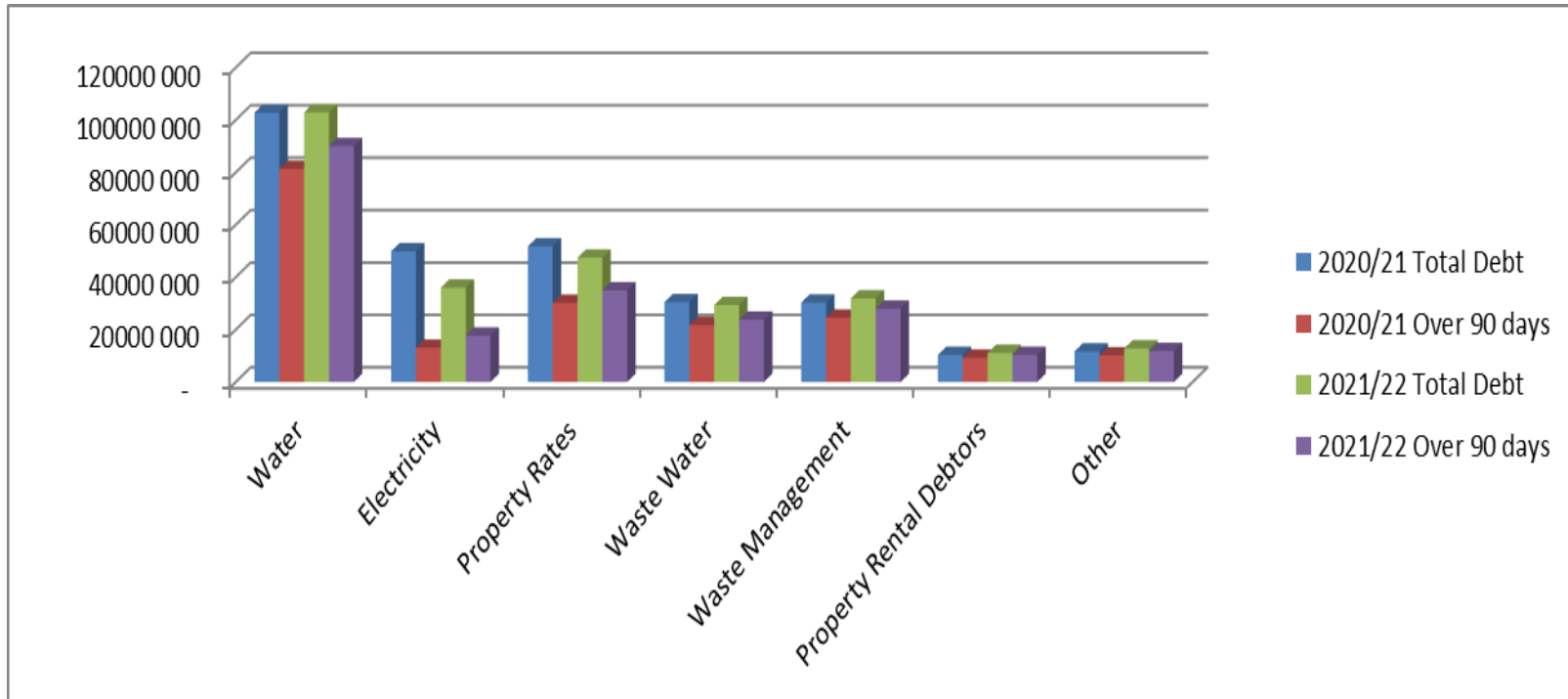
WC024 Stellenbosch - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December

Description	NT Code	Budget Year 2021/22										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	7 922	2 823	2 162	90 017	-	-	-	-	102 924	90 017	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	14 005	2 426	1 897	17 685	-	-	-	-	36 013	17 685	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	9 481	1 655	1 349	34 970	-	-	-	-	47 456	34 970	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	3 567	1 055	969	23 768	-	-	-	-	29 358	23 768	-	-
Receivables from Exchange Transactions - Waste Management	1600	2 327	815	830	27 957	-	-	-	-	31 929	27 957	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	248	253	234	10 368	-	-	-	-	11 104	10 368	-	-
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	500	264	235	11 800	-	-	-	-	12 800	11 800	-	-
Total By Income Source	2000	38 049	9 292	7 677	216 565	-	-	-	-	271 584	216 565	-	-
2020/21 - totals only													
Debtors Age Analysis By Customer Group													
Organs of State	2200	2 634	1 548	1 544	3 721	-	-	-	-	9 447	3 721	-	-
Commercial	2300	6 572	389	136	18 023	-	-	-	-	25 119	18 023	-	-
Households	2400	25 356	6 328	5 162	165 058	-	-	-	-	201 905	165 058	-	-
Other	2500	3 487	1 027	835	29 763	-	-	-	-	35 112	29 763	-	-
Total By Customer Group	2600	38 049	9 292	7 677	216 565	-	-	-	-	271 584	216 565	-	-

Debtors' Age Analysis as at 31 December 2020:

WC024 Stellenbosch - Supporting Table SC3 Monthly Budget Statement - aged debtors - Mid-Year Assessment													
Description	NT Code	Budget Year 2020/21										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	13 849	3 600	3 977	2 770	78 566	-	-	-	102 762	81 336	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	33 037	1 800	1 978	1 844	11 211	-	-	-	49 871	13 056	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	18 246	1 758	1 520	1 162	29 043	-	-	-	51 730	30 206	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	6 807	937	990	1 000	20 735	-	-	-	30 468	21 734	-	-
Receivables from Exchange Transactions - Waste Management	1600	4 375	670	707	583	23 952	-	-	-	30 287	24 535	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	729	174	177	170	9 073	-	-	-	10 323	9 242	-	-
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	742	309	409	305	9 893	-	-	-	11 659	10 198	-	-
Total By Income Source	2000	77 786	9 248	9 758	7 833	182 473	-	-	-	287 099	190 307	-	-
2019/20 - totals only													
Debtors Age Analysis By Customer Group													
Organs of State	2200	4 471	1 593	1 858	1 771	3 374	-	-	-	13 067	5 144	-	-
Commercial	2300	13 462	262	246	267	15 981	-	-	-	30 218	16 247	-	-
Households	2400	46 438	6 584	6 860	4 981	139 927	-	-	-	204 791	144 908	-	-
Other	2500	13 414	810	793	815	23 192	-	-	-	39 024	24 007	-	-
Total By Customer Group	2600	77 786	9 248	9 758	7 833	182 473	-	-	-	287 099	190 307	-	-

The abovementioned data set indicates that consumer debt decreased by R15 515 380 from December 2020 to December 2021. The decrease is mainly due to the property rates debt decrease of R13 857 918. Debtors over 90 days have however increased with R26 258 309 over same period. The largest part of the increase in overdue debt relates to property rates (R4 764 864 or 18%)



Subsidies and Rebates:

Number of registered indigent families 31 December 2020: 17 576

Formal Indigents: 7 174

Informal Indigents: 10 402

Number of registered indigent families 31 December 2021: 16 930

Formal Indigents: 6 417

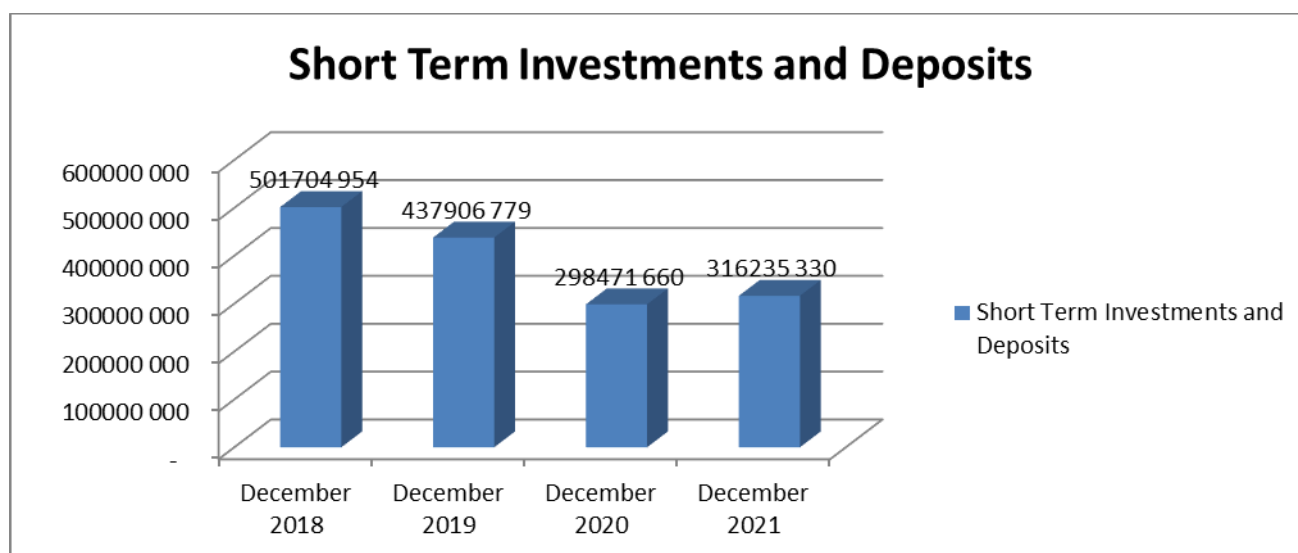
Informal Indigents: 10 513

The formal indigent households have decreased by 757 households due to a decline in applications received. The municipality continuously ensures that there is increased community awareness regarding indigent applications and rebates available. An overall decrease of 646 indigent households has been noted from December 2020 to December 2021.

3.5 Investments

The investment portfolio increased from R298 471 660 as at 31 December 2020 to R316 235 330 at 31 December 2021.

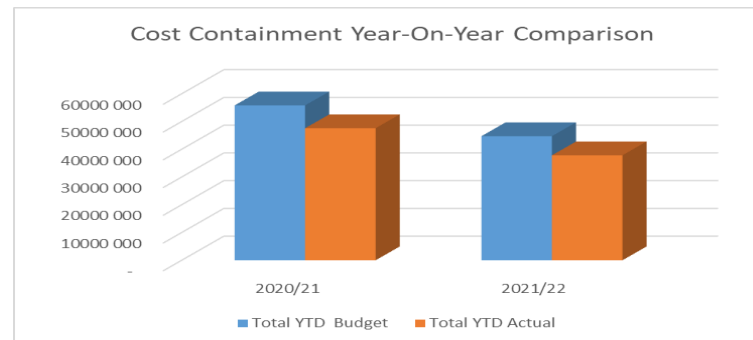
Description	Dec-18	Dec-19	Dec-20	Dec-21	%Increase
Short Term Investments and Deposits	501 704 954	437 906 779	298 471 660	316 235 330	5.95%



The increase in the investments portfolio is due to the COVID- 19 pandemic which resulted in the prime interest rate being reduced. This reduction has resulted in a significant decrease in our call accounts and primary bank account interest rates. Furthermore, we have received lower rates on offer from investing institutions than the previous financial year.

3.6 Cost Containment Reporting

Measures	COST CONTAINMENT REPORTING							
	31-Dec-21				31-Dec-20			
	Amended Budget	Total YTD Budget	Total YTD Actual	Saving/ (Over spending)	Amended Budget	Total YTD Budget	Total YTD Actual	Saving/ (Over spending)
Use of consultants	49 355 405	13 027 813	5 916 567	7 111 246	40 566 309	19 783 462	15 653 374	4 130 088
Vehicles used for political office -bearers	-	-	-	-	-	-	-	-
Accommodation, Travel and Incidental costs	18 649 493	7 749 303	6 110 225	1 639 078	20 969 322	10 484 700	6 767 268	3 717 432
Sponsorships, events and catering	1 697 972	148 303	245 049	96 746	2 683 816	1 342 908	884 960	457 948
Communication	14 639 134	5 933 902	5 402 198	531 704	7 795 749	4 216 378	3 870 436	345 942
Other related expenditure items	41 622 591	17 854 740	20 146 744	2 292 004	39 957 018	19 978 524	20 405 100	426 576
Grand Total	125 964 595	44 714 061	37 820 783	6 893 278	111 972 214	55 805 972	47 581 137	8 224 835



Description	2020/21	2021/22
Total YTD Budget	55 805 972	44 714 061
Total YTD Actual	47 581 137	37 820 783

The municipality has implemented the Cost Containment policy as from 1 October 2019. The purpose of the policy is to regulate spending and to implement cost containment measures at Stellenbosch Local Municipality. As depicted above the municipality has achieved a saving of R6 893 278 when compared to the year-to-date budget projections at the end of December 2021. The year-on-year comparison however depicts a decrease of R9 760 354 when compared to December 2020. The largest decrease can be attributed to the use of consultants (R9 736 806 or 62%).

Item for report	Description	31-Dec-21				31-Dec-20				
		Amended Budget	YTD		Saving/ (Overspending)	Amended Budget	YTD		Saving/ (Overspending)	
			Total YTD Budget	Total YTD Actual			Total YTD Budget	Total YTD Actual		
	Business and Advisory:Accounting and Auditing	-	-	-	-	47 025.00	23 514.00	-	23 514.00	
	Business and Advisory:Audit Committee	965 000.00	141 750.00	154 625.00	-	12 875.00	1 093 301.00	546 654.00	141 750.00	404 904.00
	Business and Advisory:Business and Financial Manag	7 587 705.00	2 461 283.00	1 790 305.75	-	670 977.25	7 019 739.00	3 509 874.00	2 050 471.02	1 459 402.98
	Business and Advisory:Commissions and Committees	-	-	-	-	-	-	-	-	-
	Business and Advisory:Communications	8 100.00	-	-	-	-	8 100.00	4 050.00	-	4 050.00
	Business and Advisory:Human Resources	315 462.00	39 930.00	19 800.00	-	20 130.00	306 274.00	153 138.00	39 930.30	113 207.70
	Business and Advisory:Occupational Health and Safe	-	-	-	-	-	52 470.00	26 238.00	-	26 238.00
	Business and Advisory:Organisational	200 000.00	-	-	-	-	315 468.00	157 734.00	-	157 734.00
	Business and Advisory:Project Management	24 236 163.00	5 953 143.00	2 012 591.67	-	3 940 551.33	12 830 859.00	5 630 520.00	6 183 104.38	552 584.38
	Business and Advisory:Research and Advisory	3 536 506.00	-	241 304.35	-	241 304.35	1 290 381.00	645 192.00	33 187.65	612 004.35
	Business and Advisory:Qualification Verification	-	-	-	-	-	-	-	-	-
	Business and Advisory:Quality Control	-	-	-	-	-	-	-	-	-
	Business and Advisory:Valuer and Assessors	2 604 045.00	1 185 359.00	1 030 569.75	-	154 789.25	2 331 000.00	1 165 500.00	1 185 359.33	19 859.33
	Business and Advisory:Forensic Investigators	100 000.00	-	-	-	-	725 902.00	362 946.00	-	362 946.00
	Infrastructure and Planning:Architectural	50 000.00	5 674.00	-	-	5 674.00	16 067.00	8 034.00	5 673.56	2 360.44
	Engineering:Civil	-	-	-	-	-	-	-	-	-
	Engineering:Structural	210 950.00	-	-	-	-	4 500 000.00	2 649 996.00	2 761 588.08	111 592.08
	Infrastructure and Planning:Land and Quantity Surv	-	-	-	-	-	-	-	-	-
	Laboratory Services:Water	1 974 474.00	205 365.00	-	-	205 365.00	1 539 495.00	669 966.00	205 365.77	464 600.23
	Legal Cost:Legal Advice and Litigation	7 100 000.00	3 033 647.00	663 332.64	-	2 370 314.36	8 425 228.00	4 197 610.00	3 045 281.75	1 152 328.25
	Legal Cost:Issue of Summons	467 000.00	1 662.00	4 038.08	-	2 376.08	65 000.00	32 496.00	1 661.78	30 834.22
Vehicles used for political office -bearers	N/A	-	-	-	-	-	-	-	-	-
	Allowance:Travel or Motor Vehicle	120 000.00	60 000.00	20 000.00	-	40 000.00	457 659.00	228 828.00	-	228 828.00
	Allowance:Travel or Motor Vehicle	240 000.00	120 000.00	40 000.00	-	80 000.00	173 903.00	86 952.00	-	86 952.00
	Allowance:Accommodation, Travel and Incidental	-	-	-	-	-	19 887.00	9 942.00	-	9 942.00
	Allowance:Travel or Motor Vehicle	139 200.00	69 600.00	-	-	69 600.00	173 903.00	86 952.00	-	86 952.00
	Allowance:Travel or Motor Vehicle	-	-	-	-	-	-	-	-	-
	Allowance:Accommodation, Travel and Incidental	-	-	-	-	-	-	-	-	-
	Allowance:Travel or Motor Vehicle	-	-	-	-	-	-	-	-	-
	Allowance:Travel or Motor Vehicle	-	-	-	-	-	191 319.00	95 658.00	-	95 658.00
	Allowance:Accommodation, Travel and Incidental	18 654.00	9 327.00	-	-	9 327.00	16 508.00	8 256.00	-	8 256.00
	Allowance:Travel or Motor Vehicle	-	-	-	-	-	191 319.00	95 658.00	-	95 658.00
	Allowances:Accommodation, Travel and Incidental	423 158.00	128 024.00	9 767.23	-	118 256.77	374 476.00	187 254.00	9 166.08	178 087.92
	Allowances:Travel or Motor Vehicle	11 792 555.00	3 614 631.00	4 472 274.14	-	857 643.14	14 398 104.00	7 199 070.00	4 571 311.56	2 627 758.44
	Allowances and Service Related Benefits:Travelling	-	-	15 000.00	-	15 000.00	-	-	-	-
	Allowances and Service Related Benefits:Travelling	-	-	-	-	-	-	-	-	-
	Allowances and Service Related Benefits:Travelling	286 814.00	143 406.00	15 000.00	-	128 406.00	275 783.00	137 892.00	-	137 892.00
	Allowances and Service Related Benefits:Travelling	229 452.00	114 726.00	-	-	114 726.00	220 627.00	110 316.00	-	110 316.00
	Allowances and Service Related Benefits:Travelling	1 722 532.00	861 264.00	17 396.40	-	843 867.60	1 656 281.00	828 138.00	-	828 138.00
	Allowances and Service Related Benefits:Travelling	2 906 065.00	2 186 790.00	1 486 826.36	-	699 963.64	2 794 293.00	1 397 148.00	2 186 789.94	789 641.94
	Operational Cost:Travel Agency and Visa's	-	-	-	-	-	19 456.00	9 732.00	-	9 732.00
	Travel and Subsistence:Non-employees	3 000.00	1 500.00	-	-	1 500.00	5 804.00	2 904.00	-	2 904.00
	Travel and Subsistence:Domestic:Accommodation	4 000.00	2 000.00	-	-	-	-	-	-	-
	Travel and Subsistence:Domestic:Daily Allowance	197 953.00	16 943.00	31 042.19	-	-	-	-	-	-
	Travel and Subsistence:Domestic:Food and Beverage (7 150.00	18 575.00	639.00	-	-	-	-	-	-
	Travel and Subsistence:Domestic:Incidental Cost	21 650.00	3 825.00	-	-	-	-	-	-	-
	Travel and Subsistence:Domestic:Transport without Oper	394 810.00	349 610.00	2 280.00	-	-	-	-	-	-
	Travel and Subsistence:Domestic:Transport with Operat	142 500.00	49 082.00	-	-	-	-	-	-	-
	Contractors:Catering Services	288 878.00	17 060.00	97 703.00	-	80 643.00	955 860.00	478 926.00	26 305.00	452 621.00
	Outsourced Services:Catering Services	1 328 712.00	124 192.00	145 302.32	-	21 110.32	1 151 712.00	575 856.00	849 932.60	274 076.60
	Advertising, Publicity and Marketing:Gifts and Pro	30 382.00	7 051.00	2 043.60	-	5 007.40	161 975.00	80 988.00	4 361.08	76 626.92
	Contractors:Event Promoters	50 000.00	-	-	-	-	252 294.00	126 150.00	-	126 150.00
	Communication:Cellular Contract (Subscription and	3 789 576.00	1 875 619.00	1 555 961.79	-	319 657.21	471 510.00	243 258.00	15 206.05	228 051.95
	Communication:Licences (Radio and Television)	95 000.00	47 500.00	-	-	47 500.00	31 504.00	15 750.00	-	15 750.00
	Communication:Radio and TV Transmissions	2 358 703.00	888 943.00	826 430.86	-	62 512.14	2 270 361.00	1 135 176.00	888 942.48	246 233.52
	Communication:Postage/Stamps/Frinking Machines	2 627 000.00	601 636.00	661 336.79	-	59 700.79	2 493 158.00	1 232 586.00	601 636.57	630 949.43
	Communication:SMS Bulk Message Service	144 000.00	38 367.00	24 028.43	-	14 338.57	181 705.00	90 852.00	38 366.31	52 485.69
	Communication:Telemetric Systems	-	-	521.42	-	-	-	-	-	-
	Allowances:Cellular and Telephone	1 142 722.00	568 652.00	915 984.93	-	-	-	-	-	-
	Communication:Telephone, Fax, Telegraph and Telex	4 482 133.00	1 913 185.00	1 417 933.54	-	495 251.46	2 347 511.00	1 498 756.00	2 326 284.35	827 528.35
	Entertainment:Senior Management	40 000.00	20 000.00	-	-	20 000.00	94 832.00	47 418.00	-	47 418.00
	Entertainment:Total for All Other Councillors	100 000.00	526.00	-	-	526.00	104 709.00	52 356.00	525.61	51 830.39
	Entertainment:Executive Mayor	240 000.00	1 300.00	1 462.00	-	162.00	259 610.00	129 804.00	1 300.00	128 504.00
	Entertainment:Deputy Executive Mayor	-	-	-	-	-	-	-	-	-
	Entertainment:Speaker	-	-	-	-	-	-	-	-	-
	Entertainment:Chief Whip	-	-	-	-	-	-	-	-	-
	Entertainment:Executive Committee	-	-	-	-	-	-	-	-	-
	Entertainment:Section 79 committee chairperson	-	-	-	-	-	-	-	-	-
	Overtime:Non Structured	37 166 979.00	15 718 882.00	16 859 650.92	-	1 140 768.92	35 891 131.00	17 945 574.00	17 171 203.16	774 370.84
	Overtime:Shift Additional Remuneration	2 289 690.00	1 145 835.00	2 251 986.43	-	1 106 151.43	2 026 274.00	1 013 142.00	2 263 874.17	1 250 732.17
	Overtime:Structured	1 785 922.00	968 197.00	1 033 644.79	-	65 447.79	1 580 462.00	790 230.00	968 197.53	177 967.53
	Grand Total	125 964 595.00	44 714 061.00	37 820 783.38	-	6 835 058.16	111 810 239.00	55 724 984.00	47 576 776.11	8 148 207.89

4. PAST YEAR'S ANNUAL REPORT AND PROGRESS ON RESOLVING PROBLEMS IDENTIFIED IN THE ANNUAL REPORT

The audit process for 2020/21 is still in progress.

Areas for improvement as identified during the previous year's audit will be encapsulated in an Audit Finding Action Plan which will address the areas of concern. This plan and the implementation thereof will be monitored by senior management as well as the Audit Committee. The GRAP disclosure checklist in addition to the findings raised in the previous audit will be used to mitigate the risk of recurring audit findings.

5. RECOMMENDATIONS FROM THE ACCOUNTING OFFICER

After having assessed the performance of the municipality for the first half of the year (ended 31 December 2021), the following is recommended:

- a) That the Executive Mayor tables this report to Council as the contents indicate the need to approve an adjustment budget.
- b) That the revised projections as contained in this report inform the adjustment budget.

6. RECOMMENDATIONS FROM THE EXECUTIVE MAYOR

- a) Council take note of the report and more specifically the assessment and forecasts contained in the report,
- b) Council take note that an Adjustments Budget will be compiled and tabled to Council as a result of the following:
 - Operational Budget detail to be adjusted to reflect realistically anticipated revenue and expenditure as envisaged by the detail contained in the report to accompany the adjustment budget.
 - Appropriate additional revenue that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for.
 - Authorize the utilization of projected savings in one vote towards spending in another vote due to the reprioritization of projects in line with revised completion dates; and
 - To correct any errors in the annual budget.

QUALITY CERTIFICATE

I, Geraldine Mettler, the Municipal Manager of Stellenbosch Municipality, hereby **certify** that the mid-year budget and performance assessment for the period 1 July 2021 to December 2021 has been prepared in accordance with Section 72 of the Municipal Finance Management Act and Regulations made under the Act and accordingly submit the required report on the state of Stellenbosch Municipality's performance.

Name: Geraldine Mettler

Municipal Manager of Stellenbosch Municipality - WC024

Signature _____

Date _____

**MID YEAR BUDGET AND
PERFORMANCE
ASSESSMENT
PART A**

Table C2: Monthly Budget Statement – Financial Performance (standard classification)

WC024 Stellenbosch - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Mid-Year Assessment

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		493 471	513 180	513 180	51 093	306 686	273 474	33 212	12%	513 180
Executive and council		567	1 061	1 061	1	182	496	(313)	-63%	1 061
Finance and administration		492 904	512 119	512 119	51 093	306 504	272 979	33 525	12%	512 119
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		165 577	203 081	204 521	30 262	70 711	103 659	(32 948)	-32%	204 521
Community and social services		14 163	15 436	15 436	738	8 640	5 235	3 405	65%	15 436
Sport and recreation		3 190	1 658	1 658	74	184	505	(321)	-64%	1 658
Public safety		127 462	171 533	171 533	28 743	57 434	86 113	(28 679)	-33%	171 533
Housing		20 762	14 455	15 895	708	4 452	11 807	(7 354)	-62%	15 895
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		50 720	121 921	124 521	4 201	24 999	56 247	(31 248)	-56%	124 521
Planning and development		25 149	115 023	117 623	3 580	18 259	55 918	(37 659)	-67%	117 623
Road transport		28 464	5 911	5 911	597	6 609	121	6 488	5353%	5 911
Environmental protection		(2 892)	987	987	24	131	208	(77)	-37%	987
<i>Trading services</i>		1 087 498	1 287 310	1 287 310	109 906	639 830	569 634	70 196	12%	1 287 310
Energy sources		674 806	842 934	842 934	53 390	407 701	382 958	24 743	6%	842 934
Water management		155 977	172 558	172 558	14 427	66 686	62 189	4 497	7%	172 558
Waste water management		150 252	150 230	150 230	25 154	93 332	66 979	26 353	39%	150 230
Waste management		106 463	121 589	121 589	16 934	72 111	57 509	14 603	25%	121 589
<i>Other</i>	4	762	112	112	9	51	55	(3)	-6%	112
Total Revenue - Functional	2	1 798 028	2 125 605	2 129 645	195 471	1 042 278	1 003 069	39 209	4%	2 129 645
Expenditure - Functional										
<i>Governance and administration</i>		294 971	344 570	344 566	19 459	128 113	144 843	(16 730)	-12%	344 470
Executive and council		49 546	55 384	55 379	2 453	18 986	23 316	(4 329)	-19%	55 379
Finance and administration		233 815	275 761	275 761	15 553	103 680	117 576	(13 896)	-12%	275 666
Internal audit		11 610	13 425	13 425	1 453	5 446	3 951	1 496	38%	13 425
<i>Community and public safety</i>		395 237	367 326	367 557	22 897	123 751	155 661	(31 910)	-20%	367 557
Community and social services		35 935	43 177	42 599	3 035	18 401	11 402	6 999	61%	42 599
Sport and recreation		48 913	53 696	53 665	4 284	20 402	14 988	5 413	36%	53 665
Public safety		276 299	236 448	237 052	13 860	73 794	116 044	(42 250)	-36%	237 052
Housing		34 089	34 003	34 240	1 719	11 154	13 226	(2 072)	-16%	34 240
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		185 319	236 611	236 580	8 848	61 203	81 864	(20 661)	-25%	236 580
Planning and development		73 620	105 250	105 169	3 973	35 491	37 259	(1 768)	-5%	105 169
Road transport		94 131	99 836	99 885	3 338	18 361	37 232	(18 871)	-51%	99 885
Environmental protection		17 568	31 526	31 526	1 537	7 351	7 374	(22)	0%	31 526
<i>Trading services</i>		934 685	1 068 933	1 068 883	79 687	405 811	439 536	(33 725)	-8%	1 068 883
Energy sources		524 625	610 888	611 655	42 820	272 681	270 530	2 151	1%	611 655
Water management		132 484	127 577	126 619	9 994	35 154	47 901	(12 747)	-27%	126 619
Waste water management		160 856	182 682	182 843	18 197	52 307	71 701	(19 394)	-27%	182 843
Waste management		116 721	147 785	147 766	8 676	45 669	49 404	(3 735)	-8%	147 766
<i>Other</i>		100	50	-	-	-	-	-	-	-
Total Expenditure - Functional	3	1 810 311	2 017 490	2 017 586	130 891	718 878	821 904	(103 026)	-13%	2 017 490
Surplus/ (Deficit) for the year		(12 283)	108 114	112 059	64 580	323 401	181 166	142 235	79%	112 155

Table C2: Monthly Budget Statement – Financial Performance, reflects the operating revenue and operating expenditure in the standard classifications which are the Government Finance Statistics Functions and Sub-functions. The main functions are Governance and Administration; Community and Public safety; Economic and Environmental services; and Trading Services.

Table C3: Monthly Budget Statement – Financial Performance (revenue & expenditure by municipal vote)

WC024 Stellenbosch - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Mid-Year

Vote Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 2 - PLANNING AND DEVELOPMENT SERVICES		22 898	30 454	34 494	1 776	10 613	17 560	(6 947)	-39.6%	34 494
Vote 3 - INFRASTRUCTURE SERVICES		1 120 293	1 394 599	1 394 599	113 150	658 913	620 775	38 138	6.1%	1 394 599
Vote 4 - COMMUNITY AND PROTECTION SERVICES		145 289	190 526	190 526	29 579	67 018	92 179	(25 161)	-27.3%	190 526
Vote 5 - CORPORATE SERVICES		6 186	6 339	6 339	355	2 577	3 000	(423)	-14.1%	6 339
Vote 6 - FINANCIAL SERVICES		492 034	503 686	503 686	50 611	303 157	269 554	33 603	12.5%	503 686
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	1 786 699	2 125 605	2 129 645	195 471	1 042 278	1 003 069	39 209	3.9%	2 129 645
Expenditure by Vote	1									
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		31 400	39 989	39 989	2 383	13 308	13 364	(56)	-0.4%	39 989
Vote 2 - PLANNING AND DEVELOPMENT SERVICES		81 249	100 875	100 875	4 787	38 484	39 081	(597)	-1.5%	100 875
Vote 3 - INFRASTRUCTURE SERVICES		1 042 484	1 188 821	1 188 821	83 332	424 945	481 923	(56 978)	-11.8%	1 188 821
Vote 4 - COMMUNITY AND PROTECTION SERVICES		386 385	374 481	374 481	23 003	124 392	153 454	(29 061)	-18.9%	374 481
Vote 5 - CORPORATE SERVICES		158 403	198 283	198 283	9 295	66 008	85 073	(19 065)	-22.4%	198 283
Vote 6 - FINANCIAL SERVICES		110 063	115 042	115 042	8 091	51 741	49 010	2 731	5.6%	115 042
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	1 809 984	2 017 490	2 017 490	130 891	718 878	821 904	(103 026)	-12.5%	2 017 490
Surplus/ (Deficit) for the year	2	(23 285)	108 114	112 155	64 580	323 401	181 166	142 235	78.5%	112 155

Table C3: Monthly Budget Statement – Financial Performance, reflects the operating revenue and operating expenditure by municipal vote. The municipal directorates are Municipal Manager; Planning Development; Human Settlements; Engineering Services; Community and Protection Services; Corporate Services; and Financial Services. The operating expenditure budget is approved by Council on the municipal vote level.

Table C4: Monthly Budget Statement – Financial Performance (revenue & expenditure)

WC024 Stellenbosch - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Mid-Year Assessment

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		394 484	423 633	423 633	29 160	246 722	210 766	35 956	17%	423 633
Service charges - electricity revenue		633 220	787 275	787 275	41 722	377 306	356 020	21 286	6%	787 275
Service charges - water revenue		134 426	166 400	166 400	11 626	58 851	60 187	(1 336)	-2%	166 400
Service charges - sanitation revenue		92 639	114 485	114 485	7 994	53 690	39 522	14 168	36%	114 485
Service charges - refuse revenue		73 150	87 936	87 936	6 136	46 859	31 983	14 876	47%	87 936
Rental of facilities and equipment		17 869	11 175	11 175	811	4 943	4 891	52	1%	11 175
Interest earned - external investments		19 515	13 200	13 200	1 304	8 239	10 844	(2 605)	-24%	13 200
Interest earned - outstanding debtors		10 084	14 034	14 034	1 031	5 910	5 666	244	4%	14 034
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		108 908	147 425	147 425	27 852	49 851	73 722	(23 871)	-32%	147 425
Licences and permits		5 207	5 778	5 778	272	3 557	2 857	699	24%	5 778
Agency services		4 833	3 077	3 077	147	1 382	1 522	(140)	-9%	3 077
Transfers and subsidies		194 790	204 313	204 313	54 033	127 085	139 007	(11 922)	-9%	204 313
Other revenue		24 291	41 319	41 319	1 381	12 330	16 099	(3 769)	-23%	41 319
Gains		966	-	-	6	43	-	43	#DIV/0!	-
Total Revenue (excluding capital transfers and contributions)		1 714 383	2 020 051	2 020 051	183 475	996 768	953 086	43 683	5%	2 020 051
Expenditure By Type										
Employee related costs		541 880	607 458	607 458	42 443	281 320	268 823	12 497	5%	614 531
Remuneration of councillors		18 411	21 978	21 978	1 607	8 776	11 052	(2 276)	-21%	21 978
Debt impairment		108 782	103 900	103 900	-	193	45 165	(44 972)	-100%	103 900
Depreciation & asset impairment		189 801	211 541	211 541	-	-	70 514	(70 514)	-100%	211 541
Finance charges		54 475	43 842	43 842	17 801	17 801	21 921	(4 120)	-19%	43 842
Bulk purchases - electricity		453 758	507 699	507 699	35 768	242 625	230 772	11 853	5%	507 699
Inventory consumed		35 095	69 632	69 632	6 709	25 305	22 505	2 801	12%	70 431
Contracted services		228 441	277 481	277 481	17 368	68 085	80 414	(12 329)	-15%	267 604
Transfers and subsidies		11 010	13 600	13 600	101	11 239	6 885	4 353	63%	13 706
Other expenditure		168 551	160 358	160 358	9 090	63 527	63 852	(325)	-1%	162 257
Losses		108	-	-	3	6	-	6	#DIV/0!	-
Total Expenditure		1 810 311	2 017 490	2 017 490	130 891	718 878	821 904	(103 026)	-13%	2 017 490
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(95 928)	2 560	2 560	52 584	277 891	131 182	146 709	0	2 560
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		69 847	105 554	109 594	11 949	33 150	49 983	(16 834)	(0)	109 594
Transfers and subsidies - capital (in-kind - all)		13 658	-	-	47	12 360	-	12 360	#DIV/0!	-
		141	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(12 283)	108 114	112 155	64 580	323 401	181 166			112 155
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		(12 283)	108 114	112 155	64 580	323 401	181 166			112 155
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(12 283)	108 114	112 155	64 580	323 401	181 166			112 155
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		(12 283)	108 114	112 155	64 580	323 401	181 166			112 155

1. Operating Revenue

The following table shows the actual billed operating revenue per source as per the accrual basis as well as actual direct revenue per source against that planned in the SDBIP at 31 December 2021. It should be noted that the figures relate to billed revenue and not cash collected.

Operating Revenue by Source:

Description	Original Budget	Adjustment Budget	YTD budget	YTD actual	YTD variance	YTD variance %	Monthly budget	Monthly actual	MTD variance	MTD variance %
Revenue by Source										
Property rates	423 632 548	423 632 548	210 766 411	246 722 476	35 956 065	17%	33 746 194	29 160 480	(4 585 714)	-14%
Service charges - electricity revenue	787 275 170	787 275 170	356 020 139	377 306 029	21 285 890	6%	59 312 499	41 722 181	(17 590 318)	-30%
Service charges - water revenue	166 399 723	166 399 723	60 186 508	58 850 708	(1 335 800)	-2%	9 310 258	11 625 663	2 315 405	25%
Service charges - sanitation revenue	114 485 332	114 485 332	39 521 945	53 690 433	14 168 488	36%	5 392 334	7 993 946	2 601 612	48%
Service charges - refuse revenue	87 936 447	87 936 447	31 983 069	46 859 400	14 876 331	47%	3 698 263	6 135 893	2 437 630	66%
Rental of facilities and equipment	11 174 739	11 174 739	4 890 987	4 942 725	51 738	1%	750 595	811 452	60 857	8%
Interest earned - external investments	13 200 000	13 200 000	10 844 115	8 238 775	(2 605 340)	-24%	1 516 893	1 304 411	(212 482)	-14%
Interest earned - outstanding debtors	14 034 400	14 034 400	5 665 832	5 910 114	244 282	4%	1 077 153	1 030 604	(46 549)	-4%
Fines, penalties and forfeits	147 425 010	147 425 010	73 722 194	49 850 933	(23 871 261)	-32%	12 291 619	27 851 606	15 559 987	127%
Licences and permits	5 778 049	5 778 049	2 857 422	3 556 777	699 355	24%	466 765	271 973	(194 792)	-42%
Agency services	3 077 493	3 077 493	1 521 554	1 381 818	(139 736)	-9%	189 611	146 902	(42 709)	(0)
Transfers and subsidies	204 313 279	204 313 279	139 006 608	127 084 680	(11 921 928)	-9%	62 197 647	54 033 093	(8 164 554)	-13%
Other revenue	41 318 678	41 318 678	16 099 094	12 330 222	(3 768 872)	-23%	2 156 491	1 381 088	(775 403)	-36%
Gains on disposal of PPE	-	-	-	43 400	37 900	100%	-	5 500	-	-
Total Revenue (excluding capital transfers and contributions)	2 020 050 868	2 020 050 868	953 085 878	996 768 489	43 677 111	5%	192 106 322	183 474 791	-8 637 031	-4%

Operating Revenue Variance Report

The variances between actual operating revenue and the planned operating revenue contained in the SDBIP are explained per revenue source and are as follows:

Revenue by Source

Property Rates and Service Charges

Property rates and service charges refuse are billed monthly. However, some consumers applied to have their property rates and service charges billed annually. This has resulted in an over performance when compared to the year-to-date budget projections as the annual applications did not form part of the monthly budgeted revenue projections.

Service charges - sanitation revenue

The municipality has billed R14 168 488 more sanitation charges than initially anticipated in the year to date budget. The largest over performances were noted for general sanitation charges (R7 156 695) and industrial effluent charges (R4 401 008).

The monthly cashflows are misaligned due to the impact of the Covid-19 pandemic and based on the current projections the total budget will be reduced during the Mid-year adjustment budget process to account for the under performance measured against the total budget.

Interest earned – external investments

An under performance was noted for interest earned – external investments to the amount of R2 605 340. The variance is mainly due to the Covid- 19 pandemic which resulted in the prime interest rate being reduced. This reduction has resulted in a significant decrease in our call accounts and primary bank account interest rates. Furthermore, we have received lower rates on offer from investing institutions than the previous financial years and a decline in the availability of capital investment further negatively impacts this line item. Cognisance will be taken of the above during the Mid-year adjustment budget process.

Fines, penalties, and forfeits

An underperformance was noted to the amount of R23 871 261. The recognition of traffic fines in terms of iGRAP 1 will be done monthly, including the journal processed on the financial system. It should be noted that no journal was processed during December 2021 and will reflect in the next reporting period. Furthermore, cognisance should be taken of the budget projections which need to be re-assessed during the Mid-year adjustment budget process. The past three financial years yielded an average income of R100 294 857 per year which renders the adjustment budget of R147 425 010 as unattainable.

Licences and permits

An over performance is noted for licences and permits to the amount of R699 355. The over performance is due to more licences and permit renewals as well as accompanying applications being received than initially anticipated.

Other revenue

An under performance is noted for other revenue to the amount of R3 768 872. The largest attributor to the underperformance is as follows;

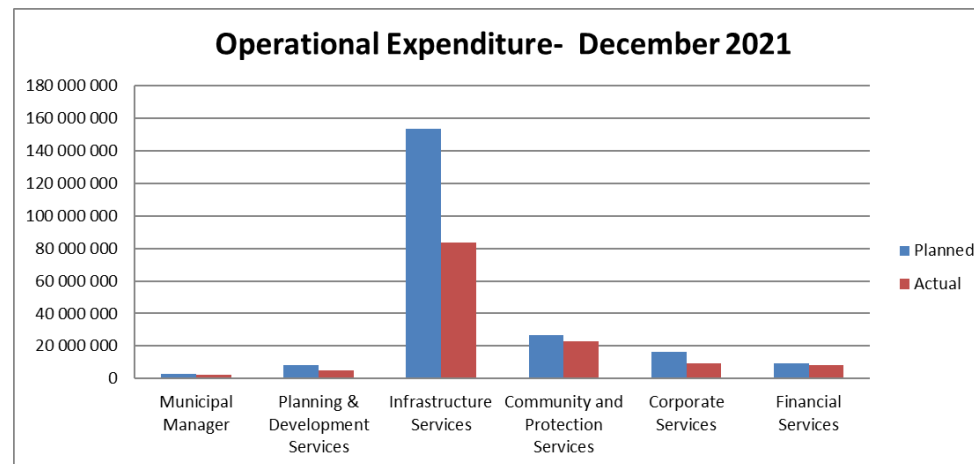
- Sales of goods and rendering of services: Parking fees. An underperformance of R3 788 134 has been noted. Cognisance is taken of the new parking model as well as the deployment of new parking marshals which will improve the parking revenue performance. However, the past three (3) financial years yielded an average income of R7 755 446 per year. This renders the adjustment budget of R13 060 177 as unattainable, and it is recommended that the budget be reduced during the Mid-year adjustment process.
- Sales of Goods and Rendering of Services: Cemetery and Burial. An underperformance of R933 062 has been noted. The past three financial years yielded an average income of R940 817 per year. Considering the average increase of 9% per year based on actual collections it is probable that R1 118 089 will be collected during the 2021/22 financial year. This renders the adjustment budget of R3 302 015 as unattainable, and it is recommended that the budget be reduced during the Mid-year adjustment process.

2. Operating Expenditure

The following table shows the actual operating expenditure for each Directorate against the planned in the SDBIP as at 31 December 2021.

Operating Expenditure (Per Directorate):

Directorate	Original Budget	Adjusted Budget	Year To Date		December 2021		December Variance (Actual - Plan)	Variance %
			Planned	Actuals	Planned	Actuals		
Municipal Manager	39 988 671	39 988 671	13 363 654	13 307 923	3 019 317	2 383 185	(636 132)	-21%
Planning & Development Services	100 874 841	100 874 841	39 081 140	38 483 943	7 935 887	4 786 667	(3 149 220)	-40%
Infrastructure Services	1 188 821 416	1 188 821 416	481 922 657	424 944 764	153 540 648	83 331 589	(70 209 059)	-46%
Community and Protection Services	374 481 006	374 481 006	153 453 715	124 392 485	26 889 417	23 002 921	(3 886 496)	-14%
Corporate Services	198 282 948	198 282 948	85 072 553	66 007 747	16 545 964	9 295 388	(7 250 576)	-44%
Financial Services	115 041 542	115 041 542	49 010 039	51 740 847	9 120 422	8 091 112	(1 029 310)	-11%
TOTALS	2 017 490 424	2 017 490 424	821 903 758	718 877 710	217 051 655	130 890 863	(86 160 792)	-40%



Operating Expenditure Variance Report

The variances between actual operating expenditure and planned operating expenditure contained in the SDBIP are explained per item and are as follows:

2.1 Planning and Development Services

The Planning and Development Services directorate planned to spend R39 081 140 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R38 483 943 which resulted in an underperformance of R597 197. The item that attributed to the underperformance is as follows:

2.1.1 Transfers and Subsidies: Operational: Monetary Allocations: Non-profit institutions: Sport Councils

The user department planned to spend R249 996 of the adjusted budget. No spending has been incurred to date. The budget of R500 000 will be removed during the Mid-year adjustment budget process.

2.1.2 Transfers and Subsidies: Operational: Monetary Allocations: Non-profit institutions: Local Tourism Boards

The user department planned to spend R220 464 of the adjusted budget. No spending has been incurred to date. The user department indicated that a saving has been realised. It is proposed that the budget of R661 393 be re-assessed during the Mid-year adjustment budget process.

2.2 Infrastructure Services

The Infrastructure Services directorate planned to spend R481 922 657 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R424 944 764 which resulted in an underperformance of R56 977 893. The item that attributed to the underperformance is as follows:

2.2.1 Contracted Services: Consultants and Professional Services: Business and Advisory: Project Management

The user department planned to spend R5 123 668 of the adjusted budget. No spending has been incurred to date. A revised funding allocation letter has been received during December 2021 and the budget will be reduced by R13 286 000 during the Mid-year adjustment budget process.

2.2.2 Contracted Services: Contractors: Maintenance of Unspecified assets (Roads)

The user department planned to spend R4 866 961 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R628 934. Orders to the amount of R873 803 have been loaded on the financial system. An improvement will be noted in the next reporting period.

2.2.3 Contracted Services: Contractors: Maintenance of Unspecified assets (Engineering Services)

The user department planned to spend R1 921 654 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R483 606. Orders to the amount of R2 704 875 have been loaded on the financial system. An improvement will be noted in the next reporting period.

2.2.4 Contracted Services: Contractors: Maintenance of Unspecified assets (Sewerage Network)

The user department planned to spend R1 377 000 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R289 325. Orders to the amount of R739 845 have been loaded on the financial system. An improvement will be noted in the next reporting period.

2.2.5 Contracted Services: Contractors: Maintenance of Unspecified assets (Water Network)

The user department planned to spend R1 168 937 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R615 600. Orders to the amount of R401 280 have been loaded on the financial system. An improvement will be noted in the next reporting period.

2.2.6 Interest, Dividends and Rent on Land: Interest Paid: Interest costs non-current Provisions

The user department planned to spend R4 700 607 of the adjusted budget. No spending has been incurred to date. The interest cost on the landfill site is processed during the year end procedures. The monthly budget projections will be adjusted during the Mid-year adjustment budget process.

2.3 Community and Protection Services

The Community and Protection Services directorate planned to spend R153 453 715 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R124 392 485 which resulted in an underperformance of R29 061 230. The items that attributed to the underperformance are as follows:

2.3.1 Expenditure: Contracted Services: Outsourced Services: Security Services

The user department planned to spend R14 262 562 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R10 043 684. The user department indicated that the invoices are paid a month in arrears and a delay in the submission of invoices have been experienced. Orders to the amount of R6 016 660 have been loaded on the financial system. The user department has requested that the budget be increased by R15 908 080 during the Mid-year adjustment budget process. The additional funding is needed to fund the costs relating to land invasions, private security, and armed security to secure municipal buildings from November 2021 until end of June 2021. This amount excludes any unforeseen emergency and adhoc requests.

2.3.2 Expenditure: Contracted Services: Contractors: Maintenance of Buildings and Facilities (Parks and Sidewalks: Stellenbosch)

The user department planned to spend R813 248 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R118 205. The user department indicated that an order to the amount of R108 870 have been loaded on the financial system. Invoices to the amount of R35 340 have been received and will reflect in the next reporting period.

2.3.3 Expenditure: Contracted Services: Contractors: Preservation/Restoration/Dismantling/Cleaning Services

The user department planned to spend R701 254 of the adjusted budget. No spending has been incurred to date. The user department indicated a backlog had been experienced with the contractor. Payment will be made once the work has been completed.

2.3.5 Expenditure: Operational Cost: Uniform and Protective Clothing

The user department planned to spend R254 736 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R3 192. The user department indicated that the tender has been recently approved and orders to the amount of R216 531 have been loaded on the financial system during December 2021.

2.4 Corporate Services

The Corporate Services directorate planned to spend R85 072 553 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R66 007 747 which resulted in an underperformance of R19 064 806. The items that attributed to the underperformance are as follows:

2.3.1 Expenditure: Contracted Services: Contractors: Maintenance of Buildings and Facilities

The user department planned to spend R2 893 818 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R860 435. The user department indicated that the upgrading of the contractor for the Kayamandi corridor has been appointed during December 2021. Orders to the amount of R797 581 have been loaded on the financial system. The Bid Specifications Committee for the Dorp street maintenance tender took place on 9 December 2021. Invoices to the amount of R32 300 have been received and will be submitted for payment.

2.3.2 Expenditure: Operational Cost: External Computer Service: Software Licences

The user department planned to spend R13 729 483 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R12 516 494. The user department indicated that the orders to the amount of R4 435 943 for the approved software license contracts have been loaded on the financial system. Invoices to the amount of R19 332 have been received and will be submitted for payment. The user department has requested that the budget be increased by R2 300 000 during the Mid-year adjustment budget process. The additional funding is needed to fund the year two (2) Annual License Renewal as well as for BSM 07/21 R 1 208 295 and the ICT Helpdesk Solution.

2.3.3 Expenditure: Contracted Services: Consultants and Professional Services: Legal Cost: Legal Advice and Litigation

The user department planned to spend R3 033 647 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R663 333. The user department indicated that orders to the amount of R93 294 have been loaded on the financial system.

2.3.5 Expenditure: Operational Cost: Skills Development Fund Levy

The user department planned to spend R1 520 000 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R960 537. The actual expenditure incurred, to the amount of R1 472 676, have been recognised within the Municipal Manager's directorate. A re-allocation will be done on the financial system in line with the budgeted spending.

2.5 Financial Services

The Financial Services directorate planned to spend R49 010 039 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R51 740 847 which resulted in an overspending of R2 730 808. The item that attributed to the overspending is as follows:

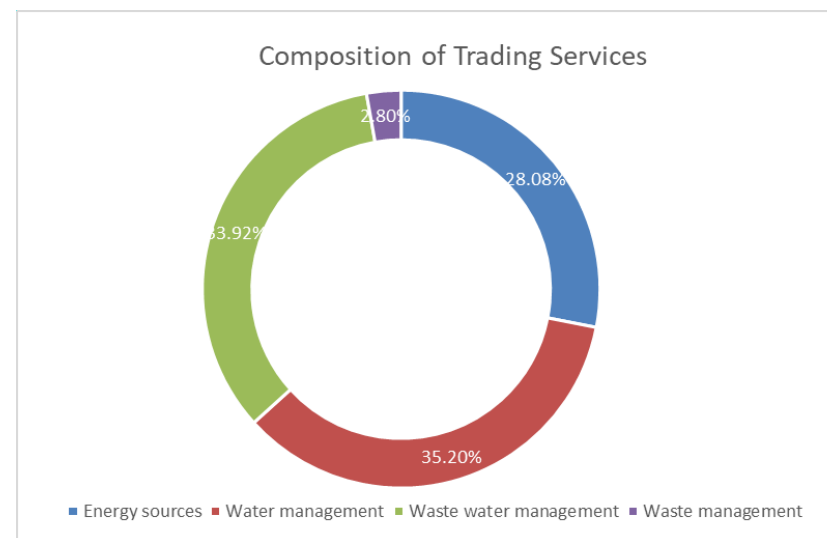
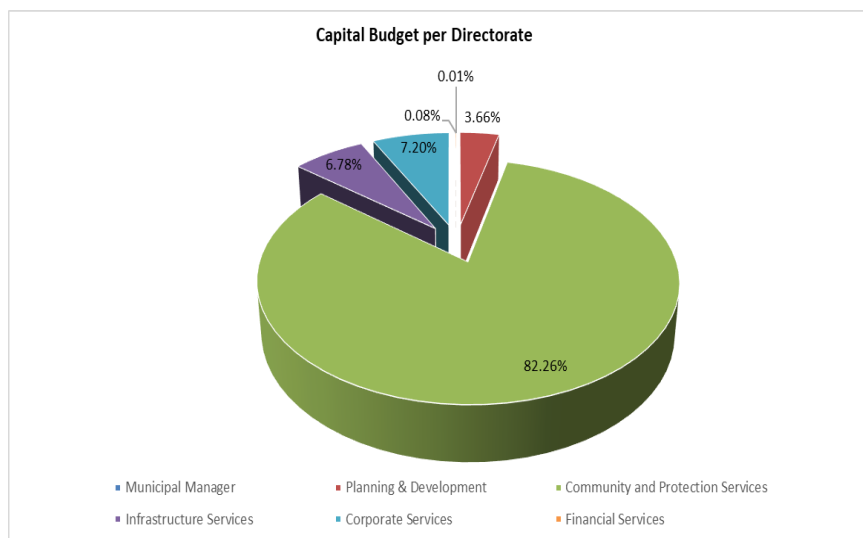
2.5.1 Operational Cost: Insurance Underwriting: Premiums

The user department planned to spend R290 506 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R5 020 578. The user department indicated that the annual insurance premium was paid during July 2021. The budget projections will be amended during the Mid-year adjustment budget process.

3 Capital Expenditure

Stellenbosch municipality vested most of the 2021/22 capital budget in trading services (R247 171 606 or 60.87 per cent of the R406 053 915 capital budget) which is needed to ensure effective service delivery.

The capital budgets for trading services are largely allocated to the investments in water management infrastructure (R99 688 546 or 35.20 per cent of the R283 186 649 trading services capital budget).



The following table shows the actual capital expenditure for each Directorate against that planned in the SDBIP as at 31 December 2021.

Directorate	Adjusted Budget	Capital Expenditure					Year To Date Actual Spent
		Year To Date Budget	Actual Expenditure	Commitments	Provisional Cost	Actuals + Commitments & Provisional	
Municipal Manager	44 000	22 002	-	31 761	-	31 761	0.00%
Planning & Development	17 272 325	4 888 077	1 156 239	2 441 916	41 630	3 639 784	6.69%
Infrastructure Services	388 012 987	184 784 540	92 085 614	134 809 328	65 137	226 960 079	23.73%
Corporate Services	31 973 919	12 710 453	9 205 219	1 841 598	-	11 046 817	28.79%
Community and Protection Services	33 976 933	17 302 916	13 272 399	7 582 882	98 292	20 953 573	39.06%
Financial Services	400 000	130 000	192 187	2 397	30 461	225 045	48.05%
TOTALS	471 680 164	219 837 988	115 911 658	146 709 882	235 519	262 857 059	24.57%

Table C5: Monthly Budget Statement – Capital Expenditure

Table C5: Monthly Budget Statement – Capital Expenditure consists of three sections:
Appropriations by vote; Standard classification and funding portion.

WC024 Stellenbosch - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Mid-Year Assessment

Vote Description	Ref	2020/21				Budget Year 2021/22				
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		34	44	44	-	-	18	(18)	-100%	44
Vote 2 - PLANNING AND DEVELOPMENT SERVICES		134	2 685	6 985	-	495	9	486	5397%	6 985
Vote 3 - INFRASTRUCTURE SERVICES		67 258	73 879	236 066	6 165	19 885	39 724	(19 839)	-50%	92 657
Vote 4 - COMMUNITY AND PROTECTION SERVICES		19 165	8 850	17 416	847	2 974	3 877	(903)	-23%	11 687
Vote 5 - CORPORATE SERVICES		6 362	13 900	21 382	46	1 477	5 004	(3 527)	-70%	15 898
Vote 6 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4.7	92 954	99 358	281 893	7 059	24 831	48 632	(23 801)	-49%	127 270
Single Year expenditure appropriation	2									
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 2 - PLANNING AND DEVELOPMENT SERVICES		8 755	8 829	10 487	74	661	3 600	(2 938)	-82%	10 287
Vote 3 - INFRASTRUCTURE SERVICES		212 956	268 636	151 947	13 591	72 201	118 505	(46 305)	-39%	295 356
Vote 4 - COMMUNITY AND PROTECTION SERVICES		12 454	15 174	16 561	1 877	10 298	4 746	5 552	117%	22 290
Vote 5 - CORPORATE SERVICES		62 471	13 857	10 591	2 131	7 728	6 048	1 680	28%	16 076
Vote 6 - FINANCIAL SERVICES		2 821	200	400	1	192	130	62	48%	400
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	299 458	306 696	189 987	17 674	91 080	133 029	(41 949)	-32%	344 410
Total Capital Expenditure	3	392 412	406 054	471 880	24 733	115 912	181 661	(65 750)	-36%	471 680
Capital Expenditure - Functional Classification										
Governance and administration		71 688	28 001	32 418	2 178	9 397	12 862	(3 465)	-27%	32 418
Executive and council		34	44	44	-	-	22	(22)	-100%	44
Finance and administration		71 654	27 957	32 374	2 178	9 397	12 840	(3 443)	-27%	32 374
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		34 853	25 844	36 536	2 358	12 953	18 608	(5 655)	-30%	36 536
Community and social services		2 299	2 155	2 228	-	66	920	(854)	-93%	2 228
Sport and recreation		13 333	4 900	8 797	520	3 652	5 673	(2 022)	-36%	8 797
Public safety		12 775	10 395	15 643	1 780	8 770	7 836	934	12%	15 643
Housing		6 446	8 394	9 868	58	465	4 179	(3 714)	-89%	9 868
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		93 728	105 037	119 540	6 089	22 613	51 773	(29 160)	-56%	119 540
Planning and development		25 651	45 863	51 183	3 506	11 536	20 981	(9 445)	-45%	51 183
Road transport		66 314	52 800	61 620	2 430	10 564	28 320	(17 756)	-63%	61 620
Environmental protection		1 764	6 374	6 737	153	513	2 472	(1 959)	-79%	6 737
Trading services		192 142	247 172	283 187	14 108	70 948	136 594	(65 646)	-48%	283 187
Energy sources		37 838	74 748	79 519	2 907	22 700	39 240	(16 540)	-42%	79 519
Water management		35 607	79 850	99 689	4 180	21 842	46 327	(24 486)	-53%	99 689
Waste water management		108 612	84 700	96 056	6 982	26 120	45 992	(19 872)	-43%	96 056
Waste management		10 085	7 874	7 923	38	287	5 036	(4 749)	-94%	7 923
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	392 412	406 054	471 680	24 733	115 912	219 838	(103 926)	-47%	471 680
Funded by:										
National Government		3 486	70 386	70 386	8 728	24 853	34 250	(9 397)	-27%	70 386
Provincial Government		7 447	35 168	39 208	3 221	8 681	15 246	(6 565)	-43%	39 208
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	324	324	-	324	#DIV/0!	-
Transfers recognised - capital		10 933	105 554	109 594	12 273	33 859	49 496	(15 638)	-32%	109 594
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	141 384	144 000	152 862	4 036	36 364	70 982	(34 618)	-49%	152 862
Internally generated funds		237 901	156 500	209 224	8 423	45 689	99 359	(53 671)	-54%	209 224
Total Capital Funding		390 219	406 054	471 680	24 733	115 912	219 838	(103 926)	-47%	471 680

Capital Expenditure Variance Report

The variances between actual capital expenditure and the planned capital expenditure contained in the SDBIP are explained per directorate and are as follows:

3.1 Planning and Development

The Directorate planned to spend R4 888 077 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R1 156 239. This resulted in an underperformance of R3 731 838. The projects that attributed to the underperformance are as follows:

3.1.1 Kayamandi Town Centre

The user department planned to spend R1 500 000 of the adjusted budget. No spending has been incurred to date. The user department indicated that a revised cashflow and programme has been received from the service provider. An order has been requested to the amount of R361 395. Additional funding has been provided by the transferring department to the amount of R500 000 which will be included in the Mid-year adjustment budget.

3.1.2 Enkanini Planning and Implementation

The user department planned to spend R750 000 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R90 000. The transferring department has increased the funding allocation for the Stellenbosch demarcation area to R2 954 000. However, the funding is paid directly to the non-profit organisation and will therefore not form part of the municipal budget. The R1 500 000 currently reflected on the capital budget will be removed during the Mid-year adjustment budget process.

3.1.3 Erf 7001 and other possible sites for mix-used development in Cloetesville

The user department planned to spend R499 998 of the adjusted budget. No spending has been incurred to date. The user department indicated that the tender served at the Bid Adjudication Committee on 22 October 2021. A service provider was appointed, and the 21 days appeal period commenced on the specified date. The user department requested that the budget be reduced to R300 000 during the Mid-year adjustment budget process. The R700 000 saving is requested to be made available for the 2022/23 financial year.

3.1.4 Northern Extension: Feasibility

The user department planned to spend R1000 002 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R303 251. It should be noted that invoices to the amount of R500 097 have been received and will be submitted for payment. An improvement will be reflected in the next reporting period. Furthermore, the transferring department has increased the funding allocation for Stellenbosch to

R5 900 000. The additional allocation will be included in the capital budget during the Mid-year adjustment budget process.

3.2 Community and Protection Services

The Directorate planned to spend R17 302 916 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R13 272 399. This resulted in an underperformance of R4 030 517. The projects that attributed to the underperformance are as follows:

3.2.1 Extension of Cemetery Infrastructure

The user department planned to spend R383 133 of the adjusted budget. No spending has been incurred to date. The user department indicated that an order to the amount of R767 173 have been issued and the remainder of the funds will be used for the construction of parking or artificial grass.

3.2.2 Upgrading of Parks

The user department planned to spend R499 998 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R214 907. The user department indicated that an order to the amount of R644 971 have been issued. The remaining funds will be spent on new IDP requests.

3.2.3 Vehicle Fleet

The user department planned to spend R684 740 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R207 452. The user department indicated that the tender has been advertised and will close during January 2022.

3.2.4 Urban Forestry: Vehicle Fleet

The user department planned to spend R794 003 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R254 172. The user department indicated that they are awaiting the delivery of a truck.

3.2.5 Workshop: Specialized equipment

The user department planned to spend R200 000 of the adjusted budget. No spending has been incurred to date. The user department indicated that the site meeting for the purchase of a Chipper took place. The specifications have been received and a report will be prepared for the Bid Specifications Committee.

3.2.6 Jan Marais Nature Reserve: Upgrading and maintenance of the reserve

The user department planned to spend R250 002 of the budget. No spending has been incurred to date. The user department indicated that an order to the amount of R104 157 has been loaded on the financial system for the procurement of gates. The remaining funds to the amount of R395 843 will be used for the procurement of motorised gates as well as the upgrading of the building.

3.2.7 Upgrade office space: Simonsberg Road

The user department planned to spend R400 002 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R27 600. The user department indicated that an invoice to the amount of R22 400 have been received and subsequently submitted for payment.

3.2.8 Mont Rochelle Nature Reserve: Upgrade of Facilities

The user department planned to spend R618 324 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R26 624. The user department indicated that the tender served before the Bid Evaluation Committee during December 2021 and was referred. A new Bid Evaluation Committee date will be scheduled by the Supply Chain Management Unit.

3.2.9 Upgrading of swimming pool

The user department planned to spend R2 023 340 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R1 415 993. The user department indicated that the project is scheduled for practical completion on 15 December 2021.

3.2.10 Upgrade of Sport Facilities

The user department planned to spend R300 000 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R49 650. The user department indicated that two (2) seating stands have been procured. New specifications have been compiled for the resurfacing to downsize the scope of work. The electrical department completed the designs for the lighting needs at Groendal Sport facility. Orders to the amount of R131 267 have been loaded on the financial system. Additional funding to the amount of R900 000 have been requested for the Mid-year adjustment budget to upgrade the floodlights at the Cloetesville Sport Facility.

3.2.11 Upgrading of Tennis Courts: Idas Valley and Cloetesville

The user department planned to spend R609 159 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R389 569. The user department

indicated that the project has been completed. The remaining funds will be transferred and utilised to address the budget shortfall of the swimming pool upgrading.

3.3 Infrastructure Services

The Directorate planned to spend R184 784 540 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R92 085 614. This resulted in an underperformance of R92 698 926. The projects that attributed to the underperformance are as follows:

3.3.1 Expansion of the landfill site (new cells)

The user department planned to spend R1 973 935 of the adjusted budget. No spending has been incurred to date. The user department indicated that the project is on-going, and two (2) invoices have been received and will be submitted for payment. An improvement will therefore be noted for the next reporting period.

3.3.2 Landfill Gas To Energy

The user department planned to spend R1 000 002 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R97 043. The user department indicated that the tender specifications has been completed and the tender will be advertised in the new calendar year.

3.3.3 Alternative Energy

The user department planned to spend R7 000 000 of the adjusted budget. No spending has been incurred to date. The user department indicated that orders to the amount of R1 548 702 have been loaded on the financial system. The previous order to the amount of R145 000 000 for the pre-feasibility study has expired.

3.3.4 Bien don 66/11kV substation new (new development and demand)

The user department planned to spend R923 904 of the adjusted budget. No spending has been incurred to date. The user department indicated that the technical evaluation was submitted to the supply chain management unit during the first week of December 2021.

3.3.5 Electricity Network: Pniel

The user department planned to spend R1 600 039 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R30 322. The user department indicated that an order to the amount of R99 088 has been loaded on the financial system. The user department indicated that the tender to supply and install equipment in Pniel has been advertised and closed on 8 November 2021. The technical evaluation report was submitted to the Supply Chain Management unit on 29

November 2021 and the Bid Evaluation Committee meeting is scheduled to take place on 25 January 2022.

3.3.6 General Systems Improvements - Stellenbosch

The user department planned to spend R4 786 659 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R3 681 233. The user department indicated that orders to the amount of R609 826 have been loaded on the financial system. An improvement will be noted in the next reporting period.

3.3.7 Integrated National Electrification Programme

The user department planned to spend R10 218 698 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R5 403 552. The user department indicated that the contractor is on site and is busy completing the electrification of Enkanini phase 2. The preliminary design has been completed for the bulk services. Orders to the amount of R2 662 323 have been loaded on the financial system. Additional funding to the amount of R2 863 947 have been requested to be availed during the Mid-year adjustment budget process. The funding will be utilised for Longlands Bulk and Internal services as well as to complete Enkanini Electrification Phase 2.

3.3.8 Laterra Substation

The user department planned to spend R4 185 774 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R122 998. The user department indicated that orders to the amount of R453 120 have been loaded on the financial system. A tender document to appoint a contractor to commence with the construction has been submitted on 3 December 2021. However, amendments are needed before the final document can be submitted to the Supply Chain Management unit.

3.3.9 Basic Improvements: Langrug

The user department planned to spend R1 535 966 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R185 088. Orders to the amount of R446 143 have been loaded on the financial system. The user department requested that the budget be reduced by R500 000 during the Mi-year adjustment budget process and R400 000 needs to be allocated to the Housing projects

3.3.10 Housing Projects

The user department planned to spend R2 225 321 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R437 625. The user department indicated that the installation of service infrastructure has been completed. The electrical network will commence during January 2022. Orders to the amount of

R3 046 366 have been loaded on the financial system. As alluded to in point 5.3.9 above, the user department has requested that the budget be increased by R400 000 during the Mid-year adjustment budget process.

3.3.11 Kayamandi Watergang Basic Services

The user department planned to spend R2 252 895 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R299 237. Orders to the amount of R5 352 937 have been loaded on the financial system. The user department indicated that the budget will be spent by 30 June 2022.

3.3.10 Stellenbosch Idas Valley (166) FLISP ERF 9445

The user department planned to spend R6 000 000 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R4 224 536. The user department indicated that a request for the immediate eviction of illegal land invaders have been submitted. 30% of the service installations have been completed. The budget will be spent by 30 June 2021.

The transferring department has increased the funding allocation to R14 556 000. The additional funding to the amount of R3 268 000 will be incorporated in the Mid-year adjustment budget process. Furthermore, it should be noted that a funding re-allocation letter has been submitted in respect of the Integrated Urban Development grant, to avail an additional R4 000 000 to the project. Once approved, the funding will also be allocated during the Mid-year adjustment budget process.

3.3.11 Upgrading of The Steps/Orlean Lounge

The user department planned to spend R4 000 002 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R2 401 775. Orders to the amount of R4 803 453 have been loaded on the financial system. The user department indicated that the budget will be spent by 30 June 2022.

3.3.12 Bulk Water Supply Pipeline & Reservoir - Jamestown

The user department planned to spend R4 307 498 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R300 551. The user department indicated that the consultants have been appointed. The tender will serve before the Bid Specifications Committee once a date has been ascertained.

3.3.13 New Reservoir & Pipeline: Vlottenburg

The user department planned to spend R17 300 000 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R515 310. The user department

indicated that the tender has been cancelled and an increase in materials have been done. A new tender has been compiled.

3.3.14 New Reservoir Rosendal

The user department planned to spend R6 200 000 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R4 663 258. The user department indicated that additional funding of R300 000 has been requested to be availed during the Mid-year adjustment budget process.

3.3.15 Northern Extension: Phase 2 Water Infrastructure

The user department planned to spend R1 999 998 of the adjusted budget. No spending has been incurred to date. Orders to the amount of R620 751 have been loaded on the financial system. A funding re-allocation letter has been submitted in respect of the Integrated Urban Development grant. Once approved, the grant funding for this project will be removed during the Mid-year adjustment budget process.

3.3.16 Upgrade of WWTW Wemmershoek

The user department planned to spend R14 821 033 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R5 371 748. The user department indicated that a contractor is on site and orders to the amount of R18 545 825 has been loaded on the financial system.

3.3.17 Upgrade of WWTW: Pniel & Decommissioning of Franschoek

The user department planned to spend R24 000 000 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R12 749 074. The user department indicated that this is a multi-year project, and the project is in progress. The contractor is on site. Orders to the amount of R33 539 283 have been loaded on the financial system. It should be noted that a funding re-allocation letter has been submitted in respect of the Integrated Urban Development grant, to avail an additional R6 208 230 to the project. Once approved, the funding will be allocated during the Mid-year adjustment budget process

3.3.18 Bridge Construction

The user department planned to spend R12 000 000 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R96 405. The user department indicated that the tender has been awarded and orders to the amount of R27 076 320 have been loaded on the financial system.

3.3.19 Jamestown Transport Network

The user department planned to spend R1 500 000 of the adjusted budget. No spending has been incurred to date. A funding re-allocation letter has been submitted in respect of the Integrated Urban Development grant. Once approved, the grant funding for this project will be removed during the Mid-year adjustment budget process.

3.4 Corporate Services

The Directorate planned to spend R12 710 453 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R9 205 219. This resulted in an underperformance of R3 505 234. The projects that attributed to the underperformance are as follows:

3.4.1 Structural improvements at the Van der Stel Sport grounds

The user department planned to spend R1 300 002 of the adjusted budget. No spending has been incurred to date. The user department indicated that various projects are being implemented from this ukey. The user department requested that the budget will be reduced by R2 500 000 during the Mid-year adjustment budget process.

3.4.2 Upgrading of New Office Space: Ryneveld Street

The user department planned to spend R2 500 000 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R916 891. The user department indicated that the project has been completed. An improvement will be noted in the next reporting period.

3 Investments

ACC. NR	BANK	Type/ Period	INTEREST RATE	MATURITY DATE	OPENING BALANCE AS AT 1 JULY 2021	December		TOTAL INVESTMENTS/ WITHDRAWALS	INTEREST CAPITALISED FOR THE MONTH UNDER REVIEW	INTEREST ACCRUED YTD	CLOSING BALANCE YTD	
						INVEST	WITHDRAW					
	ABSA BANK											
9367489415	A#415	CALL	4.200%			60 000 000.00	(40 000 000.00)	60 000 000.00	232 250.74	392 830.90	60 392 830.90	
						0.01	60 000 000.00	- 40 000 000.00	60 000 000.00	232 250.74	392 830.90	60 392 830.90
	NEDBANK											
03/7881123974/...020	N#020	FIXED / 6 MTHS	4.640%	10-Aug-21	71 263 605.48			(71 619 550.68)	-	355 945.21	0.00	
03/7881123974/...021	N#021	FIXED / 7 MTHS	4.820%	26-Nov-21	90 736 865.75			(92 495 835.62)		1 758 969.86	(0.00)	
03/7881123974/...023	N#023	FIXED / 5 MTHS	4.770%	06-Dec-21			- 29 792 878.44	(576 538.44)	19 090.68	576 538.44	0.00	
03/7881123974/...024	N#024	FIXED / 5 MTHS	5.800%	12-Oct-22				80 000 000.00	394 082.19	1 029 698.63	81 029 698.63	
					162 000 471.24	-	(29 792 878.44)	(84 691 924.74)	413 172.87	3 721 152.14	81 029 698.64	
	STANDARD BANK											
258489367-025	S#025	CALL ACCOUNT	3.500%					(473 959.24)		473 959.24	0.00	
258489367-031	S#031	FIXED 3 MNTHS	4.250%	29-Jul-21	60 433 150.68			(60 635 826.63)	-	202 675.95	0.00	
258489367-032	S#032	FIXED 3 MNTHS	4.875%	06-Dec-21			- 81 613 424.66	(1 613 424.66)	64 109.59	1 613 424.66	(0.00)	
258489367-033	S#033	FIXED 5 MNTHS	4.850%	11-Mar-22				50 000 000.00	205 958.90	531 506.85	50 531 506.85	
258489367-034	S#034	FIXED 5 MNTHS	5.175%	13-Jun-22		124 000 000.00		124 000 000.00	281 293.15	281 293.15	124 281 293.15	
					60 433 150.78	124 000 000.00	(81 613 424.66)	111 276 789.47	551 361.64	3 102 859.85	174 812 800.00	
INVESTMENT TOTAL					222 433 622.01	184 000 000.00	(151 406 303.10)	86 584 864.73	1 196 785.25	7 216 842.89	316 235 329.54	

WC024 Stellenbosch - Supporting Table SC5 Monthly Budget Statement - investment portfolio - Mid-Year Assessment

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
		Yrs/Months							
R thousands									
Municipality									
N#020		6M	Deposits - Bank	10/08/2021	-	4.64%	0	-	0
N#021		7M	Deposits - Bank	26/11/2021	-	4.82%	(0)	-	(0)
S#031		3M	Deposits - Bank	29/07/2021	-	4.25%	0	-	0
N#023		5M	Deposits - Bank	06/12/2021	19	4.77%	29 774	(29 793)	0
S#025		CALL ACCOUM	Deposits - Bank	08/07/2022	-	3.50%	0	-	0
S#032		5M	Deposits - Bank	06/12/2021	64	4.88%	81 549	(81 613)	(0)
A#415		CALL ACCOUM	Deposits - Bank	12/10/2022	232	4.20%	40 161	20 000	60 393
N#024		1Y	Deposits - Bank	12/10/2022	394	5.80%	80 636	-	81 030
S#033		5M	Deposits - Bank	11/03/2022	206	4.85%	50 326	-	50 532
S#034		6M	Deposits - Bank	13/06/2022	281	5.18%	-	124 000	124 281
Municipality sub-total					1 197		282 445	32 594	316 235
TOTAL INVESTMENTS AND INTEREST	2				1 197		282 445	32 594	316 235

4 Borrowings

Lending Institution	Balance 1/12/2021	Received December 2021	Interest Capitalised December 2021	Capital Repayments December 2021	Balance 31/12/2021	Percentage	Sinking Funds (R'000)
DBSA@ 11.1%	13 424 569	-	-	1 373 444	12 051 125	11.10%	
DBSA@ 10.25%	40 314 325	-	-	3 171 683	37 142 642	10.25%	
DBSA @ 9.74%	73 446 495	-	-	2 849 510	70 596 985	9.74%	
NEBANK @ 9.70%	138 992 119	-	-	5 895 618	133 096 501	9.70%	
NEBANK @ 6.73%	102 779 511	-	-	3 274 341	99 505 170	6.73%	
	368 957 019	-	-	16 564 596	352 392 423		

7 Allocations and grant receipts and expenditure

OPERATING & CAPITAL GRANTS	EXPECTED ALLOCATION	UNSPENT CONDITIONAL GRANTS (ROLL OVERS)	TOTAL 2020/21 INCLUSIVE OF ROLL OVER AMOUNTS	CAPITAL DEBTORS	ACCUMULATED ACTUAL RECEIPTS	PRIOR YEARS DEBTORS CLEARED	ACCUMULATED ACTUAL EXPENDITURE	ACTUAL MONTHLY EXPENDITURE	ACTUAL MONTHLY RECEIPTS	UNSPENT CONDITIONAL GRANTS	% OF RECEIPTS SPENT TO DATE	% OF GAZETTED ALLOCATIONS SPENT TO DATE	CONDITIONS MET (GRAP 23 JOURNAL)
Unconditional Grant:Equitable Share	157 136 000		157 136 000		117 852 000		27 138 792	3 770 191	52 379 000	90 713 208	23.03%	17.27%	117 852 000
Grand Total (Unconditional Grants)	157 136 000	-	157 136 000	-	117 852 000	-	27 138 792	3 770 191	52 379 000	90 713 208	23.03%	0.23	117 852 000
EPWP Integrated Grant for Municipalities	5 998 000		5 998 000		4 199 000		1 825 078	346 972	2 699 000	2 373 922	43.46%	30.43%	1 825 078
Local Government Financial Management Grant	1 550 000		1 550 000		1 550 000		681 952	54 984	-	868 048	44.00%	44.00%	681 952
Integrated National Electrification Programme (Municipal) Grant	18 000 000		18 000 000		18 000 000		5 403 552	898 744		12 596 448	30.02%	30.02%	5 403 552
Integrated Urban Development Grant	56 941 000		56 941 000		30 179 000		19 775 842	7 858 058	9 680 000	10 403 158	65.53%	34.73%	19 775 842
LGSETA Funding			-	76 360	-				-	76 360	-100.00%	0.00%	
DBSA Grant			-	1 981 528	2 000 000					18 472	99.08%	0.00%	
Community Development Workers Operational Support Grant	38 000		38 000		38 000		-	-		38 000	0.00%	0.00%	-
Library Services: Conditional Grant	11 244 000	2 302 051	13 546 051		11 244 000		4 703 015	616 929	-	8 843 036	34.72%	34.72%	4 703 015
Human Settlements Development Grant	51 408 000	679 673	52 087 673	14 009 182	12 817 994	6 820 409	8 134 072	2 676 805	4 285 397	8 645 588	60.26%	15.62%	8 134 072
Title Deeds Restoration Grant		1 371 711	1 371 711							1 371 711	0.00%	0.00%	
Municipal Accreditation and Capacity Building Grant	252 000	238 000	490 000		-		0	-		238 000	0.00%	0.00%	-
Financial Management Capacity Building Grant	250 000	164 751	414 751		-		-	-		164 751	0.00%	0.00%	-
Maintenance and Construction of Transport Infrastructure	4 950 000		4 950 000		-		1 199 008	593 888		1 199 008	-100.00%	24.22%	1 199 008
Regional Socio-Economic Project/violence through urban upgrading (RSEP/VPUL)	1 000 000												
		3 337 700	4 337 700		-		494 752	494 752		2 842 948	14.82%	11.41%	494 752
Cape Winelands District Grant	500 000		500 000		500 000		500 000	-		-	100.00%	100.00%	500 000
Cape Winelands Disaster Grant		146 959								146 959	0.00%	0.00%	
Development of Sport and Recreational Facilities	600 000		746 959		-		49 650	49 650		49 650	33.78%	6.65%	49 650
Blaauwklippen housing project		369 715	369 715							369 715	0.00%	0.00%	
Housing consumer education		68 010	68 010							68 010	0.00%	0.00%	
Khaya Lam Free Market Foundation		102 000	102 000							102 000	0.00%	0.00%	
Other sources		288 184	288 184							288 184	0.00%	0.00%	
Integrated Transport Planning Grant		600 000	600 000							600 000	0.00%	0.00%	
National Lottery		307 361	307 361							307 361	0.00%	0.00%	
Grand total (Conditional Grants)	152 731 000	9 976 115	162 707 115	16 067 070	80 527 994	6 820 409	42 766 921	13 590 782	16 664 397	31 670 118	47.25%	53.11%	42 766 921

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

WC024 Stellenbosch - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Mid-Year Assessment

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		178 568	12 103	169 239	55 078	123 601	5 749	117 852	2050.0%	7 548
Operational Revenue:General Revenue:Equitable Share		170 632	-	157 136	52 379	117 852	-	117 852	#DIV/0!	-
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		4 961	5 998	5 998	2 699	4 199	4 199	-	-	5 998
Local Government Financial Management Grant [Schedule 5B]		1 550	1 550	1 550	-	1 550	1 550	-	-	1 550
Integrated Urban Development Grant		1 425	4 555	4 555	-	-	-	-	-	-
Provincial Government:		23 858	34 574	34 574	-	11 182	-	11 182	#DIV/0!	-
Community Development Workers Operational Support Grant		56	38	38	-	38	-	38	#DIV/0!	-
Human Settlements Development Grant		10 242	17 940	17 940	-	-	-	-	-	-
Financial Management Capacity Building Grant	4	300	250	250	-	-	-	-	-	-
Libraries, Archives and Museums	4	13 022	11 144	11 144	-	11 144	-	11 144	#DIV/0!	-
Local Government Support Grant	4	-	-	-	-	-	-	-	-	-
LGSETA Bursary Fund	4	-	-	-	-	-	-	-	-	-
WC Financial Management Support Grant	4	-	-	-	-	-	-	-	-	-
LG Graduate Internship Grant	4	-	-	-	-	-	-	-	-	-
Maintenance and Construction of Transport Infrastructure	4	-	4 950	4 950	-	-	-	-	-	-
Municipal Accreditation and Capacity Building Grant	4	238	252	252	-	-	-	-	-	-
District Municipality:		540	500	500	-	500	-	-	-	-
All Grants		440	-	-	-	-	-	-	-	-
Cape Winelands District Grant Long Term Financial Plan		-	500	500	-	500	-	-	-	-
Safety Initiative Implementation-whole of society approach (WOSA):Opening Balance		-	-	-	-	-	-	-	-	-
Tourism		100	-	-	-	-	-	-	-	-
Other grant providers:		1 761	-	-	-	2 000	-	2 000	#DIV/0!	-
Departmental Agencies and Accounts		139	-	-	-	-	-	-	-	-
DBSA Grant		1 618	-	-	-	2 000	-	2 000	#DIV/0!	-
LG SETA Bursary Fund		4	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	204 726	47 177	204 313	55 078	137 283	5 749	131 034	2279.2%	7 548
Capital Transfers and Grants										
National Government:		57 481	74 941	70 386	9 680	48 179	48 179	-	-	74 941
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		12 000	18 000	18 000	-	18 000	18 000	-	-	18 000
Integrated Urban Development Grant		45 481	56 941	52 386	9 680	30 179	30 179	-	-	56 941
Provincial Government:		19 844	35 168	35 168	4 285	12 918	-	12 918	#DIV/0!	-
Human Settlements Development Grant		15 189	33 468	33 468	4 285	12 818	-	12 818	#DIV/0!	-
Libraries, Archives and Museums		55	100	100	-	100	-	100	#DIV/0!	-
Regional Socio-Economic Project/violence through urban upgrading (RSEP/VPUU)		4 000	1 000	1 000	-	-	-	-	-	-
Integrated Transport Planning		600	600	600	-	-	-	-	-	-
Development of Sport and Recreational Facilities		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
All Grants		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Departmental Agencies and Accounts		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	77 325	110 109	105 554	13 965	61 097	48 179	12 918	26.8%	74 941
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	282 052	157 286	309 867	69 043	198 380	53 928	143 952	266.9%	82 489

Supporting Table SC7 (1) Monthly Budget Statement – transfers and grant expenditure

WC024 Stellenbosch - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Mid-Year Assessment

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		177 143	169 239	169 239	4 201	29 972	-	29 972	#DIV/0!	-
Operational Revenue:General Revenue:Equitable Share		170 632	157 136	157 136	3 770	27 139	-	27 139	#DIV/0!	-
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		4 961	5 998	5 998	347	1 825	-	1 825	#DIV/0!	-
Local Government Financial Management Grant [Schedule 5B]		1 550	1 550	1 550	55	682	-	682	#DIV/0!	-
Integrated Urban Development Grant		-	4 555	4 555	29	326	-	326	#DIV/0!	-
Provincial Government:		-	34 574	34 574	1 211	5 899	-	5 899	#DIV/0!	-
Community Development Workers Operational Support Grant		-	38	38	-	-	-	-	-	-
Human Settlements Development Grant		-	17 940	17 940	-	-	-	-	-	-
Financial Management Capacity Building Grant		-	250	250	-	-	-	-	-	-
Libraries, Archives and Museums		-	11 144	11 144	617	4 700	-	4 700	#DIV/0!	-
Local Government Support Grant		-	-	-	-	-	-	-	-	-
LGSETA Bursary Fund		-	-	-	-	-	-	-	-	-
WC Financial Management Support Grant		-	-	-	-	-	-	-	-	-
LG Graduate Internship Grant		-	-	-	-	-	-	-	-	-
Maintenance and Construction of Transport Infrastructure		-	4 950	4 950	594	1 199	-	1 199	#DIV/0!	-
Municipal Accreditation and Capacity Building Grant		-	252	252	-	0	-	0	#DIV/0!	-
Municipal Accreditation and Capacity Building Grant		-	-	-	-	-	-	-	-	-
Waste Water Infrastructure - Maintenance		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure - Maintenance		-	-	-	-	-	-	-	-	-
District Municipality:		-	500	500	-	500	-	500	#DIV/0!	-
All Grants		-	-	-	-	-	-	-	-	-
Cape Winelands District Grant Long Term Financial Plan		-	500	500	-	500	-	-	-	-
Safety Initiative Implementation-whole of society approach (WOSA):Opening Balance		-	-	-	-	-	-	-	-	-
Other grant providers:		1 999	-	-	-	-	-	-	-	-
Departmental Agencies and Accounts		139	-	-	-	-	-	-	-	-
DBSA Grant		51	-	-	-	-	-	-	-	-
LG SETA Bursary Fund		1 809	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		179 142	204 313	204 313	5 412	36 371	-	36 371	#DIV/0!	-
Capital expenditure of Transfers and Grants										
National Government:		58 906	70 386	70 386	8 728	24 853	-	24 853	#DIV/0!	-
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		12 000	18 000	18 000	899	5 404	-	5 404	#DIV/0!	-
Integrated Urban Development Grant		46 906	52 386	52 386	7 829	19 450	-	19 450	#DIV/0!	-
Provincial Government:		-	35 168	39 208	2 726	8 186	-	8 186	#DIV/0!	-
Human Settlements Development Grant		-	33 468	34 171	2 677	8 134	-	8 134	#DIV/0!	-
Libraries, Archives and Museums		-	100	100	-	3	-	3	#DIV/0!	-
Regional Socio-Economic Project/violence through urban upgrading (RSEP/VPUU)		-	1 000	4 338	-	-	-	-	-	-
Integrated Transport Planning		-	-	600	-	-	-	-	-	-
Development of Sport and Recreational Facilities		-	600	-	50	50	-	50	#DIV/0!	-
District Municipality:		-	-	-	-	-	-	-	-	-
All Grants		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Departmental Agencies and Accounts		-	-	-	-	-	-	-	-	-
Private Enterprises		-	-	-	-	-	-	-	-	-
Public Corporations		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		58 906	105 554	109 594	11 454	33 039	-	33 039	#DIV/0!	-
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		238 048	309 867	313 907	16 866	69 411	-	69 411	#DIV/0!	-

Supporting Table SC7 (2) Monthly Budget Statement – Expenditure against approved rollovers

WC024 Stellenbosch - Supporting Table SC7(2) Monthly Budget Statement - Expenditure against approved rollovers - Mid-Year Assessment

Description	Ref	Budget Year 2021/22				
		Approved Rollover 2020/21	Monthly actual	YearTD actual	YTD variance	YTD variance %
R thousands						
EXPENDITURE						
Operating expenditure of Approved Roll-overs						
National Government:						
Operational Revenue:General Revenue:Equitable Share		-	-	-	-	
Operational:Revenue:General Revenue:Fuel Levy		-	-	-	-	
Provincial Government:						
Community Development Workers Operational Support Grant		-	-	-	-	
Human Settlements Development Grant		-	-	-	-	
Financial Management Capacity Building Grant		-	-	-	-	
Libraries, Archives and Museums		-	-	-	-	
Integrated Transport Planning Grant		-	-	-	-	
LGSETA Bursary Fund		-	-	-	-	
WC Financial Management Support Grant		-	-	-	-	
LG Graduate Internship Grant		-	-	-	-	
Maintenance and Construction of Transport Infrastructure		-	-	-	-	
Municipal Accreditation and Capacity Building Grant		-	-	-	-	
Title Deeds Restoration Grant		-	-	-	-	
Waste Water Infrastructure - Maintenance		-	-	-	-	
Water Supply Infrastructure - Maintenance		-	-	-	-	
District Municipality:						
Cape Winelands Disaster Grant		-	-	-	-	
Other grant providers:						
Departmental Agencies and Accounts		-	-	-	-	
Total operating expenditure of Approved Roll-overs		-	-	-	-	
Capital expenditure of Approved Roll-overs						
National Government:						
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		-	-	-	-	
Integrated Urban Development Grant		-	-	-	-	
Municipal Water Infrastructure Grant [Schedule 5B]		-	-	-	-	
Neighbourhood Development Partnership Grant [Schedule 5B]		-	-	-	-	
Integrated Urban Development Grant		-	-	-	-	
Provincial Government:						
Human Settlements Development Grant		4 040	495	495	(3 545)	-87.8%
Libraries, Archives and Museums		702	-	-	(702)	-100.0%
Regional Socio-Economic Project/violence through urban upgrading (RSEP/VPUU)		3 338	495	495	(2 843)	-85.2%
Integrated Transport Planning		-	-	-	-	
Development of Sport and Recreational Facilities		-	-	-	-	
Infrastructure		-	-	-	-	
Libraries, Archives and Museums		-	-	-	-	
Other		-	-	-	-	
Public Transport		-	-	-	-	
Road Infrastructure		-	-	-	-	
Sports and Recreation		-	-	-	-	
Waste Water Infrastructure		-	-	-	-	
Water Supply Infrastructure		-	-	-	-	
District Municipality:						
All Grants		-	-	-	-	
Other grant providers:						
Departmental Agencies and Accounts		-	-	-	-	
Foreign Government and International Organisations		-	-	-	-	
Transfer from Operational Revenue		-	-	-	-	
Total capital expenditure of Approved Roll-overs		4 040	495	495	(3 545)	-87.8%
TOTAL EXPENDITURE OF APPROVED ROLL-OVERS		4 040	495	495	(3 545)	-87.8%

8 Employee related costs

Employee - Related Costs	Original Budget	Adjustments Budget	Year-to-date Budget	Year-to-date Actual	% Variance	Monthly Budget	Monthly Actual	% Variance
Basic Salary and Wages	358 787 703	358 787 703	30 788 808	172 295 441	460%	28 044 894	28 508 265	2%
Bonus	29 798 255	29 798 255	12 428 614	24 247 854	95%	485 370	204 435	-58%
Acting and Post Related Allowances	1 745 660	1 745 660	10 999 740	221 366	-98%	101 144	48 089	-52%
Non Structured	37 166 979	37 166 979	8 910 959	16 859 651	89%	2 734 319	2 777 620	2%
Standby Allowance	13 511 760	13 511 760	6 295 643	5 855 981	-7%	1 157 662	932 556	-19%
Travel or Motor Vehicle	12 471 755	12 471 755	8 025 195	4 567 440	-43%	663 115	719 818	9%
Accommodation, Travel and Incidental	441 812	441 812	1 422 896	9 767	-100%	136 041	2 143	-100%
Bargaining Council	247 599	247 599	43 650 943	208 310	-100%	12 922	74 984	480%
Cellular and Telephone	1 279 522	1 279 522	20 156 514	931 185	-95%	85 274	149 497	75%
Current Service Cost	5 935 660	5 935 660	73 584	4 634 849	0%	494 638	779 325	58%
Essential User	750 919	750 919	1 855 944	292 045	-84%	61 398	31 676	-48%
Entertainment	94 283	94 283	894	-	0%	7 857	-	0%
Fire Brigade	3 237 130	3 237 130	-	1 421 545	100%	222 037	232 113	5%
Group Life Insurance	4 872 537	4 872 537	17 795 744	2 298 129	-87%	312 444	386 138	24%
Housing Benefits	3 594 264	3 594 264	19 853 871	1 425 409	-93%	246 107	239 874	-3%
Interest Cost	22 609 511	22 609 511	5 676	-	0%	1 884 126	-	0%
Leave Gratuity	-	-	-	-	0%	-	-	0%
Leave Pay	2 538 403	2 538 403	1 632 641	1 696 001	4%	235 002	-	-100%
Long Term Service Awards	1 205 762	1 205 762	-	-	0%	100 480	-	0%
Medical	31 650 226	31 650 226	14 759 710	12 647 600	-14%	1 769 154	2 086 597	18%
Non-pensionable	1 032 821	1 032 821	308	31 199	10030%	82 242	5 331	-94%
Pension	65 237 329	65 237 329	26 543 397	26 672 853	0%	5 162 023	4 423 485	-14%
Scarcity Allowance	1 857 480	1 857 480	1 735 551	351 015	-80%	167 367	59 661	-64%
Shift Additional Remuneration	2 289 690	2 289 690	6 736 030	2 251 986	-67%	190 916	365 939	92%
Structured	1 785 922	1 785 922	-	1 033 645	0%	144 902	187 643	29%
Unemployment Insurance	3 315 315	3 315 315	35 150 744	1 366 813	-96%	184 393	228 079	24%
Totals	607 458 297	607 458 297	268 823 406	281 320 085	5%	44 685 827	42 443 266	-5%

Councillor Allowances and Employee Benefits

WC024 Stellenbosch - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Mid-Year Assessment

Summary of Employee and Councillor remuneration	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		12 149	14 258	14 258	1 380	6 328	6 101	227	4%	14 258
Pension and UIF Contributions		–	882	882	(6)	(6)	441	(447)	-101%	882
Medical Aid Contributions		–	96	96	(6)	(6)	48	(54)	-113%	96
Motor Vehicle Allowance		4 356	5 145	5 145	76	1 534	3 306	(1 772)	-54%	5 145
Cellphone Allowance		1 751	1 392	1 392	163	874	1 053	(179)	-17%	1 392
Housing Allowances		–	–	–	–	–	–	–	–	–
Other benefits and allowances		155	205	205	0	52	102	(50)	-49%	205
Sub Total - Councillors		18 411	21 978	21 978	1 607	8 776	11 052	(2 276)	-21%	21 978
% increase	4		19.4%	19.4%						19.4%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		4 991	7 281	7 281	657	2 875	3 641	(766)	-21%	7 281
Pension and UIF Contributions		–	881	881	56	113	441	(328)	-74%	881
Medical Aid Contributions		–	319	319	10	19	160	(140)	-88%	319
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		1 190	627	627	–	–	627	(627)	-100%	627
Motor Vehicle Allowance		–	679	679	45	95	340	(244)	-72%	679
Cellphone Allowance		–	137	137	8	15	68	(53)	-78%	137
Housing Allowances		–	18	18	2	3	9	(6)	-67%	18
Other benefits and allowances		0	87	87	0	0	44	(43)	-100%	87
Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	2	3 957	–	–	779	4 635	–	4 635	#DIV/0!	–
Sub Total - Senior Managers of Municipality		10 137	10 029	10 029	1 557	7 755	5 328	2 428	46%	10 029
% increase	4		-1.1%	-1.1%						-1.1%
Other Municipal Staff										
Basic Salaries and Wages		333 584	351 506	358 579	27 851	169 420	173 693	(4 272)	-2%	358 579
Pension and UIF Contributions		56 980	67 671	67 671	4 595	27 927	23 925	4 002	17%	67 671
Medical Aid Contributions		25 304	31 331	31 331	2 077	12 628	10 400	2 229	21%	31 331
Overtime		55 274	54 754	54 754	4 264	26 001	24 682	1 320	5%	54 754
Performance Bonus		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance		9 266	11 793	11 793	674	4 472	3 615	858	24%	11 793
Cellphone Allowance		1 883	1 143	1 143	142	916	569	347	61%	1 143
Housing Allowances		2 773	3 576	3 576	238	1 422	1 436	(14)	-1%	3 576
Other benefits and allowances		35 056	43 365	43 365	1 044	29 081	22 592	6 489	29%	43 365
Payments in lieu of leave		(3)	2 538	2 538	–	1 696	1 074	622	58%	2 538
Long service awards		53	82	82	–	–	41	(41)	-100%	82
Post-retirement benefit obligations	2	11 574	29 669	29 669	–	–	14 835	(14 835)	-100%	29 669
Sub Total - Other Municipal Staff		531 742	597 429	604 501	40 886	273 565	276 860	(3 295)	-1%	604 501
% increase	4		12.4%	13.7%						13.7%
Total Parent Municipality		560 291	629 436	636 509	44 050	290 096	293 239	(3 143)	-1%	636 509

**Appendix 2:
Mid-year Non-Financial Performance
Assessment**



STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

Mid-year Performance Assessment Report 2021/22

01 July – 31 December 2021

TABLE OF CONTENTS

1.	INTRODUCTION	3
2.	FINANCIAL PERFORMANCE.....	3
3.	SERVICE DELIVERY PERFORMANCE ANALYSIS	3
3.1	CREATING A CULTURE OF PERFORMANCE	3
3.1.1	Performance Framework	3
3.1.2	Implementation of Performance Management.....	3
3.1.3	Monitoring Performance.....	3
3.2	OVERALL SERVICE DELIVERY PERFORMANCE.....	4
3.2.1	Performance against the National Key Performance Indicators.....	4
3.2.2	Summary performance against the Municipal Strategic Focus Areas	6
3.2.3	Summary Performance per Municipal Directorate	7
4.	ADJUSTMENT BUDGET	7
5.	OUTSTANDING MATTERS ON THE PAST YEAR'S ANNUAL REPORT (2020/21)	8
6.	SUMMARY AND CHALLENGES	8
7.	ANNEXURES	8
7.1	ANNEXURE A — TOP LAYER SDBIP 2021/22 PER MUNICIPAL SFA AND ASSESSMENT OF TARGETS ACHIEVED (MID-YEAR ASSESSMENT)	10
a)	SFA 1 - Valley of Possibility.....	10
b)	SFA 2 - Green and Sustainable Valley	12
c)	SFA 3 - Safe Valley.....	15
d)	SFA 4 - Dignified Living.....	16
e)	SFA 5 - Good Governance and Compliance	20
7.2	ANNEXURE B — PROGRESS MADE WITH THE IMPLEMENTATION OF CORRECTIVE MEASURES OF KPIs NOT MET IN THE TOP LAYER SDBIP FOR 2020/21	25
a)	SFA 1 - Valley of Possibility.....	25
b)	SFA 2 - Green and Sustainable Valley	26
c)	SFA 4 – Dignified Living.....	28
d)	SFA 5 – Good Governance and Compliance	29

List of Tables

Table 3:1:	Explanation of colour codes	4
Table 3:2:	Municipal Transformation and Institutional Development	4
Table 3:3:	Basic Service Delivery	5
Table 3:4:	Local Economic Development.....	5
Table 3:5:	Municipal Financial Viability and Management	5
Table 3:7:	Good Governance and Public Participation.....	5
Table 3:9:	Summary Performance against the Municipal Strategic Focus Areas- 01 July – 31 December 2021	6
Table 3:10:	Overall Performance per Municipal Directorate- 01 July – 31 December 2021	7

1. INTRODUCTION

In terms of Section 72(1)(a) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA), the Accounting Officer must by 25 January of each year assess the performance of the municipality during the first half of the financial year. A report on such an assessment must, in terms of Section 72(1)(b) of the MFMA, be submitted to the Mayor, Provincial and National Treasury.

Once the Mayor has considered the report, it must be submitted to Council by 31 January in terms of Section 54 of the MFMA.

The Mid-year Performance Assessment Report and supporting tables of Stellenbosch Municipality is prepared per MFMA Circular 13 and the Municipal Budget and Reporting Regulations.

2. FINANCIAL PERFORMANCE

A report assessing the municipality's financial performance for the period 01 July- 31 December 2021 will be submitted to Council together with this item.

3. SERVICE DELIVERY PERFORMANCE ANALYSIS

3.1 CREATING A CULTURE OF PERFORMANCE

3.1.1 Performance Framework

Performance management is prescribed by Chapter 6 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA), and the Local Government: Municipal Planning and Performance Management Regulations, 796 of August 2001. Section 7(1) of the aforementioned regulation 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 responsibilities of the different role players."* This framework, *inter alia*, reflects the linkage between the Integrated Development Plan (IDP), Budget, Service Delivery and Budget Implementation Plan (SDBIP) and individual as well as service provider performance.

The Stellenbosch Municipality revised its Performance Management Policy and was submitted to Council for approval in September 2020.

3.1.2 Implementation of Performance Management

The revised IDP 2017 – 2022 was approved by Council in May 2021. Performance is evaluated using a municipal scorecard (the Top Layer (TL) Service Delivery and Budget Implementation Plan (SDBIP)) at organisational level and through the Departmental SDBIP at departmental level.

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 is implemented. It also allocates responsibilities to Directorates to deliver services in terms of the IDP and Budget.

The TL SDBIP was prepared and approved by the Executive Mayor on 23 June 2021.

3.1.3 Monitoring Performance

The SDBIP is loaded on an electronic web-based system (after approval). The web-based system sends automated e-mails to the users of the system as a reminder to all staff responsible for updating their actual performance against Key Performance Indicator (KPI) Targets for the previous month's

performance. The actual results against monthly targets set are discussed at the Executive Management level to determine early warning indicators as well as to discuss corrective measures if needed. The Quarter 1 Performance Assessment Report 2021/22 (01 July – 30 September 2021) was submitted to the Executive Mayoral Committee and Council for review in October 2021 and thereafter to the Internal Audit Section for auditing. A similar process will be followed for the Quarter 2 (01 October – 31 December 2021) Performance Assessment Report.

Table 3:1: Explanation of colour codes

Colour	Category	Explanation
	KPI Not Yet Measured	KPI's with no targets or actual results for the selected period
	KPI Not Met	Actual vs. target less than 75%
	KPI Almost Met	Actual vs. target between 75% and 100%
	KPI Met	Actual vs. target 100% achieved
	KPI Well Met	Actual vs. target more than 100% and less than 150% achieved
	KPI Extremely Well Met	Actual vs. target more than 150% achieved

3.2 OVERALL SERVICE DELIVERY PERFORMANCE

3.2.1 Performance against the National Key Performance Indicators

The following tables indicate the municipality's performance in terms of the National Key Performance Indicators (NKPIs) required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These key performance indicators are linked to the National Key Performance Areas (NKPAs).

a) Municipal Transformation and Institutional Development

Table 3:2: Municipal Transformation and Institutional Development

INDICATOR	ANNUAL TARGET	MUNICIPAL TARGET	MUNICIPAL ACHIEVEMENT
		01 July – 31 December 2021	01 July – 31 December 2021
The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan <i>*The Stellenbosch Municipality use a % to measure this indicator.</i>	60%*	N/A	N/A
The percentage of a municipality's budget actually spent on implementing its workplace skills plan	0.20%	N/A	N/A

b) Basic Service Delivery

Table 3:3: Basic Service Delivery

INDICATOR	ANNUAL TARGET	MUNICIPAL TARGET	MUNICIPAL ACHIEVEMENT
		01 July – 31 December 2021	01 July – 31 December 2021
The percentage of households earning less than R 6 500 per month with access to free basic services <i>(In the case of Stellenbosch Municipality- percentage of registered Indigent households is being reported)</i>	100%	100%	100% (6 417 / 6 417 x 100 = 100%)
Percentage of formal households with access to basic level of water	100%	100%	100% (6 417 / 6 417 x 100 = 100%)
Percentage of formal households with access to basic level of sanitation	100%	100%	100% (6 417 / 6 417 x 100 = 100%)
Percentage of formal households with access to basic level of electricity	65%	65%	81% (5 205 / 6 417 x 100 = 81%)
Percentage of formal households with access to basic level solid waste removal	100%	100%	100% (6 417 / 6 417 x 100 = 100%)

c) Local Economic Development

Table 3:4: Local Economic Development

INDICATOR	ANNUAL TARGET	MUNICIPAL TARGET	MUNICIPAL ACHIEVEMENT
		01 July – 31 December 2021	01 July – 31 December 2021
The number of jobs created through municipality's local economic development initiatives including capital projects	1 300	900	969

d) Municipal Financial Viability and Management

Table 3:5: Municipal Financial Viability and Management

INDICATOR	ANNUAL TARGET	MUNICIPAL TARGET	MUNICIPAL ACHIEVEMENT
		01 July – 31 December 2021	01 July – 31 December 2021
Debt coverage (Total operating revenue-operating grants received)/ debt service payments due within the year)	15%	N/A	N/A
Service debtors to revenue – (Total outstanding service debtors/ revenue received for services)	27%	N/A	N/A
Cost coverage (Available cash+ investments)/ Monthly fixed operating expenditure	4	N/A	N/A

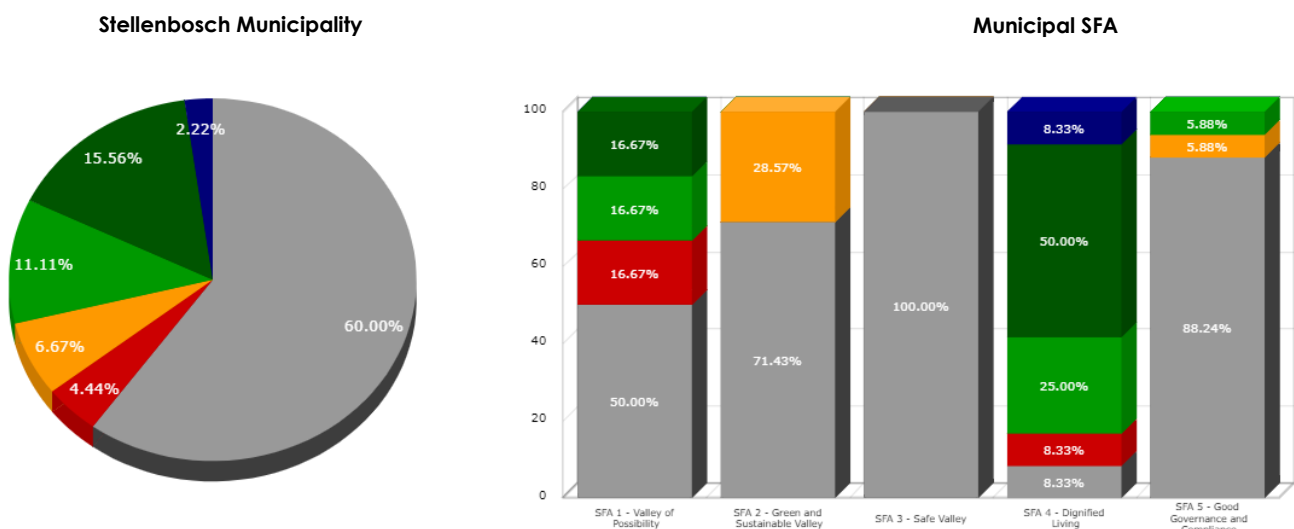
e) Good Governance and Public Participation

Table 3:6: Good Governance and Public Participation

INDICATOR	ANNUAL TARGET	MUNICIPAL TARGET	MUNICIPAL ACHIEVEMENT
		01 July – 31 December 2021	01 July – 31 December 2021
The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan	90%	30%	24.57% (R115 911 658 / R471 680 164 x 100 = 24.57%)

3.2.2 Summary performance against the Municipal Strategic Focus Areas

The graph below illustrates the performance of the Stellenbosch Municipality against the municipality's Strategic Focus Areas (SFAs), for the period 01 July – 31 December 2021, as derived from the municipality's Integrated Development Plan (IDP). The graph only indicates the KPIs measured during the first two quarters of the financial year. As at 31 December 2021, a total of 25 KPIs were evaluated. That represents a KPI evaluation percentage of 55.55% as at 31 December 2021. The remaining indicators are targeted for quarters 3 and 4 of the financial year.

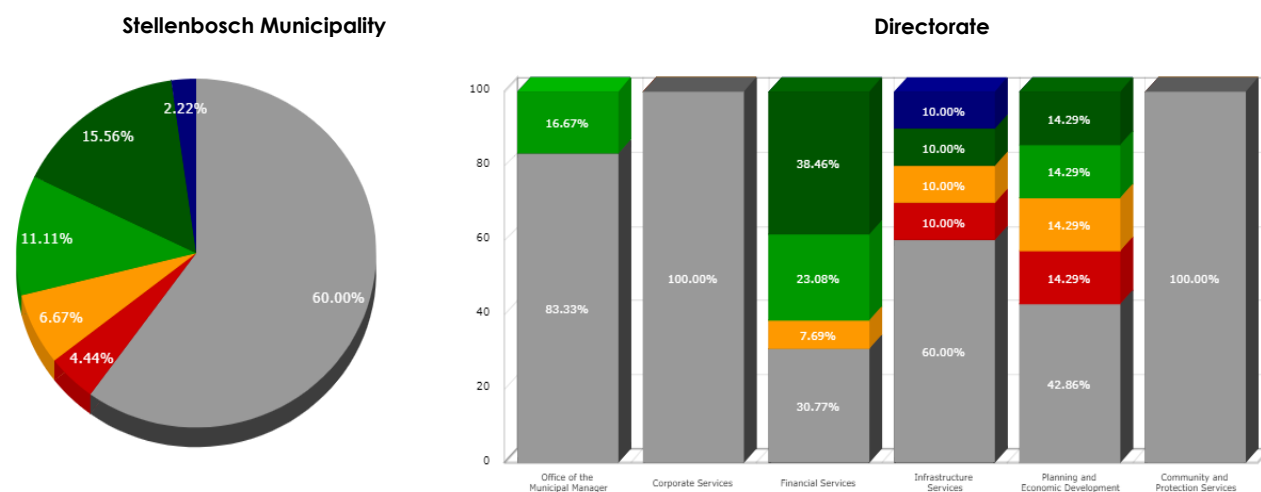


Stellenbosch Municipality		Municipal Strategic Focus Areas (SFAs)				
		SFA 1 - Valley of Possibility	SFA 2 - Green and Sustainable Valley	SFA 3 - Safe Valley	SFA 4 - Dignified Living	SFA 5 - Good Governance and Compliance
KPI Not Yet Measured	27 (60%)	3 (50%)	5 (71.43%)	3 (100%)	1 (8.33%)	15 (88.24%)
KPI Not Met	2 (4.44%)	1 (16.67%)	-	-	1 (8.33%)	-
KPI Almost Met	3 (6.67%)	-	2 (28.57%)	-	-	1 (5.88%)
KPI Met	5 (11.11%)	1 (16.67%)	-	-	3 (25%)	1 (5.88%)
KPI Well Met	7 (15.56%)	1 (16.67%)	-	-	6 (50%)	-
KPI Extremely Well Met	1 (2.22%)	-	-	-	1 (8.33%)	-
Total:	45	6	7	3	12	17
	100%	13.33%	15.56%	6.67%	26.67%	37.78%

Table 3:7: Summary Performance against the Municipal Strategic Focus Areas- 01 July – 31 December 2021

3.2.3 Summary Performance per Municipal Directorate

The graph below illustrates the performance of the Stellenbosch Municipality against each of the municipality's Directorates, for the period 01 July- 31 December 2021. The graph only indicates the KPIs measured during the first two quarters of the financial year. As at 31 December 2021, a total of 25 KPIs were evaluated. That represents a KPI evaluation percentage of 55.55% as at 31 December 2021. The remaining indicators are targeted for quarters 3 and 4 of the financial year.



Stellenbosch Municipality		Municipal Directorates					
		Office of the Municipal Manager	Corporate Services	Financial Services	Infrastructure Services	Planning and Economic Development	Community and Protection Services
KPI Not Yet Measured	27 (60.00%)	5 (83.33%)	5 (100%)	4 (30.77%)	6 (60%)	3 (42.86%)	4 (100%)
KPI Not Met	2 (4.44%)	-	-	-	1 (10%)	1 (14.29%)	-
KPI Almost Met	3 (6.67%)	-	-	1 (7.69%)	1 (10%)	1 (14.29%)	-
KPI Met	5 (11.11%)	1 (16.67%)	-	3 (23.08%)	-	1 (14.29%)	-
KPI Well Met	7 (15.56%)	-	-	5 (38.46%)	1 (10%)	1 (14.29%)	-
KPI Extremely Well Met	1 (2.22%)	-	-	-	1 (10%)	-	-
Total:	45	6	5	13	10	7	4
	100%	13.33%	11.11%	28.89%	22.22%	15.56%	8.89%

Table 3:8: Overall Performance per Municipal Directorate- 01 July – 31 December 2021

4. ADJUSTMENT BUDGET

Regulation 23 of the Local Government: Municipal Budget and Reporting Regulations provide, *inter alia*, for the following:

“An adjustment budget may be tabled in the Municipal Council at any time after the Mid-year Budget and Performance Assessment has been tabled in the Council, but not later than 28 February of each year. Furthermore, except under certain circumstances only one adjustment budget may be tabled in Council during a financial year.”

A revised Top Layer SDBIP will be submitted with the Adjustments Budget to Council February 2022 with the necessary motivation where key performance indicators require adjustment / amendment(s) as a result of the Adjustments Budget.

5. OUTSTANDING MATTERS ON THE PAST YEAR’S ANNUAL REPORT (2020/21)

As prescribed in section 72(1)(a)(iii) of the MFMA the Accounting Officer must assess the performance of the municipality in the first six months considering the past year’s Annual Report, and progress on resolving the problems identified in the Annual Report. Please refer to **Annexure B** for detail regarding progress made with the implementation of corrective measures to address the KPIs which have not been met in the TL SDBIP 2020/21.

6. SUMMARY AND CHALLENGES

Annexure A is the unaudited Top Layer SDBIP report for the period 01 July – 31 December 2021 of the 2021/22 financial year, which measures the Stellenbosch Municipality’s overall performance per SFA. The report, furthermore, includes the performance comments and corrective measures indicated for targets not achieved.

GERALDINE METTLER
MUNICIPAL MANAGER

DATE:

7. ANNEXURES

Annexure A — Top Layer SDBIP 2021/22 per Municipal SFA and assessment of targets achieved (Mid-year Assessment)

Annexure B — Progress made with the implementation of corrective measures of KPIs not met in the Top Layer SDBIP for 2020/21

7.1 ANNEXURE A — TOP LAYER SDBIP 2021/22 PER MUNICIPAL SFA AND ASSESSMENT OF TARGETS ACHIEVED (MID-YEAR ASSESSMENT)

a) SFA 1 - Valley of Possibility

SFA 1 - Valley of Possibility																
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	01 July – 30 September 2021			01 October – 31 December 2021			Overall Performance for the period 01 July – 31 December 2021			Overall performance comment	Overall corrective measure
						Target	Actual	R	Target	Actual	R	Target	Actual	R		
TL88	KPI007	The number of jobs created through the municipality's local economic development initiatives including capital projects (NKPI Proxy - MSA, Reg. S10(d))	Number of job opportunities created through the municipality's local economic development initiatives including capital projects by 30 June	1 300	1 300	400 (400)	829	B	900 (900)	969	G2	900	969	G2		
TL89	KPI008	Land-use applications considered by the Municipal Planning Tribunal (MPT) within 120 days from a complete land-use application	Percentage of land-use applications considered by the MPT within 120 days from a complete land-use application	75%	75%	75%	66.66%	O	75%	100%	G2	75%	75%	G	3 / 4 x 100 =75%	
TL90	KPI009	Training opportunities provided for entrepreneurs and Small, Medium and Micro Enterprises (SMMEs)	Number of quarterly training opportunities provided for entrepreneurs and SMMEs	4	4	1 (1)	0	R	1 (2)	1	G	2	1	R	Only 1 training opportunity could be facilitated due to the LED staff capacity constraints.	LED recruitment is in process. Shortfall on performance target will be made up in the third and fourth quarter of the 2021/22 financial year.
TL91	KPI010	Revised Spatial Development	Number of Revised SDFs	1	1	0	0	N/A	0	0	N/A	0	0	N/A		

SFA 1 - Valley of Possibility																
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	01 July – 30 September 2021			01 October – 31 December 2021			Overall Performance for the period 01 July – 31 December 2021			Overall performance comment	Overall corrective measure
						Target	Actual	R	Target	Actual	R	Target	Actual	R		
		Framework (SDF) submitted to Council	submitted to Council by 30 June													
TL92	KPI012	Revised Housing Pipeline (document) submitted to the Mayoral Committee (MayCo)	Number of Revised Housing Pipelines (documents) submitted to the MayCo by 31 May	1	1	0	0	N/A	0	0	N/A	0	0	N/A		
TL93	KPI080	Submission of Tourism Strategic Plan to the Municipal Manager	Number of Tourism Strategic Plans submitted to the Municipal Manager by 30 June	1	1	0	0	N/A	0	0	N/A	0	0	N/A		

Summary of Results: SFA 1 - Valley of Possibility

	KPI Not Yet Measured	3
	KPI Not Met	1
	KPI Almost Met	0
	KPI Met	1
	KPI Well Met	1
	KPI Extremely Well Met	0
	Total KPIs	6

b) SFA 2 - Green and Sustainable Valley

SFA 2 - Green and Sustainable Valley																
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	01 July – 30 September 2021			01 October – 31 December 2021			Overall Performance for the period 01 July – 31 December 2021			Overall performance comment	Overall corrective measure
						Target	Actual	R	Target	Actual	R	Target	Actual	R		
TL94	KPI016	Conduct an external audit of the Stellenbosch Municipality Waste Disposal Facilities	Number of external audits of the Stellenbosch Municipality Waste Disposal Facilities conducted by 30 June	1	1	0	0	N/A	0	0	N/A	0	0	N/A		
TL95	KPI073	Implementation of identified waste minimisation projects	Number of identified waste minimisation projects implemented by 30 June	2	2	0	0	N/A	0	0	N/A	0	0	N/A		
TL96	KPI018	Building plan applications of <500sqm decided on within 30 days	Percentage of building plan applications of <500sqm decided on within 30 days after date of receipt	80%	80%	80%	75.29%	○	80%	54.80%	R	80%	64.62%	○	568 / 879 x 100 = 64.62%	The targets will be revised during February 2022 commensurate with the available capacity.
TL97	KPI019	Waste water quality managed and measured to the Department of Water and Sanitation's License Conditions for physical and micro parameters	Percentage waste water quality compliance as per analysis certificate, measured quarterly	70%	70%	70%	60.33%	○	70%	52%	R	70%	56.17%	○	Effluent discharge limits were discussed with the Department of Water and Sanitation (DWS). Stellenbosch Municipality communicated with DWS in November 2021 to set up a meeting to discuss the	The upgrade of the Pniël WWTW is currently under construction. Cold commissioning of phase 1 of the project is delayed due to the upgraded MV line to the mini-substation which is not yet connected to

SFA 2 - Green and Sustainable Valley

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	01 July – 30 September 2021			01 October – 31 December 2021			Overall Performance for the period 01 July – 31 December 2021			Overall performance comment	Overall corrective measure
						Target	Actual	R	Target	Actual	R	Target	Actual	R		
															recommendations. Once DWS agreed to the relaxation Stellenbosch WWTW compliance should improve.	Eskom. As soon as this is implemented, the wastewater will be treated by the upgraded infrastructure which will result in improved effluent quality. The phase 1 upgrade BSM 28/21 tender for the Wemmershoek WWTW is currently in progress. Minor changes to the effluent process were implemented to monitor effluent quality. The position of assistant supervisor was also advertised.
TL98	KPI078	Submission of the Revised Facility Management Plan to the MayCo	Number of Revised Facility Management Plans submitted to the MayCo by 31 May	1	1	0	0	N/A	0	0	N/A	0	0	N/A		
TL99	KPI081	Reduce organic waste	Percentage of organic waste reduced by 30 June	20%	20%	0%	0%	N/A	0%	0%	N/A	0%	0%	N/A		
TL100	KPI085	Submission of a Friends Group	Number of Friends Group	1	1	0	0	N/A	0	0	N/A	0	0	N/A		

SFA 2 - Green and Sustainable Valley																
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	01 July – 30 September 2021			01 October – 31 December 2021			Overall Performance for the period 01 July – 31 December 2021			Overall performance comment	Overall corrective measure
						Target	Actual	R	Target	Actual	R	Target	Actual	R		
		Framework for the management of nature areas to the Municipal Manager	Frameworks for the management of nature areas submitted to the Municipal Manager by 31 March													

Summary of Results: SFA 2 - Green and Sustainable Valley

	KPI Not Yet Measured	5
	KPI Not Met	0
	KPI Almost Met	2
	KPI Met	0
	KPI Well Met	0
	KPI Extremely Well Met	0
	Total KPIs	7

c) SFA 3 - Safe Valley

SFA 3 - Safe Valley																
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	01 July – 30 September 2021			01 October – 31 December 2021			Overall Performance for the period 01 July – 31 December 2021			Overall performance comment	Overall corrective measure
						Target	Actual	R	Target	Actual	R	Target	Actual	R		
TL101	KPI025	Revised Disaster Management Plan submitted to the Municipal Manager	Number of Revised Disaster Management Plans submitted to the Municipal Manager by 31 March	1	1	0	0	N/A	0	0	N/A	0	0	N/A		
TL102	KPI026	Revised Safety and Security Strategy submitted to the Municipal Manager	Number of Revised Safety and Security Strategies submitted to the Municipal Manager by 30 April	1	1	0	0	N/A	0	0	N/A	0	0	N/A		
TL103	KPI027	Revised Traffic Management Plan submitted to the Municipal Manager	Number of Revised Traffic Management Plans submitted to the Municipal Manager by 31 March	1	1	0	0	N/A	0	0	N/A	0	0	N/A		

Summary of Results: SFA 3 - Safe Valley

KPI Not Yet Measured	3
KPI Not Met	0
KPI Almost Met	0
KPI Met	0
KPI Well Met	0
KPI Extremely Well Met	0
Total KPIs	3

d) SFA 4 - Dignified Living

SFA 4 - Dignified Living																
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	01 July – 30 September 2021			01 October – 31 December 2021			Overall Performance for the period 01 July – 31 December 2021			Overall performance comment	Overall corrective measure
						Target	Actual	R	Target	Actual	R	Target	Actual	R		
TL104	KPI037	Provision of waterborne toilet facilities in informal settlements as identified by the Department: Integrated Human Settlements	Number of waterborne toilet facilities provided in Informal settlements as identified by the Department: Integrated Human Settlements by 30 June	50	50	0	0	N/A	20 (20)	0	R	20	0	R	A contractor was appointed. However, due to the illegal structures on the site, site establishment could not take place.	Community engagements were held on several occasions to convince the families to move. An amicable solution was reached during November 2021 and the contractor confirmed that site establishment will take place by 31 January 2022. The project duration is forecasted at 5 months and the project will be completed before by 30 June 2022.
TL105	KPI039	Registered indigent formal households with access to free basic water (NKPI Proxy - MSA, Reg. S10(a), (b))	Percentage of registered indigent formal households with access to free basic water, measured quarterly	100%	100%	100%	100%	G	100%	100%	G	100%	100%	G	$6\ 417 / 6\ 417 \times 100 = 100\%$	
TL106	KPI040	Limit unaccounted electricity to less than 9% annually {(Number of Electricity Units Purchased and / or Generated -	Percentage average electricity losses measured by 30 June	<9%	<9%	<0%	0%	N/A	0%	0%	N/A	0%	0%	N/A		

SFA 4 - Dignified Living																
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	01 July – 30 September 2021			01 October – 31 December 2021			Overall Performance for the period 01 July – 31 December 2021			Overall performance comment	Overall corrective measure
						Target	Actual	R	Target	Actual	R	Target	Actual	R		
		Number of Electricity Units Sold (incl. Free basic electricity) / Number of Electricity Units Purchased and/or Generated) x 100}														
TL107	KPI041	Water quality managed and measured quarterly into the SANS 241 physical and micro parameters	Percentage water quality level as per analysis certificate, measured quarterly	90%	90%	90%	94.80%	G2	90%	93%	G2	90%	93.90%	G2		
TL108	KPI042	Limit unaccounted water to less than 25%	Average percentage water losses measured quarterly	<25%	<25%	<25%	21.40%	B	<25%	0%	B	<25%	23.10%	B	2 431 510kl / 10 508 611kl x 100 = 23.10%	
TL109	KPI043	Registered indigent formal households with access to free basic electricity provided by the municipality (NKPI Proxy - MSA, Reg. S10(a), (b)	Percentage of registered indigent formal households with access to free basic electricity provided by the municipality, measured quarterly	65%	65%	65%	72.01%	G2	65%	81%	G2	65%	81%	G2	5 205 / 6 417 x 100 = 81%	
TL110	KPI044	Registered indigent formal households with access to free basic refuse removal (NKPI Proxy - MSA, Reg. S10(a), (b)	Percentage of registered indigent formal households with access to free basic refuse removal, measured quarterly	100%	100%	100%	100%	G	100%	100%	G	100%	100%	G	6 417 / 6 417 x 100 = 100%	

SFA 4 - Dignified Living																
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	01 July – 30 September 2021			01 October – 31 December 2021			Overall Performance for the period 01 July – 31 December 2021			Overall performance comment	Overall corrective measure
						Target	Actual	R	Target	Actual	R	Target	Actual	R		
TL111	KPI045	Registered indigent formal households with access to free basic sanitation (NKPI Proxy - MSA, Reg. S10(a), (b))	Percentage of registered indigent formal households with access to free basic sanitation, measured quarterly	100%	100%	100%	100%	G	100%	100%	G	100%	100%	G	6 417 / 6 417 x 100 = 100%	
TL112	KPI074	Formal households with access to water (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to water, measured quarterly	25 500	25 500	25 500	26 517	G2	25 500	26 715	G2	25 500	26 715	G2		
TL113	KPI075	Formal households with access to electricity (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to electricity, measured quarterly	24 000	24 000	24 000	26 517	G2	24 000	26 715	G2	24 000	26 715	G2		
TL114	KPI076	Formal households with access to refuse removal (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to refuse removal, measured quarterly	25 500	25 500	25 500	26 517	G2	25 500	26 715	G2	25 500	26 715	G2		
TL115	KPI077	Formal households with access to sanitation (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to sanitation, measured quarterly	25 500	25 500	25 500	26 517	G2	25 500	26 715	G2	25 500	26 715	G2		

Summary of Results: SFA 4 - Dignified Living

	KPI Not Yet Measured	1
	KPI Not Met	1
	KPI Almost Met	0
	KPI Met	3
	KPI Well Met	6
	KPI Extremely Well Met	1
Total KPIs		12

e) SFA 5 - Good Governance and Compliance

SFA 5 - Good Governance and Compliance																
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	01 July – 30 September 2021			01 October – 31 December 2021			Overall Performance for the period 01 July – 31 December 2021			Overall performance comment	Overall corrective measure
						Target	Actual	R	Target	Actual	R	Target	Actual	R		
TL116	KPI055	Financial viability measured in terms of the available cash to cover fixed operating expenditure (NKPI Proxy - MSA, Reg. S10(g)(iii))	Cost coverage as at 30 June annually [(Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation)	4	4	0	0	N/A	0	0	N/A	0	0	N/A		
TL117	KPI056	Achieve an average payment percentage of 96% by 30 June (Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100	(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100	96%	96%	0%	0%	N/A	0%	0%	N/A	0%	0%	N/A		
TL118	KPI057	Actual expenditure on the approved Capital Budget for the Municipality by 30 June (NKPI - MSA, Reg. S10(c))	Percentage of the approved Capital Budget for the municipality actually spent by 30 June	90%	90%	10%	5%	R	30%	24.57%	R	30%	24.57%	O	R115 911 658 / R471 680 164 x 100 = 24.57%	The capital projects will be reassessed during the Mid-year Adjustments Budgets process by 28 February 2022. Amendments will be made if so required.

SFA 5 - Good Governance and Compliance

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	01 July – 30 September 2021			01 October – 31 December 2021			Overall Performance for the period 01 July – 31 December 2021			Overall performance comment	Overall corrective measure
						Target	Actual	R	Target	Actual	R	Target	Actual	R		
TL119	KPI058	Employment equity appointments made within the financial year in the three highest levels of management	Percentage of employment equity appointments made within the financial year in the three highest levels of management, measured by 30 June	60%	60%	0%	0%	N/A	0%	0%	N/A	0%	0%	N/A		
TL120	KPI059	The percentage of the actual payroll budget spent on implementing the Municipal Workplace Skills Plan (NKPI Proxy-MSA, Reg. S10(f))	Percentage of the municipality's payroll budget actually spent on implementing its Workplace Skills Plan ((Total Actual Training Expenditure / Total Annual payroll Budget) x100), measured by 30 June	0.20%	0.20%	0%	0%	N/A	0%	0%	N/A	0%	0%	N/A		
TL121	KPI060	Financial viability measured in terms of the municipality's ability to meet its service debt obligations (NKPI Proxy - MSA, Reg. S10(g)(i))	Debt coverage ratio ((Total operating revenue - operating grants received) / (Debt service payments due within the year)) measured by 30 June	15%	15%	0%	0%	N/A	0%	0%	N/A	0%	0%	N/A		
TL122	KPI061	Financial viability measured in terms of the outstanding service debtors	Service debtors to revenue ratio - (Total outstanding service debtors / revenue received	27%	27%	0%	0%	N/A	0%	0%	N/A	0%	0%	N/A		

SFA 5 - Good Governance and Compliance																
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	01 July – 30 September 2021			01 October – 31 December 2021			Overall Performance for the period 01 July – 31 December 2021			Overall performance comment	Overall corrective measure
						Target	Actual	R	Target	Actual	R	Target	Actual	R		
		(NKPI Proxy - MSA, Reg. S10(g)(ii))	for services) measured by 30 June													
TL123	KPI062	Revised Risk-Based Audit Plan (RBAP) submitted to the Audit Committee	Number of Revised RBAPs submitted to the Audit Committee by 30 June	1	1	0	0	N/A	0	0	N/A	0	0	N/A		
TL124	KPI063	AGSA Audit Action Plan (AAP) submitted to the Audit Committee	Number of AGSA Audit Action Plans submitted to the Audit Committee by 28 February	1	1	0	0	N/A	0	0	N/A	0	0	N/A		
TL125	KPI064	Revised Strategic Risk Register (SRR) submitted to the Risk Management Committee	Number of Revised Strategic Risk Registers submitted to the Risk Management Committee by 30 June	1	1	0	0	N/A	0	0	N/A	0	0	N/A		
TL126	KPI065	Revised Information and Communication Technology (ICT) Backup Disaster Recovery Plan submitted to the ICT Steering Committee	Number of Revised ICT Backup Disaster Recovery Plans submitted to the ICT Steering Committee by 31 March	1	1	0	0	N/A	0	0	N/A	0	0	N/A		
TL127	KPI066	Revised Strategic ICT Plan submitted to the ICT Steering Committee	Number of Revised Strategic ICT Plans submitted to the ICT Steering Committee by 31 March	1	1	0	0	N/A	0	0	N/A	0	0	N/A		

SFA 5 - Good Governance and Compliance																
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	01 July – 30 September 2021			01 October – 31 December 2021			Overall Performance for the period 01 July – 31 December 2021			Overall performance comment	Overall corrective measure
						Target	Actual	R	Target	Actual	R	Target	Actual	R		
TL128	KPI067	Draft Integrated Development Plan (IDP) submitted to Council	Number of Draft IDPs submitted to Council by 31 March	1	1	0	0	N/A	0	0	N/A	0	0	N/A		
TL129	KPI070	IDP / Budget / SDF time schedule (process plan) submitted to Council	Number of IDP / Budget / SDF time schedules (process plan) submitted to Council by 31 August	1	1	1	1	G	0	0	N/A	1	1	G		
TL130	KPI071	Revised Electrical Master Plan submitted to Council	Number of Revised Electrical Master Plans submitted to Council by 30 June	1	1	0	0	N/A	0	0	N/A	0	0	N/A		
TL131	KPI072	Submission of a Draft Smart City Framework to the MayCo	Number of Draft Smart City Frameworks submitted to the MayCo by 31 May	1	1	0	0	N/A	0	0	N/A	0	0	N/A		
TL132	KPI084	Submission of a new Comprehensive Integrated Transport Plan (CITP) to the MayCo	Number of new Comprehensive Integrated Transport Plans (CITPs) submitted to the MayCo by 30 June	1	1	0	0	N/A	0	0	N/A	0	0	N/A		

Summary of Results: Planning and Economic Development

KPI Not Yet Measured	15
KPI Not Met	0
KPI Almost Met	1
KPI Met	1
KPI Well Met	0
KPI Extremely Well Met	0
Total KPIs	17

7.2 ANNEXURE B — PROGRESS MADE WITH THE IMPLEMENTATION OF CORRECTIVE MEASURES OF KPIS NOT MET IN THE TOP LAYER SDBIP FOR 2020/21

a) SFA 1 - Valley of Possibility

SFA 1 - VALLEY OF POSSIBILITY												
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2020 to 30 June 2021			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)	Progress as at 31 December 2021
							Target	Actual	R			
TL58	KPI007	The number of jobs created through the Municipality's local economic development initiatives including capital projects (NKPI Proxy - MSA, Reg. S10(d))	Number of job opportunities created through the Municipality's local economic development initiatives including capital projects by 30 June	1 656	1 300	1 300	1 300	1 129	○	Projects in a number of internal Departments could not be implemented due to a number of factors which included the impact of the COVID-19 pandemic.	The municipality is in the process of developing a Standard Operating Procedure (SOP) which includes a quarterly monitoring process for internal departments participating in the EPWP. This SOP will be finalised by 31 December 2021.	The SOP was developed. In addition, the recruitment process to capacitate the Section: LED has started. The performance target of 900 job opportunities created for the first half of the 2021/22 financial year was achieved.
TL59	KPI008	Land-use applications considered by the Municipal Planning Tribunal within 120 days from a complete land-use application	Percentage of land-use applications considered by the Municipal Planning Tribunal within 120 days after a complete land-use application	0%	90%	90%	90%	58%	R	11 / 19 x 100 = 58% The monitoring system for the management of the land-use application process as well as a new task management system for the individual case officers were instituted to improve the monitoring of the processing of land use applications in order to address compliance to legislative timeframes. As a result, there is a marked increase in the finalisation of land-use applications within 120 days when compared to the 2019/20 financial year of 0%.	The TPAMS electronic application management system for land-use applications is in the process of being finalised and will be implemented by 31 December 2021.	TPAMS is still not finalised due to the complexity of LUMS processes. It is envisaged that the system will be fully implemented by 30 June 2022.

b) SFA 2 - Green and Sustainable Valley

SFA 2 - GREEN AND SUSTAINABLE VALLEY												
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2020 to 30 June 2021			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)	Progress as at 31 December 2021
							Target	Actual	R			
TL52	KPI078	Submission of the Revised Facility Management Plan to the MayCo	Number of Revised Facility Management Plans submitted to the MayCo by 31 May	1	1	1	1	0	R	The report was finalised and submitted to the Director: Corporate Services to review.	The final report will be submitted to management for approval by 31 December 2021. This KPI will also be removed from the TL SDBIP 2021/22 in February 2022 and allocated to the departmental SDBIP 2021/22.	The report will be submitted to Management by 28 February 2022.
TL63	KPI018	Building plan applications processed within 30 days	Percentage of building plan applications of <500sqm processed within 30 days after date of receipt	72.92%	90%	80%	80%	64.30%	O	<p>$650 / 1\ 011 \times 100 = 64.30\%$</p> <p>There was a considerable increase in building plan applications (1 011 during the 2020/21 financial year) when compared to the 857 applications received during 2019/20. Due to resource constraints and the impact of the COVID-19 pandemic (staff testing positive and or isolating), the productivity of the Building Development Section where impaired.</p>	Attempts are and will continue to be made to monitor individual applications and alert the responsible internal Departments on outstanding comments to improve compliance with timeframes.	All building plan applications are monitored, and internal departments are alerted, however, on the ground BDM capacity and the capacity of internal Departments to comment on building plan applications and the impact of COVID-19, remains a constraint.

SFA 2 - GREEN AND SUSTAINABLE VALLEY

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2020 to 30 June 2021			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)	Progress as at 31 December 2021
							Target	Actual	R			
TL66	KPI019	Waste water quality managed and measured to the Department of Water and Sanitation's License Conditions for physical and micro parameters	Percentage waste water quality compliance as per analysis certificate measured quarterly	60.70%	80%	70%	70%	51%	R	<p>Wemmershoek WWTW B/SM 28/21 Contractor appointed - on site mid-July if no appeals were received.</p> <p>Stellenbosch - submission made to DWS to relax licence limits. Pniël WWTW Construction 60% completed Raithby - Still in discussion with land owner to extend the WWTW.</p> <p>Wemmershoek WWTW B/SM 28/21 - Contractors appointed and was requested to be onsite by 31 July 2021 to commence with Phase 1 and to address effluent quality challenges.</p> <p>Stellenbosch - Regularly following up with DWS on progress of relaxation of license limits. Pniël WWTW Construction 60% completed. The upgrade is in progress and the new phase will start in February 2022.</p> <p>Raithby - Land has been identified and regular discussions will be held with owner and property management. The budget has been identified as well. Klappmuts WWTW- A senior official has been appointed to oversee process controllers to ensure maintenance and operations at the plant are well supervised.</p>	<p>The upgrade of the Pniël WWTW is currently under construction. Cold commissioning of phase 1 of the project is delayed due to the upgraded MV line to the mini-substation which is not yet connected to Eskom. As soon as this is implemented, the wastewater will be treated by the upgraded infrastructure which will result in improved effluent quality.</p> <p>The phase 1 upgrade BSM 28/21 tender for the Wemmershoek WWTW is currently in progress. Minor changes to the effluent process were implemented to monitor effluent quality. The position of assistant supervisor was also advertised.</p>	

c) SFA 4 – Dignified Living

SFA 4 - DIGNIFIED LIVING												
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2020 to 30 June 2021			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)	Progress as at 31 December 2021
							Target	Actual	R			
TL69	KPI037	Provision of waterborne toilet facilities in informal settlements as identified by the Department: Integrated Human Settlements	Number of waterborne toilet facilities provided in informal settlements as identified by the Department: Integrated Human Settlements by 30 June	51	50	50	50	0	R	Waterborne toilets are provided and installed as and when required by the municipality. The municipality awaited funding approval from the Provincial Department of Human Settlements during the 2020/21 financial year to construct the required waterborne toilet facilities.	The required funding from the Provincial Department of Human Settlements was allocated for the 2021/22 financial year. The municipality is in the process of constructing 100 toilets in the Watergang Informal Settlement area. The project will be completed by 30 June 2022.	A contractor was appointed. However, due to the illegal structures on the site, site establishment could not take place.

d) SFA 5 – Good Governance and Compliance

SFA 5 - GOOD GOVERNANCE AND COMPLIANCE												
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2020 to 30 June 2021			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)	Progress as at 31 December 2021
							Target	Actual	R			
TL43	KPI058	Employment equity appointments made within the financial year in the three highest levels of management	Percentage of employment equity appointments made within the financial year in the three highest levels of management, measured by 30 June	66.67%	75%	75%	75%	50%	R	5 / 10 x 100 = 50% Employment Equity targets are considered in every appointment in the municipality. Where candidates from target groups did not apply or did not pass the assessment test they could not be appointed.	The municipality is in the process to review the Recruitment and Selection Policy. The reviewed policy will be submitted to the Municipal Manager by 30 June 2022.	The Draft Employment Equity Plan will be submitted to Management for inputs by 31 February 2022.
TL45	KPI063	AGSA Audit Action Plan (AAP) submitted to the Audit Committee	Number of AGSA Audit Action Plans submitted to the Audit Committee by 28 February	1	1	1	1	0	R	The AGSA Audit Action Plan is developed from the Management Report issued by AGSA. However, the AGSA processes were delayed with the Final Management Report only signed off in July 2021.	The AGSA Audit Action Plan has been drafted and submitted to the Directorate: Financial Services for comment. This will be submitted to the APAC at the next scheduled APAC meeting on 27 August 2021 and followed up until December 2021.	The AGSA Audit Action Plan was submitted to the APAC on 27 August 2021. The APAC has approved the action plan and followed up until December 2021.
TL73	KPI071	Revised Electrical Master Plan submitted to Council	Number of Revised Electrical Master Plans submitted to Council by 30 June	1	1	1	1	0	R	The Electrical Master Plan specifications have been signed off by Department heads and is being submitted to SCM for processing.	The Revised Electrical Master Plan will be submitted to Council by 30 November 2021.	Consultant was appointed to draft the Electrical Master Plan. However, the project was put on hold in order for the municipality to first complete Energy Master Plan.
TL82	KPI055	Financial viability measured in terms of the available cash to cover fixed	Cost coverage as at 30 June annually [(Cash and Cash Equivalents -	2.41	4	4	4	2.08	R	((R118 870 586 + R222 186 762 – R91 811 461)) / R120 020 625.83)	For the 2021/22 financial year the municipality implemented additional cost containment	The cost coverage ratio measured as of 31 December 2021 is 4.4%.

SFA 5 - GOOD GOVERNANCE AND COMPLIANCE												
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2020 to 30 June 2021			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)	Progress as at 31 December 2021
							Target	Actual	R			
		operating expenditure (NKPI Proxy - MSA, Reg. S10(g)(iii))	Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation)							The actual result of 2.08 for the 2020/21 financial year is within the National Treasury norm.	measures as well as operational efficiencies to limit the increase in operational expenditure. These measures will be continued to be implemented for the 2021/22 financial year.	This is because of the continued measures implemented to limit the increase in the operational expenditure.
TL84	KPI057	Actual expenditure on the approved Capital Budget for the Municipality by 30 June (NKPI - MSA, Reg. S10(c))	Percentage of the approved Capital Budget for the Municipality actually spent by 30 June	70.24%	90%	90%	90%	86.54%	○	R392 791 313 / R453 880 008 x 100 = 86.54%	Supply chain management indicators were developed and allocated to each Snr Manger in the Departmental SDBIP 2021/22. These indicators are also aligned to the Demand Management Plan.	During the Mid-year Adjustments Budget process, capital projects will be identified that had no progress. In addition, should there be no tender process in progress, then the budgets will be reduced or rolled forward to the next financial year when the projects can be implemented.
TL86	KPI061	Financial viability measured in terms of the outstanding service debtors (NKPI Proxy - MSA, Reg. S10(g)(ii))	Service debtors to revenue ratio - (Total outstanding service debtors / revenue received for services) measured by 30 June	6.71%	27%	27%	27%	8.86%	○	(R39 199 338 + R17 930 128 + R7 998 075 + R6 065 834 + R58 114 283 + R17 087 753) / R1 652 018 176 x 100 = 8.86%	A Revenue Enhancement Strategy was developed as well as a Debt Review Committee was established to monitor the progress on outstanding debt and deliberating on acceptable and reasonable arrangements for the settlements of arrear debts by all affected municipal debtors. These initiatives will continue to be	Outstanding debt are monitored on a continuous basis.

SFA 5 - GOOD GOVERNANCE AND COMPLIANCE												
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2020 to 30 June 2021			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)	Progress as at 31 December 2021
							Target	Actual	R			
											implemented during the 2021/22 financial year.	

6.3	MFMA SECTION 52 REPORTING UP TO DECEMBER 2021
------------	--

Collaborator No:
 IDP KPA Ref No: **Good Governance and Compliance**
 Meeting Date: **21 January 2022**

1. SUBJECT: MFMA SECTION 52 REPORTING UP TO DECEMBER 2021

2. PURPOSE

To comply with section 52(d) of the Municipal Finance Management Act and report to Council on the budget; financial and service delivery budget implementation plan by the Municipality for quarter 2 of the 2021/22 financial year.

3. DELEGATED AUTHORITY

THE EXECUTIVE MAYOR TO SUBMIT TO COUNCIL

In terms of section 52 (d) of the Municipal Finance Management Act:

“The mayor of a municipality—

(d) must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget as well as the non-financial performance of the municipality;”

4. EXECUTIVE SUMMARY

The Executive Mayor, must provide general political guidance over the fiscal and financial affairs of the Municipality and is required by Section 52(d) of the Municipal Finance Management Act to submit a report on the implementation of the budget and the financial and non-financial performance of the Municipality, to the Council within 30 days after end of each quarter.

The Section 52 report is a summary of the budget performance. It compares the implementation of the budget to the commitments made and contained in the Service Delivery and Budget Implementation Plan (SDBIP) and is intended to enable Council to give effect to their oversight responsibility.

This report provides the overall performance of the Municipality for the period 1 July 2021 to 31 December 2021.

5. RECOMMENDATION

that Council notes Section 52 Report (including quarterly performance report) – Second Quarter

6. DISCUSSION / CONTENTS

6.1 Background

To comply with section 52 (d) of the Municipal Finance Management Act and report to Council on the budget; financial and service delivery budget implementation plan of the Municipality for the 2nd quarter of the financial year. The report is indicated under **APPENDIX 1**.

6.2 Discussion

This report illustrates the implementation of the budget as well as the non financial performance of the municipality for quarter 2. In terms of the Municipal Finance Management Act (MFMA) Section 52(d) *“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;”*

6.3 Financial Implications

None.

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

None

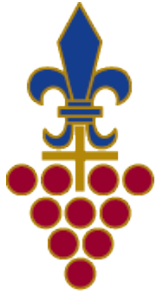
ANNEXURES

Appendix 1 : Section 52 Report – 2nd Quarter

FOR FURTHER DETAILS CONTACT:

NAME	Monique Steyl
POSITION	Senior Manager Financial Management Services
DIRECTORATE	Financial Services
CONTACT NUMBERS	021 – 808 8516
E-MAIL ADDRESS	Monique.Steyl@stellenbosch.gov.za
REPORT DATE	January 2022

APPENDIX 1



STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

QUARTERLY BUDGET MONITORING REPORT

2nd Quarter 2021/22



QUALITY CERTIFICATE

I, Geraldine Mettler, the Municipal Manager of Stellenbosch Municipality, hereby certify that the quarterly report the period ending December 2021 has been prepared in accordance with Section 52 of the Municipal Finance Management Act and regulations made under the Act and accordingly submit the required quarterly statement on the state of Stellenbosch Municipality's budget reflecting the particulars up until the end of December 2021.

Name: Geraldine Mettler

Municipal Manager of Stellenbosch Municipality- WC024

Signature _____

Date: 19 January 2022

To Council

In accordance with Section 52(d) of the Municipal Finance Management Act, I submit the required report on the implementation of the budget and the financial situation of Stellenbosch Municipality reflecting the particulars of the second quarter of the financial year 2021/22.

The submission of this report forms part of my general responsibilities as the Mayor of Stellenbosch Municipality. The purpose of the report serves to inform Council on the financial affairs of Stellenbosch Municipality and to enable Council to fulfil its oversight responsibility in this regard.

.....
Advocate G M M van Deventer
Executive Mayor
Date: 19 January 2022

Table of Contents

1. Recommendations	5
2. Executive Summary	6
3. Operating Revenue	7
4. Operating Expenditure	11
5. Capital Expenditure.....	18
6. Investments and Borrowings	29
7. Allocations and grant receipts and expenditure for the 1st quarter of 2021/22	31
8. Personnel Expenditure	32
9. Withdrawals	33
10. Cost containment reporting	34
11. Quarterly Budget Statements	38
12. Supporting Documentation.....	45
13. Top Layer Service Delivery and Budget Implementation Plan (SDBIP).....	50
14. Actual Strategic Performance and Corrective Measures that will be implemented.....	51
15. Strategic performance conclusion.....	61

1. Recommendations

These recommendations are linked to the responsibilities of the Mayor under Section 52 of the MFMA.

- (a) That the content of the quarterly budget statement and supporting documentation be noted.

2. Executive Summary

2.1 Introduction

The mayor, who must provide general political guidance over the fiscal and financial affairs of the Municipality, is required by Section 52(d) of the Municipal Finance Management Act to submit a report on the implementation of the budget and the financial state of affairs of the Municipality, to the Council within 30 days after end of each quarter.

This report is a summary of the main budget issues arising from the monitoring process. It compares the implementation of the budget to the commitments/promises made and contained in the Service Delivery and Budget Implementation Plan (SDBIP) and is intended to inform and enable the Council with a view of giving effect to Council's oversight responsibility.

2.2 Summary of 2021/22 budget progress / implementation

The following table summarises the overall position of the capital and operating budgets.

Detail	Capital Expenditure	Operating Expenditure	Operating Revenue (excluding capital transfers and contributions)
Original Budget	406 053 915	2 017 490 424	2 020 050 868
Adjustment Budget	471 680 164	2 017 490 424	2 020 050 868
Plan to Date (SDBIP)	219 837 988	821 903 758	953 085 878
Actual	115 911 658	718 877 710	996 768 489
Variance to SDBIP	-103 926 330	-103 026 048	43 682 611
Year to date % Variance to SDBIP	-47.27%	-12.54%	4.58%

The above figures are explained in more detail throughout this report.

3. Operating Revenue

The following table shows the actual operating revenue per National Treasury Reporting regulations against that planned in the SDBIP for the 2nd Quarter of 2021/22:

Operating Revenue by Source

Description	ORIGINAL BUDGET	ADJUSTMENT BUDGET
Revenue by Source		
Property rates	423 632 548	423 632 548
Service charges - electricity revenue	787 275 170	787 275 170
Service charges - water revenue	166 399 723	166 399 723
Service charges - sanitation revenue	114 485 332	114 485 332
Service charges - refuse revenue	87 936 447	87 936 447
Service charges - other	-	-
Rental of facilities and equipment	11 174 739	11 174 739
Interest earned - external investments	13 200 000	13 200 000
Interest earned - outstanding debtors	14 034 400	14 034 400
Fines	147 425 010	147 425 010
Licences and permits	5 778 049	5 778 049
Agency services	3 077 493	3 077 493
Transfers recognised - operational	204 313 279	204 313 279
Other revenue	41 318 678	41 318 678
Gains on disposal of PPE		
Total Revenue (excluding capital transfers and contributions)	2 020 050 868	2 020 050 868

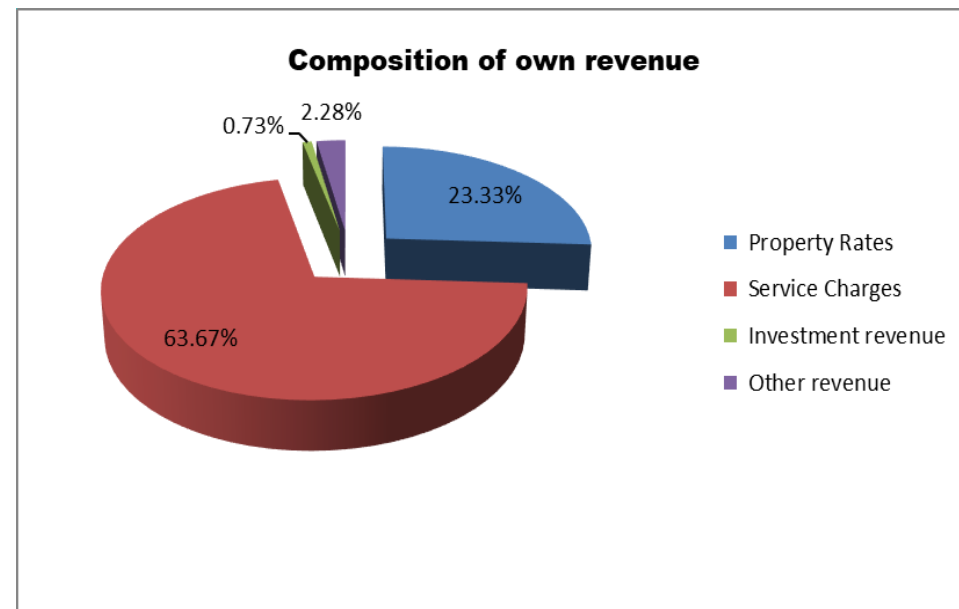
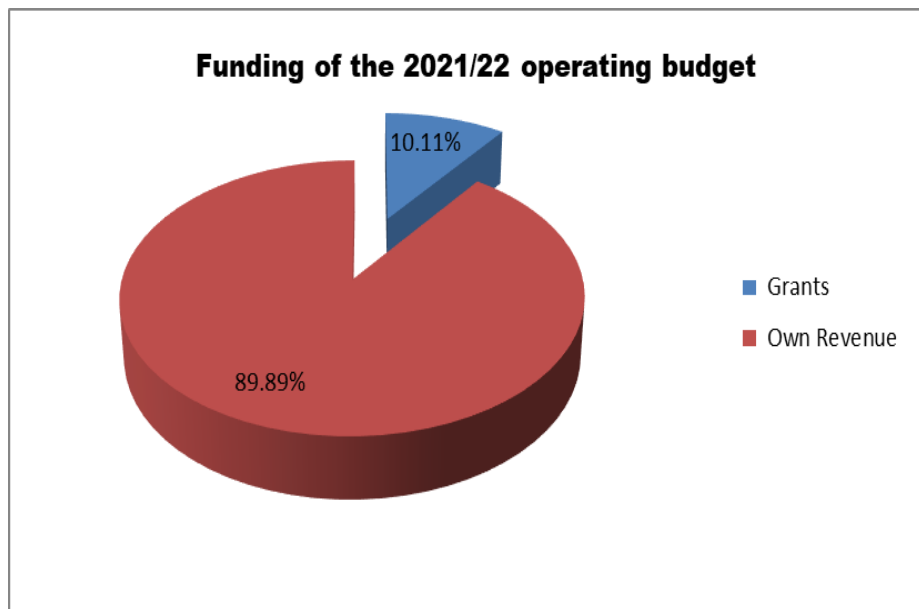
QUARTER 2 2021/22		
PLANNED	ACTUAL	VAR
101 298 177	87 002 650	-14%
171 785 574	165 315 057	-4%
27 816 935	32 937 164	18%
16 387 336	23 727 671	45%
11 119 254	18 440 027	66%
-	-	-
2 373 007	2 498 271	5%
3 878 578	5 357 595	38%
3 161 549	3 155 937	0%
36 885 724	48 798 272	32%
2 342 438	1 558 663	-33%
1 236 581	681 435	-45%
69 619 856	60 501 317	-13%
7 456 781	7 563 220	1%
-	5 500	100%
455 361 790	457 542 778	0%

QUARTER 2 2020/21		
PLANNED	ACTUAL	VAR
98 059 761	80 388 751	100%
176 860 287	116 484 861	-34%
42 180 033	27 814 667	-34%
29 577 891	20 505 761	100%
19 576 236	15 771 805	100%
-	-	-100%
4 073 037	2 227 388	-45%
9 467 616	3 878 578	-59%
3 320 340	2 971 734	-10%
35 220 243	38 432 183	9%
1 375 728	2 322 356	100%
732 738	1 236 581	69%
49 285 599	73 631 179	49%
9 852 072	7 121 556	-28%
-	-	100%
479 581 581	392 787 399	-18%

NB: - The “year to date actual for property rates income” refers to the total billed for the year and not actual receipts.

Stellenbosch municipality is not dependant on grant funding to fund the operating budget as is evident in the graph below.

Own revenue consists mainly of service charges at 89.89 per cent of the 1 815 737 589 billion revenue budget.



Operating Revenue Variance Report

The variances between actual operating revenue and the planned operating revenue contained in the SDBIP are explained per revenue source and are as follow:

Revenue by Source

3.1 Property Rates and Service charges - refuse

Property rates and service charges refuse are billed monthly. However, some consumers applied to have their property rates and service charges billed annually. This has resulted in an over performance when compared to the year-to-date budget projections as the annual applications did not form part of the monthly budgeted revenue projections.

3.2 Service charges - sanitation revenue

The municipality has billed R14 168 488 more sanitation charges than initially anticipated in the year-to-date budget. The largest over performances were noted for general sanitation charges (R7 156 695) and industrial effluent charges (R4 401 008).

The monthly cashflows are misaligned due to the impact of the Covid-19 pandemic and based on the current projections the total budget will be reduced during the Mid-year adjustment budget process to account for the underperformance measured against the total budget.

3.3 Interest earned – external investments

An under performance was noted for interest earned – external investments to the amount of R2 605 340. The variance is mainly due to the Covid- 19 pandemic which resulted in the prime interest rate being reduced. This reduction has resulted in a significant decrease in our call accounts and primary bank account interest rates. Furthermore, we have received lower rates on offer from investing institutions than the previous financial years and a decline in the availability of capital investment further negatively impacts this line item. Cognisance will be taken of the above during the Mid-year adjustment budget process.

3.4 Fines, penalties, and forfeits

An underperformance was noted to the amount of R23 871 261. The recognition of traffic fines in terms of iGRAP 1 will be done monthly, including the journal processed on the financial system. It should be noted that no journal was processed during December 2021 and will reflect in the next reporting period. Furthermore, cognisance should be taken of the budget projections which need to be re-assessed during the Mid-year adjustment budget process. The past three financial years yielded an average income of R100 294 857 per year which renders the adjustment budget of R147 425 010 as unattainable.

3.5 Licences and permits

An over performance is noted for licences and permits to the amount of R699 355. The over performance is due to more licences and permit renewals as well as accompanying applications being received than initially anticipated.

3.6 Other revenue

An under performance is noted for other revenue to the amount of R3 768 872. The largest attributor to the underperformance is as follows;

- Sales of goods and rendering of services: Parking fees. An underperformance of R3 788 134 has been noted. Cognisance is taken of the new parking model as well as the deployment of new parking marshals which will improve the parking revenue performance. However, the past three (3) financial years yielded an average income of R7 755 446 per year. This renders the adjustment budget of R13 060 177 as unattainable, and it is recommended that the budget be reduced during the Mid-year adjustment process.
- Sales of Goods and Rendering of Services: Cemetery and Burial. An underperformance of R933 062 has been noted. The past three financial years yielded an average income of R940 817 per year. Considering the average increase of 9% per year based on actual collections it is probable that R1 118 089 will be collected during the 2021/22 financial year. This renders the adjustment budget of R3 302 015 as unattainable, and it is recommended that the budget be reduced during the Mid-year adjustment process.

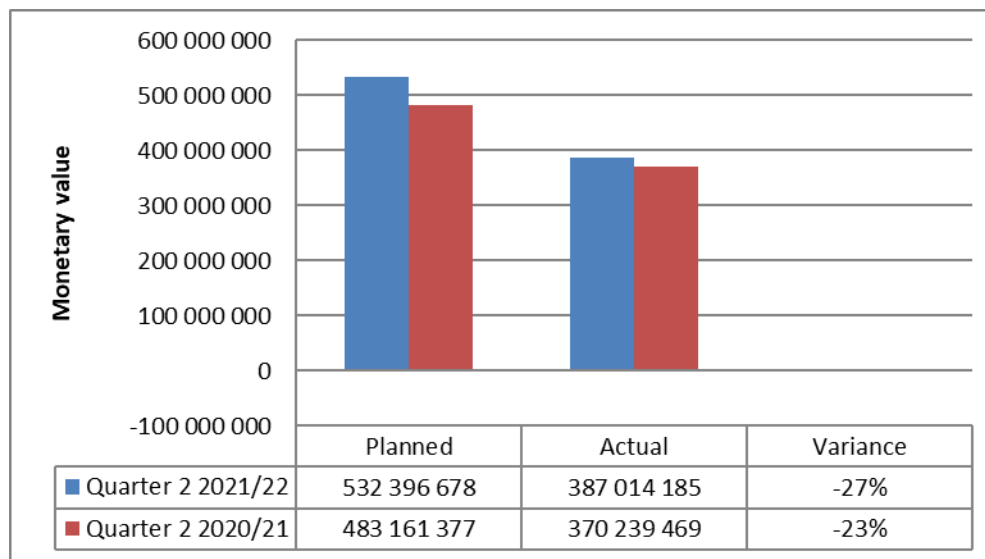
4. Operating Expenditure

The following table illustrates the actual operating expenditure for each Directorate against planned expenditure in the SDBIP for the 2nd Quarter of 2021/22.

Operating Expenditure (Per Directorate):

DIRECTORATE	ORIGINAL BUDGET	AMENDED BUDGET	QUARTER 2 2021/22		QUARTER 2 2020/21	
			PLANNED	ACTUALS	PLANNED	ACTUALS
Municipal Manager	39 988 671	39 988 671	7 581 242	7 533 058	11 970 938	7 839 576
Planning & Development	100 874 841	100 874 841	22 072 293	17 927 123	28 254 207	19 239 341
Community and Protection Services	1 188 821 416	1 188 821 416	323 701 155	230 475 852	86 929 277	72 667 575
Infrastructure Services	374 481 006	374 481 006	107 669 960	73 516 051	283 140 367	211 022 187
Corporate Services	198 282 948	198 282 948	43 596 480	31 701 788	45 351 557	35 761 233
Financial Services	115 041 542	115 041 542	27 775 548	25 860 313	27 515 031	23 709 556
TOTALS	2 017 490 424	2 017 490 424	532 396 678	387 014 185	483 161 377	370 239 469

During the first quarter of the financial year the directorates spent R145 382 493, 27% less than the planned expenditure. At the same period last year, the directorate spent R112 921 908, 23% less than the planned expenditure.



The year on year comparison for the first quarter is 73% actual spending rate of the planned operating budget for the financial year 2021/22, compared to a 77% actual spending rate for the same period in the previous financial year.

Operating Expenditure Variance Report

The variances between actual operating expenditure and planned operating expenditure contained in the SDBIP are explained per item and are as follows:

4.1 Planning and Development Services

The Planning and Development Services directorate planned to spend R39 081 140 of the adjusted budget. The year- to- date actual expenditure incurred amounted to R38 483 943 which resulted in an underperformance of R597 197. The item that attributed to the underperformance is as follows:

4.1.1 Transfers and Subsidies: Operational: Monetary Allocations: Non-profit institutions: Sport Councils

The user department planned to spend R249 996 of the adjusted budget. No spending has been incurred to date. The budget of R500 000 will be removed during the Mid-year adjustment budget process.

4.1.2 Transfers and Subsidies: Operational: Monetary Allocations: Non-profit institutions: Local Tourism Boards

The user department planned to spend R220 464 of the adjusted budget. No spending has been incurred to date. The user department indicated that a saving has been realised. It is proposed that the budget of R661 393 be re-assessed during the Mid-year adjustment budget process.

4.2 Infrastructure Services

The Infrastructure Services directorate planned to spend R481 922 657 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R424 944 764 which resulted in an underperformance of R56 977 893. The item that attributed to the underperformance is as follows:

4.2.1 Contracted Services: Consultants and Professional Services: Business and Advisory: Project Management

The user department planned to spend R5 123 668 of the adjusted budget. No spending has been incurred to date. A revised funding allocation letter has been received during December 2021 and the budget will be reduced by R13 286 000 during the Mid-year adjustment budget process.

4.2.2 Contracted Services: Contractors: Maintenance of Unspecified assets (Roads)

The user department planned to spend R4 866 961 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R628 934. Orders to the amount of R873 803 have been loaded on the financial system. An improvement will be noted in the next reporting period.

4.2.3 Contracted Services: Contractors: Maintenance of Unspecified assets (Engineering Services)

The user department planned to spend R1 921 654 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R483 606. Orders to the amount of R2 704 875 have been loaded on the financial system. An improvement will be noted in the next reporting period.

4.2.4 Contracted Services: Contractors: Maintenance of Unspecified assets (Sewerage Network)

The user department planned to spend R1 377 000 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R289 325. Orders to the amount of R739 845 have been loaded on the financial system. An improvement will be noted in the next reporting period.

4.2.5 Contracted Services: Contractors: Maintenance of Unspecified assets (Water Network)

The user department planned to spend R1 168 937 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R615 600. Orders to the amount of R401 280 have been loaded on the financial system. An improvement will be noted in the next reporting period.

4.2.6 Interest, Dividends and Rent on Land: Interest Paid: Interest costs non-current Provisions

The user department planned to spend R4 700 607 of the adjusted budget. No spending has been incurred to date. The interest cost on the landfill site is processed during the year end procedures. The monthly budget projections will be adjusted during the Mid-year adjustment budget process.

4.3 Community and Protection Services

The Community and Protection Services directorate planned to spend R153 453 715 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R124 392 485 which resulted in an underperformance of R29 061 230. The items that attributed to the underperformance are as follows:

4.3.1 Expenditure: Contracted Services: Outsourced Services: Security Services

The user department planned to spend R14 262 562 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R10 043 684. The user department indicated that the invoices are paid a month in arrears and a delay in the submission of invoices have been experienced. Orders to the amount of R6 016 660 have been loaded on the financial system. The user department has requested that the budget be increased by R15 908 080 during the Mid-year adjustment budget process. The additional funding is needed to fund the costs relating to land invasions, private security, and armed security to secure municipal buildings from November 2021 until end of June 2021. This amount excludes any unforeseen emergency and adhoc requests.

4.3.2 Expenditure: Contracted Services: Contractors: Maintenance of Buildings and Facilities (Parks and Sidewalks: Stellenbosch)

The user department planned to spend R813 248 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R118 205. The user department indicated that an order to the amount of R108 870 have been loaded on the financial system. Invoices to the amount of R35 340 have been received and will reflect in the next reporting period.

4.3.3 Expenditure: Contracted Services: Contractors: Preservation/Restoration/Dismantling/Cleaning Services

The user department planned to spend R701 254 of the adjusted budget. No spending has been incurred to date. The user department indicated a backlog had been experienced with the contractor. Payment will be made once the work has been completed.

4.3.5 Expenditure: Operational Cost: Uniform and Protective Clothing

The user department planned to spend R254 736 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R3 192. The user department indicated that the tender has been recently approved and orders to the amount of R216 531 have been loaded on the financial system during December 2021.

4.4 Corporate Services

The Corporate Services directorate planned to spend R85 072 553 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R66 007 747 which resulted in an underperformance of R19 064 806. The items that attributed to the underperformance are as follows:

4.4.1 Expenditure: Contracted Services: Contractors: Maintenance of Buildings and Facilities

The user department planned to spend R2 893 818 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R860 435. The user department indicated that the upgrading of the contractor for the Kayamandi corridor has been appointed during December 2021. Orders to the amount of R797 581 have been loaded on the financial system. The Bid Specifications Committee for the Dorp street maintenance tender took place on 9 December 2021. Invoices to the amount of R32 300 have been received and will be submitted for payment.

4.4.2 Expenditure: Operational Cost: External Computer Service: Software Licences

The user department planned to spend R13 729 483 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R12 516 494. The user department indicated that the orders to the amount of R4 435 943 for the approved software license contracts have been loaded on the financial system. Invoices to the amount of R19 332 have been received and will be submitted for payment. The user department has requested that the budget be increased by R2 300 000 during the Mid-year adjustment budget process. The additional funding is needed to fund the year two (2) Annual License Renewal as well as for BSM 07/21 R 1 208 295 and the ICT Helpdesk Solution.

4.4.3 Expenditure: Contracted Services: Consultants and Professional Services: Legal Cost: Legal Advice and Litigation

The user department planned to spend R3 033 647 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R663 333. The user department indicated that orders to the amount of R93 294 have been loaded on the financial system.

4.4.5 Expenditure: Operational Cost: Skills Development Fund Levy

The user department planned to spend R1 520 000 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R960 537. The actual expenditure incurred, to the amount of R1 472 676, have been recognised within the Municipal Manager's directorate. A re-allocation will be done on the financial system in line with the budgeted spending.

4.5 Financial Services

The Financial Services directorate planned to spend R49 010 039 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R51 740 847 which resulted in an overspending of R2 730 808. The item that attributed to the overspending is as follows:

4.5.1 Operational Cost: Insurance Underwriting: Premiums

The user department planned to spend R290 506 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R5 020 578. The user department indicated that the annual insurance premium was paid during July 2021. The budget projections will be amended during the Mid-year adjustment budget process.

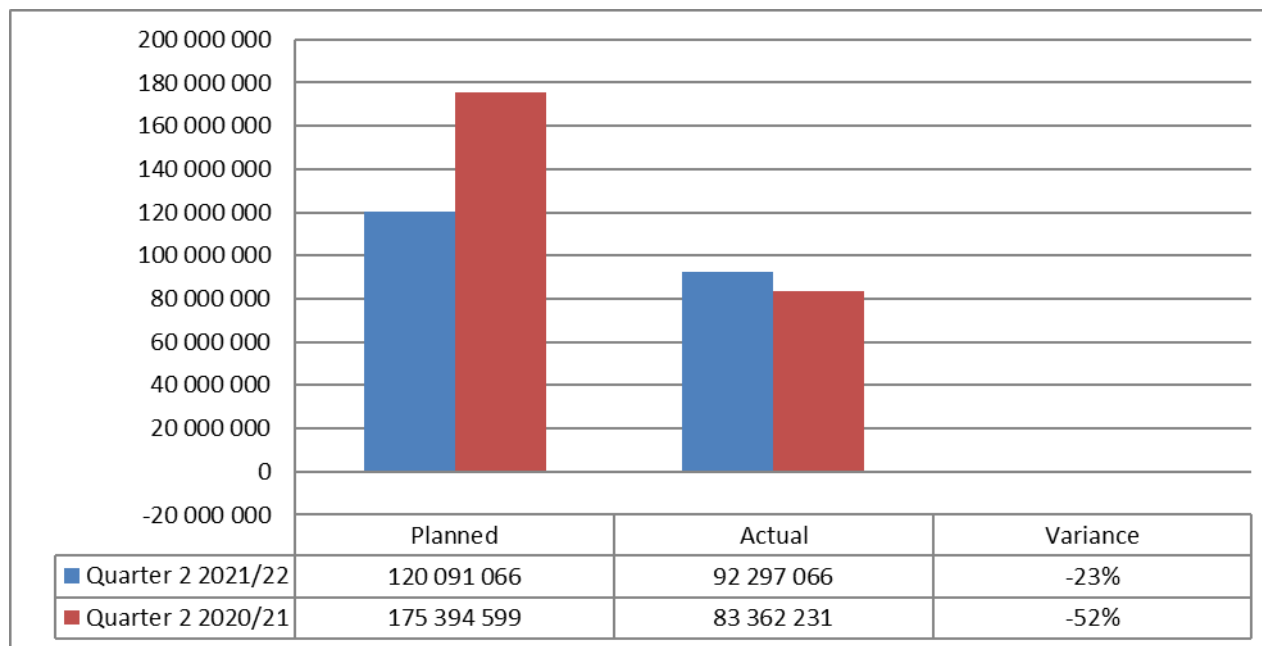
5. Capital Expenditure

The following table illustrates the actual capital expenditure per directorate against the planned in the SDBIP for the 2nd Quarter of 2021/22.

DIRECTOR	ORIGINAL BUDGET	AMENDED BUDGET
Municipal Manager	44 000	44 000
Planning & Development	11 513 800	17 272 325
Community and Protection Services	342 514 745	388 012 987
Infrastructure Services	27 757 000	31 973 919
Corporate Services	24 024 370	33 976 933
Financial Services	200 000	400 000
TOTALS	406 053 915	471 680 164

QUARTER 2 2021/22		
PLANNED	ACTUAL EXPENDITURE	VAR %
11 001	-	-100%
2 642 824	1 033 585	-61%
96 038 913	74 903 287	-22%
11 758 471	8 827 111	-25%
9 515 857	7 384 715	-22%
124 000	148 367	20%
120 091 066	92 297 066	-23%

QUARTER 2 2020/21		
PLANNED	ACTUAL EXPENDITURE	VAR %
9 500	7 496	100%
6 251 573	436 217	-93%
15 499 543	7 315 112	-53%
100 104 857	67 419 833	-33%
53 079 126	8 076 794	-85%
450 000	106 780	-76%
175 394 599	83 362 231	-52%



The year-on-year comparison for the end of the second quarter is [R115 911 658/ R471 681 164] 25% of the total capital budget of R471 680 164 for the 2021/22 financial year compared to a [R147 011 293/ R613 274 958] 24% spending rate for the same period in the previous financial year measured against a budget of R613 274 958.

Capital Expenditure Variance Report

The variances between actual capital expenditure and the planned capital expenditure contained in the SDBIP are explained per directorate and are as follows:

5.1 Planning and Development

The Directorate planned to spend R4 888 077 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R1 156 239. This resulted in an underperformance of R3 731 838. The projects that attributed to the underperformance are as follows:

5.1.1 Kayamandi Town Centre

The user department planned to spend R1 500 000 of the adjusted budget. No spending has been incurred to date. The user department indicated that a revised cashflow and programme has been received from the service provider. An order has been requested to the amount of R361 395. Additional funding has been provided by the transferring department to the amount of R500 000 which will be included in the Mid-year adjustment budget.

5.1.2 Enkanini Planning and Implementation

The user department planned to spend R750 000 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R90 000. The transferring department has increased the funding allocation for the Stellenbosch demarcation area to R2 954 000. However, the funding is paid directly to the non-profit organisation and will therefore not form part of the municipal budget. The R1 500 000 currently reflected on the capital budget will be removed during the Mid-year adjustment budget process.

5.1.3 Erf 7001 and other possible sites for mix-used development in Cloetesville

The user department planned to spend R499 998 of the adjusted budget. No spending has been incurred to date. The user department indicated that the tender served at the Bid Adjudication Committee on 22 October 2021. A service provider was appointed, and the 21 days appeal period commenced on the specified date. The user department requested that the budget be reduced to R300 000 during the Mid-year adjustment budget process. The R700 000 saving is requested to be made available for the 2022/23 financial year.

5.1.4 Northern Extension: Feasibility

The user department planned to spend R1000 002 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R303 251. It should be noted that invoices to the amount of R500 097 have been received and will be submitted for payment. An improvement will be reflected in the next reporting period. Furthermore, the transferring department has increased the funding allocation for Stellenbosch to R5 900 000. The additional allocation will be included in the capital budget during the Mid-year adjustment budget process.

5.2 Community and Protection Services

The Directorate planned to spend R17 302 916 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R13 272 399. This resulted in an underperformance of R4 030 517. The projects that attributed to the underperformance are as follows:

5.2.1 Extension of Cemetery Infrastructure

The user department planned to spend R383 133 of the adjusted budget. No spending has been incurred to date. The user department indicated that an order to the amount of R767 173 have been issued and the remainder of the funds will be used for the construction of parking or artificial grass.

5.2.2 Upgrading of Parks

The user department planned to spend R499 998 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R214 907. The user department indicated that an order to the amount of R644 971 have been issued. The remaining funds will be spent on new IDP requests.

5.2.3 Vehicle Fleet

The user department planned to spend R684 740 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R207 452. The user department indicated that the tender has been advertised and will close during January 2022.

5.2.4 Urban Forestry: Vehicle Fleet

The user department planned to spend R794 003 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R254 172. The user department indicated that they are awaiting the delivery of a truck.

5.2.5 Workshop: Specialized equipment

The user department planned to spend R200 000 of the adjusted budget. No spending has been incurred to date. The user department indicated that the site meeting for the purchase of a Chipper took place. The specifications have been received and a report will be prepared for the Bid Specifications Committee.

5.2.6 Jan Marais Nature Reserve: Upgrading and maintenance of the reserve

The user department planned to spend R250 002 of the budget. No spending has been incurred to date. The user department indicated that an order to the amount of R104 157 has been loaded on the financial system for the procurement of gates. The remaining funds to the amount of R395 843 will be used for the procurement of motorised gates as well as the upgrading of the building.

5.2.7 Upgrade office space: Simonsberg Road

The user department planned to spend R400 002 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R27 600. The user department indicated that an invoice to the amount of R22 400 have been received and subsequently submitted for payment.

5.2.8 Mont Rochelle Nature Reserve: Upgrade of Facilities

The user department planned to spend R618 324 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R26 624. The user department indicated that the tender served before the Bid Evaluation Committee during December 2021 and was referred. A new Bid Evaluation Committee date will be scheduled by the Supply Chain Management Unit.

5.2.9 Upgrading of swimming pool

The user department planned to spend R2 023 340 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R1 415 993. The user department indicated that the project is scheduled for practical completion on 15 December 2021.

5.2.10 Upgrade of Sport Facilities

The user department planned to spend R300 000 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R49 650. The user department indicated that two (2) seating stands have been procured.

New specifications have been compiled for the resurfacing to downsize the scope of work. The electrical department completed the designs for the lighting needs at Groendal Sport facility. Orders to the amount of R131 267 have been loaded on the financial system. Additional funding to the amount of R900 000 have been requested for the Mid-year adjustment budget to upgrade the floodlights at the Cloetesville Sport Facility.

5.2.11 Upgrading of Tennis Courts: Idas Valley and Cloetesville

The user department planned to spend R609 159 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R389 569. The user department indicated that the project has been completed. The remaining funds will be transferred and utilised to address the budget shortfall of the swimming pool upgrading.

5.3 Infrastructure Services

The Directorate planned to spend R184 784 540 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R92 085 614. This resulted in an underperformance of R92 698 926. The projects that attributed to the underperformance are as follows:

5.3.1 Expansion of the landfill site (new cells)

The user department planned to spend R1 973 935 of the adjusted budget. No spending has been incurred to date. The user department indicated that the project is on-going, and two (2) invoices have been received and will be submitted for payment. An improvement will therefore be noted for the next reporting period.

5.3.2 Landfill Gas To Energy

The user department planned to spend R1 000 002 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R97 043. The user department indicated that the tender specifications has been completed and the tender will be advertised in the new calendar year.

5.3.3 Alternative Energy

The user department planned to spend R7 000 000 of the adjusted budget. No spending has been incurred to date. The user department indicated that orders to the amount of R1 548 702 have been loaded on the financial system. The previous order to the amount of R145 000 000 for the pre-feasibility study has expired.

5.3.4 Bien don 66/11kV substation new (new development and demand)

The user department planned to spend R923 904 of the adjusted budget. No spending has been incurred to date. The user department indicated that the technical evaluation was submitted to the supply chain management unit during the first week of December 2021.

5.3.5 Electricity Network: Pniel

The user department planned to spend R1 600 039 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R30 322. The user department indicated that an order to the amount of R99 088 has been loaded on the financial system. The user department indicated that the tender to supply and install equipment in Pniel has been advertised and closed on 8 November 2021. The technical evaluation report was submitted to the Supply Chain Management unit on 29 November 2021 and the Bid Evaluation Committee meeting is scheduled to take place on 25 January 2022.

5.3.6 General Systems Improvements - Stellenbosch

The user department planned to spend R4 786 659 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R3 681 233. The user department indicated that orders to the amount of R609 826 have been loaded on the financial system. An improvement will be noted in the next reporting period.

5.3.7 Integrated National Electrification Programme

The user department planned to spend R10 218 698 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R5 403 552. The user department indicated that the contractor is on site and is busy completing the electrification of Enkanini phase 2. The preliminary design has been completed for the bulk services. Orders to the amount of R2 662 323 have been loaded on the financial system. Additional funding to the amount of R2 863 947 have been requested to be availed during the Mid-year adjustment budget process. The funding will be utilised for Longlands Bulk and Internal services as well as to complete Enkanini Electrification Phase 2.

5.3.8 Laterra Substation

The user department planned to spend R4 185 774 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R122 998. The user department indicated that orders to the amount of R453 120 have been loaded on the financial system. A tender document to appoint a contractor to commence with the construction has been submitted on 3 December 2021. However, amendments are needed before the final document can be submitted to the Supply Chain Management unit.

5.3.9 Basic Improvements: Langrug

The user department planned to spend R1 535 966 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R185 088. Orders to the amount of R446 143 have been loaded on the financial system. The user department requested that the budget be reduced by R500 000 during the Mi-year adjustment budget process and R400 000 needs to be allocated to the Housing projects

5.3.10 Housing Projects

The user department planned to spend R2 225 321 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R437 625. The user department indicated that the installation of service infrastructure has been completed. The electrical network will commence during January 2022. Orders to the amount of R3 046 366 have been loaded on the financial system. As alluded to in point 5.3.9 above, the user department has requested that the budget be increased by R400 000 during the Mid-year adjustment budget process.

5.3.11 Kayamandi Watergang Basic Services

The user department planned to spend R2 252 895 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R299 237. Orders to the amount of R5 352 937 have been loaded on the financial system. The user department indicated that the budget will be spent by 30 June 2022.

5.3.12 Stellenbosch Idas Valley (166) FLISP ERF 9445

The user department planned to spend R6 000 000 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R4 224 536. The user department indicated that a request for the immediate eviction of

illegal land invaders have been submitted. 30% of the service installations have been completed. The budget will be spent by 30 June 2021.

The transferring department has increased the funding allocation to R14 556 000. The additional funding to the amount of R3 268 000 will be incorporated in the Mid-year adjustment budget process. Furthermore, it should be noted that a funding re-allocation letter has been submitted in respect of the Integrated Urban Development grant, to avail an additional R4 000 000 to the project. Once approved, the funding will also be allocated during the Mid-year adjustment budget process.

5.3.13 Upgrading of The Steps/Orlean Lounge

The user department planned to spend R4 000 002 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R2 401 775. Orders to the amount of R4 803 453 have been loaded on the financial system. The user department indicated that the budget will be spent by 30 June 2022.

5.3.14 Bulk Water Supply Pipeline & Reservoir - Jamestown

The user department planned to spend R4 307 498 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R300 551. The user department indicated that the consultants have been appointed. The tender will serve before the Bid Specifications Committee once a date has been ascertained.

5.3.15 New Reservoir & Pipeline: Vlottenburg

The user department planned to spend R17 300 000 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R515 310. The user department indicated that the tender has been cancelled and an increase in materials have been done. A new tender has been compiled.

5.3.16 New Reservoir Rosendal

The user department planned to spend R6 200 000 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R4 663 258. The user department indicated that additional funding of R300 000 has been requested to be availed during the Mid-year adjustment budget process.

5.3.17 Northern Extension: Phase 2 Water Infrastructure

The user department planned to spend R1 999 998 of the adjusted budget. No spending has been incurred to date. Orders to the amount of R620 751 have been loaded on the financial system. A funding re-allocation letter has been submitted in respect of the Integrated Urban Development grant. Once approved, the grant funding for this project will be removed during the Mid-year adjustment budget process.

5.3.18 Upgrade of WWTW Wemmershoek

The user department planned to spend R14 821 033 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R5 371 748. The user department indicated that a contractor is on site and orders to the amount of R18 545 825 has been loaded on the financial system.

5.3.19 Upgrade of WWTW: Pniel & Decommissioning of Franschhoek

The user department planned to spend R24 000 000 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R12 749 074. The user department indicated that this is a multi-year project, and the project is in progress. The contractor is on site. Orders to the amount of R33 539 283 have been loaded on the financial system. It should be noted that a funding re-allocation letter has been submitted in respect of the Integrated Urban Development grant, to avail an additional R6 208 230 to the project. Once approved, the funding will be allocated during the Mid-year adjustment budget process

5.3.20 Bridge Construction

The user department planned to spend R12 000 000 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R96 405. The user department indicated that the tender has been awarded and orders to the amount of R27 076 320 have been loaded on the financial system.

5.3.21 Jamestown Transport Network

The user department planned to spend R1 500 000 of the adjusted budget. No spending has been incurred to date. A funding re-allocation letter has been submitted in respect of the Integrated Urban Development grant.

Once approved, the grant funding for this project will be removed during the Mid-year adjustment budget process.

5.4 Corporate Services

The Directorate planned to spend R12 710 453 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R9 205 219. This resulted in an underperformance of R3 505 234. The projects that attributed to the underperformance are as follows:

5.4.1 Structural improvements at the Van der Stel Sport grounds

The user department planned to spend R1 300 002 of the adjusted budget. No spending has been incurred to date. The user department indicated that various projects are being implemented from this ukey. The user department requested that the budget will be reduced by R2 500 000 during the Mid-year adjustment budget process.

5.4.2 Upgrading of New Office Space: Ryneveld Street

The user department planned to spend R2 500 000 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R916 891. The user department indicated that the project has been completed. An improvement will be noted in the next reporting period.

6. Investments and Borrowings

6.1 Investments

ACC. NR	BANK	Type/ Period	INTEREST RATE	MATURITY DATE	OPENING BALANCE AS AT 1 JULY 2021	Quarter 2		TOTAL INVESTMENTS/ WITHDRAWALS	INTEREST CAPITALISED FOR THE QUARTER UNDER REVIEW	INTEREST ACCRUED YTD	CLOSING BALANCE YTD
						INVEST	WITHDRAW				
	ABSA BANK										
9367489415	A#415	CALL	4.200%			120 000 000.00	(60 000 000.00)	60 000 000.00	392 870.90	392 830.90	60 392 830.90
					- 0.01	120 000 000.00	- 60 000 000.00	60 000 000.00	392 870.90	392 830.90	60 392 830.90
	NEDBANK										
03/7881123974/...020	N#020	FIXED / 6 MTHS	4.640%	10-Aug-21	71 263 605.48	-	-	(71 619 550.68)	-	355 945.21	0.00
03/7881123974/...021	N#021	FIXED / 7 MTHS	4.820%	26-Nov-21	90 736 865.75	-	- 92 495 835.62	(92 495 835.62)	665 556.16	1 758 969.86	(0.00)
03/7881123974/...023	N#023	FIXED / 5 MTHS	4.770%	06-Dec-21		-	- 29 792 878.44	(576 538.44)	251 996.94	576 538.44	0.00
03/7881123974/...024	N#024	FIXED / 5 MTHS	5.800%	12-Oct-22		80 000 000.00	-	80 000 000.00	1 029 698.63	1 029 698.63	81 029 698.63
					162 000 471.24	80 000 000.00	(122 288 714.06)	(84 691 924.74)	1 947 251.73	3 721 152.14	81 029 698.64
	STANDARD BANK										
258489367-025	S#025	CALL ACCOUNT	3.500%			-	- 51 257 619.24	(473 959.24)	63 816.93	473 959.24	0.00
258489367-031	S#031	FIXED 3 MNTHS	4.250%	29-Jul-21	60 433 150.68	-	-	(60 635 826.63)	-	202 675.95	0.00
258489367-032	S#032	FIXED 3 MNTHS	4.875%	06-Dec-21		-	- 81 613 424.66	(1 613 424.66)	715 890.41	1 613 424.66	(0.00)
258489367-033	S#033	FIXED 5 MNTHS	4.850%	11-Mar-22		50 000 000.00	-	50 000 000.00	531 506.85	531 506.85	50 531 506.85
258489367-034	S#034	FIXED 5 MNTHS	5.175%	13-Jun-22		124 000 000.00	-	124 000 000.00	(281 293.15)	281 293.15	124 281 293.15
					60 433 150.78	174 000 000.00	(132 871 043.90)	111 276 789.47	1 029 921.04	3 102 859.85	174 812 800.00
INVESTMENT TOTAL					222 433 622.01	374 000 000.00	(315 159 757.96)	86 584 864.73	3 370 043.67	7 216 842.89	316 235 329.54

6.2 Borrowings

Lending Institution	Balance 1/12/2021	Received December 2021	Interest Capitalised December 2021	Capital Repayments December 2021	Balance 31/12/2021	Percentage	Sinking Funds (R'000)
DBSA@ 11.1%	13 424 569	-	-	1 373 444	12 051 125	11.10%	
DBSA@ 10.25%	40 314 325	-	-	3 171 683	37 142 642	10.25%	
DBSA @ 9.74%	73 446 495	-	-	2 849 510	70 596 985	9.74%	
NEBANK @ 9.70%	138 992 119	-	-	5 895 618	133 096 501	9.70%	
NEBANK @ 6.73%	102 779 511	-	-	3 274 341	99 505 170	6.73%	
	368 957 019	-	-	16 564 596	352 392 423		

7. Allocations and grant receipts and expenditure for the 2nd Quarter of 2021/22

	TOTAL 2020/21	EXPECTED ALLOCATION	OPENING BALANCE 1 JULY 2021	CAPITAL DEBTORS	PRIOR YEARS DEBTORS CLEARED	ACCUMULATED ACTUAL RECEIPTS	ACCUMULATED ACTUAL EXPENDITURE	QUARTER 2 RECEIPTS	QUARTER 2 ACTUAL EXPENDITURE	UNSPENT CONDITIONAL GRANTS - 31 DECEMBER 2021
OPERATING & CAPITAL GRANTS										
Unconditional Grant:Equitable Share	157 136 000	157 136 000				117 852 000	27 138 792	52 379 000	13 437 914	90 713 208
Grand Total (Unconditional Grants)	157 136 000	157 136 000	-	-		117 852 000	27 138 792	52 379 000	13 437 914	90 713 208
EPWP Integrated Grant for Municipalities	5 998 000	5 998 000				4 199 000	1 825 078	2 699 000	914 403	2 373 922
Local Government Financial Management Grant	1 550 000	1 550 000				1 550 000	681 952	-	419 047	868 048
	18 000 000									
Integrated National Electrification Programme (Municipal) Grant		18 000 000				18 000 000	5 403 552	10 000 000	4 036 506	12 596 448
Integrated Urban Development Grant	56 941 000	56 941 000				30 179 000	19 775 842	9 680 000	14 874 990	10 403 158
LGSETA Funding	-			76 360		-		-	-	(76 360)
DBSA Grant	-			1 981 528		2 000 000		-	-	18 472
Community Development Workers Operational Support Grant	38 000	38 000				38 000	-	38 000	-	38 000
Library Services: Conditional Grant	13 546 051	11 244 000	2 302 051			11 244 000	4 703 015	5 622 000	3 186 597	8 843 036
Human Settlements Development Grant	52 087 673	51 408 000	679 673	14 009 182	6 820 409	12 817 994	8 134 072	10 262 329	8 051 826	(8 645 588)
Title Deeds Restoration Grant	1 371 711		1 371 711					-	-	1 371 711
Municipal Accreditation and Capacity Building Grant	490 000	252 000	238 000				0		(641)	238 000
Financial Management Capacity Building Grant	414 751	250 000	164 751							164 751
Maintenance and Construction of Transport Infrastructure	4 950 000	4 950 000					1 199 008		1 199 008	(1 199 008)
Regional Socio-Economic Project/violence through urban upgrading (RSEP/VPUU)	4 337 700									
		1 000 000	3 337 700							
Cape Winelands District Grant	500 000	500 000				500 000	500 000		494 752	2 842 948
Safety Initiative Implementation-whole of society approach (WOSA)	-								-	-
Cape Wineland District Tourism grant	-								-	-
Cape Winelands Disaster Grant	146 959		146 959						-	146 959
Development of Sport and Recreational Facilities	600 000	600 000					49 650		49 650	(49 650)
Blaawklippen housing project	369 715		369 715							369 715
Housing consumer education	68 010		68 010							68 010
Khaya Lam Free Market Foundation	102 000		102 000							102 000
Other sources	288 184		288 184							288 184
Integrated Transport Planning Grant	600 000		600 000							600 000
National Lottery	307 361		307 361							307 361
Grand total (Conditional Grants)	162 707 115	152 731 000	9 976 115	16 067 070	6 820 409	80 527 994	42 766 921	38 301 329	33 226 139	31 670 118

It should be noted that the Department of Human Settlement currently owes the municipality grant funding to the amount of R15 322 846.

8. Personnel Expenditure

In terms of Section 66 of the MFMA, all expenditure incurred by the municipality on staff salaries, wages, allowances, and benefits must be reported to council.

Employee - Related Costs	Original Budget	Adjustments Budget	Quarter 2 Budget	Quarter 2 Actual	YTD Budget	YTD Actual	YTD %
Basic Salary and Wages	358 787 703	358 787 703	-49 185 454	89 691 005	30 788 808	172 295 441	48%
Bonus	29 798 255	29 798 255	10 333 799	22 220 303	12 428 614	24 247 854	81%
Acting and Post Related Allowances	1 745 660	1 745 660	10 717 392	108 346	10 999 740	221 366	13%
Non Structured	37 166 979	37 166 979	1 252 770	8 777 229	8 910 959	16 859 651	45%
Standby Allowance	13 511 760	13 511 760	2 898 460	2 874 801	6 295 643	5 855 981	43%
Travel or Motor Vehicle	12 471 755	12 471 755	6 067 131	2 218 832	8 025 195	4 567 440	37%
Accommodation, Travel and Incidental	441 812	441 812	1 422 896	8 808	1 422 896	9 767	2%
Bargaining Council	247 599	247 599	43 603 100	130 731	43 650 943	208 310	84%
Cellular and Telephone	1 279 522	1 279 522	19 789 130	456 334	20 156 514	931 185	73%
Current Service Cost	5 935 660	5 935 660	-1 410 330	2 332 616	73 584	4 634 849	78%
Essential User	750 919	750 919	1 676 793	129 675	1 855 944	292 045	39%
Entertainment	94 283	94 283	-22 677	-	894	-	0%
Fire Brigade	3 237 130	3 237 130	-625 600	737 285	-	1 421 545	44%
Group Life Insurance	4 872 537	4 872 537	17 010 298	1 163 487	17 795 744	2 298 129	47%
Housing Benefits	3 594 264	3 594 264	19 133 965	733 844	19 853 871	1 425 409	40%
Interest Cost	22 609 511	22 609 511	-5 646 702	-	5 676	-	0%
Leave Gratuity	-	-	-	-	-	-	0%
Leave Pay	2 538 403	2 538 403	1 162 156	578 502	1 632 641	1 696 001	67%
Long Term Service Awards	1 205 762	1 205 762	-301 440	-	-	-	0%
Medical	31 650 226	31 650 226	9 489 604	6 275 527	14 759 710	12 647 600	40%
Non-pensionable	1 032 821	1 032 821	-245 700	16 199	308	31 199	3%
Pension	65 237 329	65 237 329	15 825 341	13 693 039	26 543 397	26 672 853	41%
Scarcity Allowance	1 857 480	1 857 480	1 247 316	178 741	1 735 551	351 015	19%
Shift Additional Remuneration	2 289 690	2 289 690	6 163 616	1 144 091	6 736 030	2 251 986	98%
Structured	1 785 922	1 785 922	-529 279	533 138	-	1 033 645	58%
Unemployment Insurance	3 315 315	3 315 315	34 619 939	705 350	35 150 744	1 366 813	41%
Totals	607 458 297	607 458 297	155 772 493	159 450 505	268 823 406	281 320 085	46%

During the first quarter of the financial year the directorates spent R12 496 679, 5% more than the planned expenditure of R268 823 406.

9. Withdrawals

<i>Consolidated Quarterly Report for period 01/10/2021 to 31/12/2021</i>				
Date	Payee	Amount in R'000	Description and Purpose (including section reference e.g. sec 11(f))	Authorised by (name)
Monthly	Provincial Government Western Cape	13 545 569	The Municipality acts as an agent for PAWC for collection of licencing fees. S 11(e)(i)	Acting Director: Community and Protection Services
Monthly	WECLOGO Group Insurance and Sanlam Group Insurance	1 371 737	Group Insurance. S11(e) (ii)	Council
Ad Hoc	Investment Management	374 000 000	Investment in accordance with the Cash Management and Investment Policy. S11(h)	Accounting Officer (Municipal Manager)

10. Cost Containment Reporting

Measures	Cost Containment In - Year Report									
	Original Budget	Amended Budget	Quarter 1		Saving/ (Over spending)	Quarter 2		YTD		Saving/ (Over spending)
			Budget	Actual		Budget	Actual	Total YTD Budget	Total YTD Actual	
Use of consultants	49 574 016	49 355 405	5 907 618	2 303 794	3 603 824	7 120 195	3 612 773	13 027 813	5 916 567	7 111 246
Vehicles used for political office -bearers	-	-	-	-	-	-	-	-	-	-
Accommodation, Travel and Incidental costs	18 529 493	18 649 493	3 322 692	3 441 976	- 119 284	4 426 611	2 668 249	7 749 303	6 110 225	1 639 078
Sponsorships, events and catering	1 697 972	1 697 972	417 991	43 211	374 780	- 269 688	201 838	148 303	245 049	- 96 746
Communication	15 639 134	14 639 134	1 556 296	2 159 524	- 603 228	4 377 606	3 242 674	5 933 902	5 402 198	531 704
Other related expenditure items	41 622 591	41 622 591	7 438 232	9 690 824	- 2 252 592	10 416 508	10 455 920	17 854 740	20 146 744	- 2 292 004
Grand Total	127 063 206	125 964 595	18 642 829	17 639 328	1 003 501	26 071 232	20 181 456	44 714 061	37 820 783	6 893 278

The largest year to date overspending was noted for other related expenditure items of which the largest component relates to non-structured overtime.

Item for report	Description	Original Budget	Amended Budget	Quarter 1		Saving/ (Over spending)	Quarter 2		Saving/ (Overspending)	YTD		Saving/ (Overspending)
				Budget	Actual		Budget	Actual		Total YTD Budget	Total YTD Actual	
Communication	Communication:Cellular Contract (Subscription and	4 289 576	3 789 576	26 232	642 115	- 615 883	1 849 387	913 846	935 541	1 875 619	1 555 962	319 657
	Communication:Licences (Radio and Television)	95 000	95 000	-	-	-	47 500	-	47 500	47 500	-	47 500
	Communication:Radio and TV Transmissions	2 358 703	2 358 703	345 570	213 325	132 245	543 373	613 106	- 69 733	888 943	826 431	62 512
	Communication:Postage/Stamps/Franking Machines	2 627 000	2 627 000	221 966	261 449	- 39 483	379 670	399 888	- 20 218	601 636	661 337	- 59 701
	Communication:SMS Bulk Message Service	144 000	144 000	10 889	-	10 889	27 478	24 028	3 450	38 367	24 028	14 339
	Communication:Telemetric Systems	-	-	-	318	- 318	-	204	- 204	-	521	- 521
	Allowances:Cellular and Telephone	1 142 722	1 142 722	276 787	474 851	- 198 064	291 865	441 134	- 149 269	568 652	915 985	- 347 333
	Communication:Telephone, Fax, Telegraph and Telex	4 982 133	4 482 133	674 852	567 466	107 386	1 238 333	850 467	387 866	1 913 185	1 417 934	495 251
Other related expenditure items	Entertainment:Senior Management	40 000	40 000	8 000	-	8 000	12 000	-	12 000	20 000	-	20 000
	Entertainment:Total for All Other Councillors	100 000	100 000	526	-	526	-	-	-	526	-	526
	Entertainment:Executive Mayor	240 000	240 000	-	-	-	1 300	1 462	- 162	1 300	1 462	- 162
	Entertainment:Deputy Executive Mayor	-	-	-	-	-	-	-	-	-	-	-
	Entertainment:Speaker	-	-	-	-	-	-	-	-	-	-	-
	Entertainment:Chief Whip	-	-	-	-	-	-	-	-	-	-	-
	Entertainment:Executive Committee	-	-	-	-	-	-	-	-	-	-	-
	Entertainment:Section 79 committee chairperson	-	-	-	-	-	-	-	-	-	-	-
	Overtime:Non Structured	37 166 979	37 166 979	6 370 037	8 082 422	- 1 712 385	9 348 845	8 777 229	571 616	15 718 882	16 859 651	- 1 140 769
	Overtime:Shift Additional Remuneration	2 289 690	2 289 690	530 390	1 107 895	- 577 505	615 445	1 144 091	- 528 646	1 145 835	2 251 986	- 1 106 151
	Overtime:Structured	1 785 922	1 785 922	529 279	500 507	28 772	438 918	533 138	- 94 220	968 197	1 033 645	- 65 448
Grand Total	127 063 206	125 964 595	18 642 829	17 639 328	1 003 501	26 071 232	20 181 456	5 889 776	44 714 061	37 820 783	6 893 278	

Table C2: Monthly Budget Statement – Financial Performance (standard classification)

WC024 Stellenbosch - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Q2 Second Quarter

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		493 471	513 180	513 180	51 093	306 686	273 474	33 212	12%	513 180
Executive and council		567	1 061	1 061	1	182	496	(313)	-63%	1 061
Finance and administration		492 904	512 119	512 119	51 093	306 504	272 979	33 525	12%	512 119
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		165 577	203 081	204 521	30 262	70 711	103 659	(32 948)	-32%	204 521
Community and social services		14 163	15 436	15 436	738	8 640	5 235	3 405	65%	15 436
Sport and recreation		3 190	1 658	1 658	74	184	505	(321)	-64%	1 658
Public safety		127 462	171 533	171 533	28 743	57 434	86 113	(28 679)	-33%	171 533
Housing		20 762	14 455	15 895	708	4 452	11 807	(7 354)	-62%	15 895
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		50 720	121 921	124 521	4 201	24 999	56 247	(31 248)	-56%	124 521
Planning and development		25 149	115 023	117 623	3 580	18 259	55 918	(37 659)	-67%	117 623
Road transport		28 464	5 911	5 911	597	6 609	121	6 488	5353%	5 911
Environmental protection		(2 892)	987	987	24	131	208	(77)	-37%	987
<i>Trading services</i>		1 087 498	1 287 310	1 287 310	109 906	639 830	569 634	70 196	12%	1 287 310
Energy sources		674 806	842 934	842 934	53 390	407 701	382 958	24 743	6%	842 934
Water management		155 977	172 558	172 558	14 427	66 686	62 189	4 497	7%	172 558
Waste water management		150 252	150 230	150 230	25 154	93 332	66 979	26 353	39%	150 230
Waste management		106 463	121 589	121 589	16 934	72 111	57 509	14 603	25%	121 589
<i>Other</i>	4	762	112	112	9	51	55	(3)	-6%	112
Total Revenue - Functional	2	1 798 028	2 125 605	2 129 645	195 471	1 042 278	1 003 069	39 209	4%	2 129 645
Expenditure - Functional										
<i>Governance and administration</i>		294 971	344 570	344 566	19 459	128 113	144 843	(16 730)	-12%	344 470
Executive and council		49 546	55 384	55 379	2 453	18 986	23 316	(4 329)	-19%	55 379
Finance and administration		233 815	275 761	275 761	15 553	103 680	117 576	(13 896)	-12%	275 666
Internal audit		11 610	13 425	13 425	1 453	5 446	3 951	1 496	38%	13 425
<i>Community and public safety</i>		395 237	367 326	367 557	22 897	123 751	155 661	(31 910)	-20%	367 557
Community and social services		35 935	43 177	42 599	3 035	18 401	11 402	6 999	61%	42 599
Sport and recreation		48 913	53 696	53 665	4 284	20 402	14 988	5 413	36%	53 665
Public safety		276 299	236 448	237 052	13 860	73 794	116 044	(42 250)	-36%	237 052
Housing		34 089	34 003	34 240	1 719	11 154	13 226	(2 072)	-16%	34 240
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		185 319	236 611	236 580	8 848	61 203	81 864	(20 661)	-25%	236 580
Planning and development		73 620	105 250	105 169	3 973	35 491	37 259	(1 768)	-5%	105 169
Road transport		94 131	99 836	99 885	3 338	18 361	37 232	(18 871)	-51%	99 885
Environmental protection		17 568	31 526	31 526	1 537	7 351	7 374	(22)	0%	31 526
<i>Trading services</i>		934 685	1 068 933	1 068 883	79 687	405 811	439 536	(33 725)	-8%	1 068 883
Energy sources		524 625	610 888	611 655	42 820	272 681	270 530	2 151	1%	611 655
Water management		132 484	127 577	126 619	9 994	35 154	47 901	(12 747)	-27%	126 619
Waste water management		160 856	182 682	182 843	18 197	52 307	71 701	(19 394)	-27%	182 843
Waste management		116 721	147 785	147 766	8 676	45 669	49 404	(3 735)	-8%	147 766
<i>Other</i>		100	50	-	-	-	-	-	-	-
Total Expenditure - Functional	3	1 810 311	2 017 490	2 017 586	130 891	718 878	821 904	(103 026)	-13%	2 017 490
Surplus/ (Deficit) for the year		(12 283)	108 114	112 059	64 580	323 401	181 166	142 235	79%	112 155

Table C2: Monthly Budget Statement – Financial Performance, reflects the operating revenue and operating expenditure in the standard classifications which are the Government Finance Statistics Functions and Sub-functions. The main functions are Governance and Administration; Community and public safety; Economic and environmental services; and Trading services.

Table C3: Monthly Budget Statement – Financial Performance (revenue & expenditure by municipal vote)

WC024 Stellenbosch - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q2 Second

Vote Description	Ref	Budget Year 2021/22								
		2020/21 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote										
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER	1	-	-	-	-	-	-	-	-	-
Vote 2 - PLANNING AND DEVELOPMENT SERVICES		22 898	30 454	34 494	1 776	10 613	17 560	(6 947)	-39.6%	34 494
Vote 3 - INFRASTRUCTURE SERVICES		1 120 293	1 394 599	1 394 599	113 150	658 913	620 775	38 138	6.1%	1 394 599
Vote 4 - COMMUNITY AND PROTECTION SERVICES		145 289	190 526	190 526	29 579	67 018	92 179	(25 161)	-27.3%	190 526
Vote 5 - CORPORATE SERVICES		6 186	6 339	6 339	355	2 577	3 000	(423)	-14.1%	6 339
Vote 6 - FINANCIAL SERVICES		492 034	503 686	503 686	50 611	303 157	269 554	33 603	12.5%	503 686
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	1 786 699	2 125 605	2 129 645	195 471	1 042 278	1 003 069	39 209	3.9%	2 129 645
Expenditure by Vote										
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER	1	31 400	39 989	39 989	2 383	13 308	13 364	(56)	-0.4%	39 989
Vote 2 - PLANNING AND DEVELOPMENT SERVICES		81 249	100 875	100 875	4 787	38 484	39 081	(597)	-1.5%	100 875
Vote 3 - INFRASTRUCTURE SERVICES		1 042 484	1 188 821	1 188 821	83 332	424 945	481 923	(56 978)	-11.8%	1 188 821
Vote 4 - COMMUNITY AND PROTECTION SERVICES		386 385	374 481	374 481	23 003	124 392	153 454	(29 061)	-18.9%	374 481
Vote 5 - CORPORATE SERVICES		158 403	198 283	198 283	9 295	66 008	85 073	(19 065)	-22.4%	198 283
Vote 6 - FINANCIAL SERVICES		110 063	115 042	115 042	8 091	51 741	49 010	2 731	5.6%	115 042
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	1 809 984	2 017 490	2 017 490	130 891	718 878	821 904	(103 026)	-12.5%	2 017 490
Surplus/ (Deficit) for the year	2	(23 285)	108 114	112 155	64 580	323 401	181 166	142 235	78.5%	112 155

Table C3: Monthly Budget Statement – Financial Performance, reflects the operating revenue and operating expenditure by municipal vote. The municipal directorates are Municipal Manager; Planning Development; Infrastructure Services; Community and Protection Services; Corporate Services; and Financial Services. The operating expenditure budget is approved by Council on the municipal vote level.

Table C4: Monthly Budget Statement – Financial Performance (revenue & expenditure)

WC024 Stellenbosch - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q2 Second Quarter

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		394 484	423 633	423 633	29 160	246 722	210 766	35 956	17%	423 633
Service charges - electricity revenue		633 220	787 275	787 275	41 722	377 306	356 020	21 286	6%	787 275
Service charges - water revenue		134 426	166 400	166 400	11 626	58 851	60 187	(1 336)	-2%	166 400
Service charges - sanitation revenue		92 639	114 485	114 485	7 994	53 690	39 522	14 168	36%	114 485
Service charges - refuse revenue		73 150	87 936	87 936	6 136	46 859	31 983	14 876	47%	87 936
Rental of facilities and equipment		17 869	11 175	11 175	811	4 943	4 891	52	1%	11 175
Interest earned - external investments		19 515	13 200	13 200	1 304	8 239	10 844	(2 605)	-24%	13 200
Interest earned - outstanding debtors		10 084	14 034	14 034	1 031	5 910	5 666	244	4%	14 034
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		108 908	147 425	147 425	27 852	49 851	73 722	(23 871)	-32%	147 425
Licences and permits		5 207	5 778	5 778	272	3 557	2 857	699	24%	5 778
Agency services		4 833	3 077	3 077	147	1 382	1 522	(140)	-9%	3 077
Transfers and subsidies		194 790	204 313	204 313	54 033	127 085	139 007	(11 922)	-9%	204 313
Other revenue		24 291	41 319	41 319	1 381	12 330	16 099	(3 769)	-23%	41 319
Gains		966	-	-	6	43	-	43	#DIV/0!	-
Total Revenue (excluding capital transfers and contributions)		1 714 383	2 020 051	2 020 051	183 475	996 768	953 086	43 683	5%	2 020 051
Expenditure By Type										
Employee related costs		541 880	607 458	607 458	42 443	281 320	268 823	12 497	5%	614 531
Remuneration of councillors		18 411	21 978	21 978	1 607	8 776	11 052	(2 276)	-21%	21 978
Debt impairment		108 782	103 900	103 900	-	193	45 165	(44 972)	-100%	103 900
Depreciation & asset impairment		189 801	211 541	211 541	-	-	70 514	(70 514)	-100%	211 541
Finance charges		54 475	43 842	43 842	17 801	17 801	21 921	(4 120)	-19%	43 842
Bulk purchases - electricity		453 758	507 699	507 699	35 768	242 625	230 772	11 853	5%	507 699
Inventory consumed		35 095	69 632	69 632	6 709	25 305	22 505	2 801	12%	70 431
Contracted services		228 441	277 481	277 481	17 368	68 085	80 414	(12 329)	-15%	267 604
Transfers and subsidies		11 010	13 600	13 600	101	11 239	6 885	4 353	63%	13 706
Other expenditure		168 551	160 358	160 358	9 090	63 527	63 852	(325)	-1%	162 257
Losses		108	-	-	3	6	-	6	#DIV/0!	-
Total Expenditure		1 810 311	2 017 490	2 017 490	130 891	718 878	821 904	(103 026)	-13%	2 017 490
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(95 928)	2 560	2 560	52 584	277 891	131 182	146 709	0	2 560
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		69 847	105 554	109 594	11 949	33 150	49 983	(16 834)	(0)	109 594
Transfers and subsidies - capital (in-kind - all)		13 658	-	-	47	12 360	-	12 360	#DIV/0!	-
Surplus/(Deficit) after capital transfers & contributions		141	-	-	-	-	-	-	-	-
Taxation		(12 283)	108 114	112 155	64 580	323 401	181 166	-	-	112 155
Surplus/(Deficit) after taxation		-	-	-	-	-	-	-	-	-
Attributable to minorities		(12 283)	108 114	112 155	64 580	323 401	181 166	-	-	112 155
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		(12 283)	108 114	112 155	64 580	323 401	181 166	-	-	112 155

Table C5: Monthly Budget Statement – Capital Expenditure

WC024 Stellenbosch - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q2 Second Quarter

Vote Description	Ref	2020/21		Budget Year 2021/22						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		34	44	44	-	-	18	(18)	-100%	44
Vote 2 - PLANNING AND DEVELOPMENT SERVICES		134	2 685	6 985	-	495	9	486	5397%	6 985
Vote 3 - INFRASTRUCTURE SERVICES		67 258	73 879	236 066	6 165	19 885	39 724	(19 839)	-50%	92 657
Vote 4 - COMMUNITY AND PROTECTION SERVICES		19 165	8 850	17 416	847	2 974	3 877	(903)	-23%	11 687
Vote 5 - CORPORATE SERVICES		6 362	13 900	21 382	46	1 477	5 004	(3 527)	-70%	15 898
Vote 6 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	92 954	99 358	281 893	7 059	24 831	48 632	(23 801)	-49%	127 270
Single Year expenditure appropriation	2									
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 2 - PLANNING AND DEVELOPMENT SERVICES		8 755	8 829	10 487	74	661	3 600	(2 938)	-82%	10 287
Vote 3 - INFRASTRUCTURE SERVICES		212 956	268 636	151 947	13 591	72 201	118 505	(46 305)	-39%	295 356
Vote 4 - COMMUNITY AND PROTECTION SERVICES		12 454	15 174	16 561	1 877	10 298	4 746	5 552	117%	22 290
Vote 5 - CORPORATE SERVICES		62 471	13 857	10 591	2 131	7 728	6 048	1 680	28%	16 076
Vote 6 - FINANCIAL SERVICES		2 821	200	400	1	192	130	62	48%	400
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	299 458	306 696	189 987	17 674	91 080	133 029	(41 949)	-32%	344 410
Total Capital Expenditure	3	392 412	406 054	471 880	24 733	115 912	181 661	(65 750)	-36%	471 680
Capital Expenditure - Functional Classification										
<i>Governance and administration</i>		71 688	28 001	32 418	2 178	9 397	12 862	(3 465)	-27%	32 418
Executive and council		34	44	44	-	-	22	(22)	-100%	44
Finance and administration		71 654	27 957	32 374	2 178	9 397	12 840	(3 443)	-27%	32 374
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		34 853	25 844	36 536	2 358	12 953	18 608	(5 655)	-30%	36 536
Community and social services		2 299	2 155	2 228	-	66	920	(854)	-93%	2 228
Sport and recreation		13 333	4 900	8 797	520	3 652	5 673	(2 022)	-36%	8 797
Public safety		12 775	10 395	15 643	1 780	8 770	7 836	934	12%	15 643
Housing		6 446	8 394	9 868	58	465	4 179	(3 714)	-89%	9 868
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		93 728	105 037	119 540	6 089	22 613	51 773	(29 160)	-56%	119 540
Planning and development		25 651	45 863	51 183	3 506	11 536	20 981	(9 445)	-45%	51 183
Road transport		66 314	52 800	61 620	2 430	10 564	28 320	(17 756)	-63%	61 620
Environmental protection		1 764	6 374	6 737	153	513	2 472	(1 959)	-79%	6 737
<i>Trading services</i>		192 142	247 172	283 187	14 108	70 948	136 594	(65 646)	-48%	283 187
Energy sources		37 838	74 748	79 519	2 907	22 700	39 240	(16 540)	-42%	79 519
Water management		35 607	79 850	99 689	4 180	21 842	46 327	(24 486)	-53%	99 689
Waste water management		108 612	84 700	96 056	6 982	26 120	45 992	(19 872)	-43%	96 056
Waste management		10 085	7 874	7 923	38	287	5 036	(4 749)	-94%	7 923
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	392 412	406 054	471 880	24 733	115 912	219 838	(103 926)	-47%	471 680
Funded by:										
National Government		3 486	70 386	70 386	8 728	24 853	34 250	(9 397)	-27%	70 386
Provincial Government		7 447	35 168	39 208	3 221	8 681	15 246	(6 565)	-43%	39 208
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	324	324	-	324	#DIV/0!	-
Transfers recognised - capital		10 933	105 554	109 594	12 273	33 859	49 496	(15 638)	-32%	109 594
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	141 384	144 000	152 862	4 036	36 364	70 982	(34 618)	-49%	152 862
Internally generated funds		237 901	156 500	209 224	8 423	45 689	99 359	(53 671)	-54%	209 224
Total Capital Funding		390 219	406 054	471 680	24 733	115 912	219 838	(103 926)	-47%	471 680

Table C5: Monthly Budget Statement – Capital Expenditure consists of three sections: Appropriations by vote; Standard classification and funding portion.

Table C6: Monthly Budget Statement – Financial Position

WC024 Stellenbosch - Table C6 Monthly Budget Statement - Financial Position - Q2 Second Quarter

Description	Ref	2020/21	Budget Year 2021/22			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		111 897	20 248	(41 540)	(59 218)	(41 540)
Call investment deposits		222 187	396 045	396 045	451 220	396 045
Consumer debtors		161 745	324 388	324 388	200 189	324 388
Other debtors		689 432	213 145	213 145	829 749	213 145
Current portion of long-term receivables		-	-	-	-	-
Inventory		53 315	64 074	63 095	45 852	63 095
Total current assets		1 238 576	1 017 900	955 132	1 467 791	955 132
Non current assets						
Long-term receivables		7 813	(3 432)	(3 432)	7 881	(3 432)
Investments		-	-	-	-	-
Investment property		412 396	412 254	412 254	419 486	412 254
Investments in Associate		-	-	-	-	-
Property, plant and equipment		5 456 111	5 437 921	5 503 547	5 567 715	5 504 417
Agricultural		-	-	-	-	-
Biological assets		6 321	6 321	6 321	6 321	6 321
Intangible assets		9 639	8 056	8 056	9 639	8 056
Other non-current assets		2 316	3 951	3 081	1 708	3 081
Total non current assets		5 894 597	5 865 071	5 929 827	6 012 750	5 930 697
TOTAL ASSETS		7 133 172	6 882 971	6 884 960	7 480 541	6 885 830
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		34 224	36 154	36 154	17 659	36 154
Consumer deposits		19 530	19 757	19 757	20 353	19 757
Trade and other payables		926 028	767 715	766 533	640 961	766 533
Provisions		73 907	55 106	55 106	54 768	55 106
Total current liabilities		1 053 689	878 732	877 551	733 742	877 551
Non current liabilities						
Borrowing		338 473	499 164	499 164	334 733	499 164
Provisions		325 113	304 922	304 922	16 840	304 922
Total non current liabilities		663 586	804 086	804 086	351 573	804 086
TOTAL LIABILITIES		1 717 275	1 682 818	1 681 637	1 085 315	1 681 637
NET ASSETS	2	5 415 898	5 200 152	5 203 323	6 395 226	5 204 193
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		5 639 366	5 200 152	5 204 193	6 071 825	5 204 193
Reserves		(211 185)	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	5 428 180	5 200 152	5 204 193	6 071 825	5 204 193

Table C7: Monthly Budget Statement – Cash Flow

WC024 Stellenbosch - Table C7 Monthly Budget Statement - Cash Flow - Q2 Second Quarter

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		(1 717 894)	406 687	406 687	(154 312)	(857 715)	203 344	#####	-522%	406 687
Service charges		(615 175)	1 141 264	1 141 264	(52 941)	(395 771)	568 513	(964 284)	-170%	1 141 264
Other revenue		(6 325)	84 334	84 334	(406)	(4 674)	38 761	(43 435)	-112%	84 334
Government - operating		(70 041)	250 764	250 764	(2 699)	(4 199)	189 181	(193 380)	-102%	250 764
Government - capital		(5 000)	58 541	58 541	(9 680)	(40 179)	31 779	(71 958)	-226%	58 541
Interest		(2 307)	13 200	13 200	(108)	(1 022)	10 844	(11 866)	-109%	13 200
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(54 528)	(1 648 929)	(1 648 929)	(100 633)	(188 723)	(824 464)	(635 742)	77%	(1 648 929)
Finance charges		-	-	-	-	-	-	-	-	-
Transfers and Grants		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		(2 471 270)	305 862	305 862	(320 780)	(1 492 282)	217 957	#####	785%	305 862
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		(7 813)	3 432	3 432	-	(7 881)	3 432	(11 313)	-330%	3 432
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		(136 806)	(406 054)	(471 680)	(324)	16 154	(219 838)	(235 992)	107%	(471 680)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(144 620)	(402 621)	(468 248)	(324)	8 274	(216 406)	(224 679)	104%	(468 248)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	144 000	-	-	-	-	-	-
Increase (decrease) in consumer deposits		19 530	19 757	19 757	244	20 353	19 757	596	3%	19 757
Payments										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		19 530	19 757	163 757	244	20 353	19 757	(596)	-3%	19 757
NET INCREASE/ (DECREASE) IN CASH HELD		(2 596 360)	(77 003)	1 371	(320 860)	(1 463 655)	21 309			(142 629)
Cash/cash equivalents at beginning:		415 072	415 242	419 283		347 595	419 283			347 595
Cash/cash equivalents at month/year end:		(2 181 288)	338 240	420 654		(1 116 060)	440 592			204 967

Investments and Borrowings

Supporting Table SC5: Monthly Budget Statement – Investment Portfolio

WC024 Stellenbosch - Supporting Table SC5 Monthly Budget Statement - investment portfolio - Q2 Second Quarter

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
		Yrs/Months							
R thousands									
Municipality									
N#020		6M	Deposits - Ban	10/08/2021	-	4.64%	0	-	0
N#021		7M	Deposits - Ban	26/11/2021	-	4.82%	(0)	-	(0)
S#031		3M	Deposits - Ban	29/07/2021	-	4.25%	0	-	0
N#023		5M	Deposits - Ban	06/12/2021	19	4.77%	29 774	(29 793)	0
S#025		CALL ACCOU	Deposits - Ban	08/07/2022	-	3.50%	0	-	0
S#032		5M	Deposits - Ban	06/12/2021	64	4.88%	81 549	(81 613)	(0)
A#415		CALL ACCOU	Deposits - Ban	12/10/2022	232	4.20%	40 161	20 000	60 393
N#024		1Y	Deposits - Ban	12/10/2022	394	5.80%	80 636	-	81 030
S#033		5M	Deposits - Ban	11/03/2022	206	4.85%	50 326	-	50 532
S#034		6M	Deposits - Ban	13/06/2022	281	5.18%	-	124 000	124 281
Municipality sub-total					1 197		282 445	32 594	316 235
TOTAL INVESTMENTS AND INTEREST	2				1 197		282 445	32 594	316 235

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

WC024 Stellenbosch - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q2 Second Quarter

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		178 568	12 103	169 239	55 078	123 601	5 749	117 852	2050.0%	7 548
Operational Revenue:General Revenue:Equitable Share		170 632	-	157 136	52 379	117 852	-	117 852	#DIV/0!	-
Expanded Public Works Programme Integrated Grant for Municipalities (Schedule 5B)		4 961	5 998	5 998	2 699	4 199	4 199	-	-	5 998
Local Government Financial Management Grant (Schedule 5B)		1 550	1 550	1 550	-	1 550	1 550	-	-	1 550
Integrated Urban Development Grant		1 425	4 555	4 555	-	-	-	-	-	-
Provincial Government:		23 858	34 574	34 574	-	11 182	-	11 182	#DIV/0!	-
Community Development Workers Operational Support Grant		56	38	38	-	38	-	38	#DIV/0!	-
Human Settlements Development Grant		10 242	17 940	17 940	-	-	-	-	-	-
Financial Management Capacity Building Grant	4	300	250	250	-	-	-	-	-	-
Libraries, Archives and Museums	4	13 022	11 144	11 144	-	11 144	-	11 144	#DIV/0!	-
Local Government Support Grant	4	-	-	-	-	-	-	-	-	-
LGSETA Bursary Fund	4	-	-	-	-	-	-	-	-	-
WC Financial Management Support Grant	4	-	-	-	-	-	-	-	-	-
LG Graduate Internship Grant	4	-	-	-	-	-	-	-	-	-
Maintenance and Construction of Transport Infrastructure	4	-	4 950	4 950	-	-	-	-	-	-
Municipal Accreditation and Capacity Building Grant	4	238	252	252	-	-	-	-	-	-
District Municipality:		540	500	500	-	500	-	-	-	-
All Grants		440	-	-	-	-	-	-	-	-
Cape Winelands District Grant Long Term Financial Plan		-	500	500	-	500	-	-	-	-
Safety Initiative Implementation-whole of society approach (WOSA):Opening Balance		-	-	-	-	-	-	-	-	-
Tourism		100	-	-	-	-	-	-	-	-
Other grant providers:		1 761	-	-	-	2 000	-	2 000	#DIV/0!	-
Departmental Agencies and Accounts		139	-	-	-	-	-	-	-	-
DBSA Grant		1 618	-	-	-	2 000	-	2 000	#DIV/0!	-
LG SETA Bursary Fund		4	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	204 726	47 177	204 313	55 078	137 283	5 749	131 034	2279.2%	7 548
Capital Transfers and Grants										
National Government:		57 481	74 941	70 386	9 680	48 179	48 179	-	-	74 941
Integrated National Electrification Programme (Municipal Grant) (Schedule 5B)		12 000	18 000	18 000	-	18 000	18 000	-	-	18 000
Integrated Urban Development Grant		45 481	56 941	52 386	9 680	30 179	30 179	-	-	56 941
Provincial Government:		19 844	35 168	35 168	4 285	12 918	-	12 918	#DIV/0!	-
Human Settlements Development Grant		15 189	33 468	33 468	4 285	12 818	-	12 818	#DIV/0!	-
Libraries, Archives and Museums		55	100	100	-	100	-	100	#DIV/0!	-
Regional Socio-Economic Project/violence through urban upgrading (RSEP/VPUU)		4 000	1 000	1 000	-	-	-	-	-	-
Integrated Transport Planning		600	600	600	-	-	-	-	-	-
Development of Sport and Recreational Facilities		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
All Grants		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Departmental Agencies and Accounts		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	77 325	110 109	105 554	13 965	61 097	48 179	12 918	26.8%	74 941
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	282 052	157 286	309 867	69 043	198 380	53 928	143 952	266.9%	82 489

Supporting Table SC7 (1) Monthly Budget Statement – transfers and grant expenditure

WC024 Stellenbosch - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Q2 Second Quarter

Description	Ref	Budget Year 2021/22								
		2020/21	Budget Year 2021/22							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		177 143	169 239	169 239	4 201	29 972	-	29 972	#DIV/0!	-
Operational Revenue:General Revenue:Equitable Share		170 632	157 136	157 136	3 770	27 139	-	27 139	#DIV/0!	-
Expanded Public Works Programme Integrated Grant for Municipalities (Schedule 5B)		4 961	5 998	5 998	347	1 825	-	1 825	#DIV/0!	-
Local Government Financial Management Grant (Schedule 5B)		1 550	1 550	1 550	55	682	-	682	#DIV/0!	-
Integrated Urban Development Grant		-	4 555	4 555	29	326	-	326	#DIV/0!	-
Provincial Government:		-	34 574	34 574	1 211	5 899	-	5 899	#DIV/0!	-
Community Development Workers Operational Support Grant		-	38	38	-	-	-	-	-	-
Human Settlements Development Grant		-	17 940	17 940	-	-	-	-	-	-
Financial Management Capacity Building Grant		-	250	250	-	-	-	-	-	-
Libraries, Archives and Museums		-	11 144	11 144	617	4 700	-	4 700	#DIV/0!	-
Local Government Support Grant		-	-	-	-	-	-	-	-	-
LGSETA Bursary Fund		-	-	-	-	-	-	-	-	-
WC Financial Management Support Grant		-	-	-	-	-	-	-	-	-
LG Graduate Internship Grant		-	-	-	-	-	-	-	-	-
Maintenance and Construction of Transport Infrastructure		-	4 950	4 950	594	1 199	-	1 199	#DIV/0!	-
Municipal Accreditation and Capacity Building Grant		-	252	252	-	0	-	0	#DIV/0!	-
Municipal Accreditation and Capacity Building Grant		-	-	-	-	-	-	-	-	-
Waste Water Infrastructure - Maintenance		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure - Maintenance		-	-	-	-	-	-	-	-	-
District Municipality:		-	500	500	-	500	-	500	#DIV/0!	-
All Grants		-	-	-	-	-	-	-	-	-
Cape Winelands District Grant Long Term Financial Plan		-	500	500	-	500	-	-	-	-
Safety Initiative Implementation-whole of society approach (WOSA):Opening Balance		-	-	-	-	-	-	-	-	-
Other grant providers:		1 999	-	-	-	-	-	-	-	-
Departmental Agencies and Accounts		139	-	-	-	-	-	-	-	-
DBSA Grant		51	-	-	-	-	-	-	-	-
LG SETA Bursary Fund		1 809	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		179 142	204 313	204 313	5 412	36 371	-	36 371	#DIV/0!	-
Capital expenditure of Transfers and Grants										
National Government:		58 906	70 386	70 386	8 728	24 853	-	24 853	#DIV/0!	-
Integrated National Electrification Programme (Municipal Grant) (Schedule 5B)		12 000	18 000	18 000	899	5 404	-	5 404	#DIV/0!	-
Integrated Urban Development Grant		46 906	52 386	52 386	7 829	19 450	-	19 450	#DIV/0!	-
Provincial Government:		-	35 168	39 208	2 726	8 186	-	8 186	#DIV/0!	-
Human Settlements Development Grant		-	33 468	34 171	2 677	8 134	-	8 134	#DIV/0!	-
Libraries, Archives and Museums		-	100	100	-	3	-	3	#DIV/0!	-
Regional Socio-Economic Project/violence through urban upgrading (RSEP/VPUU)		-	1 000	4 338	-	-	-	-	-	-
Integrated Transport Planning		-	-	600	-	-	-	-	-	-
Development of Sport and Recreational Facilities		-	600	-	50	50	-	50	#DIV/0!	-
District Municipality:		-	-	-	-	-	-	-	-	-
All Grants		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Departmental Agencies and Accounts		-	-	-	-	-	-	-	-	-
Private Enterprises		-	-	-	-	-	-	-	-	-
Public Corporations		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		58 906	105 554	109 594	11 454	33 039	-	33 039	#DIV/0!	-
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		238 048	309 867	313 907	16 866	69 411	-	69 411	#DIV/0!	-

Supporting Table SC7 (2) Monthly Budget Statement – expenditure against approved roll-overs

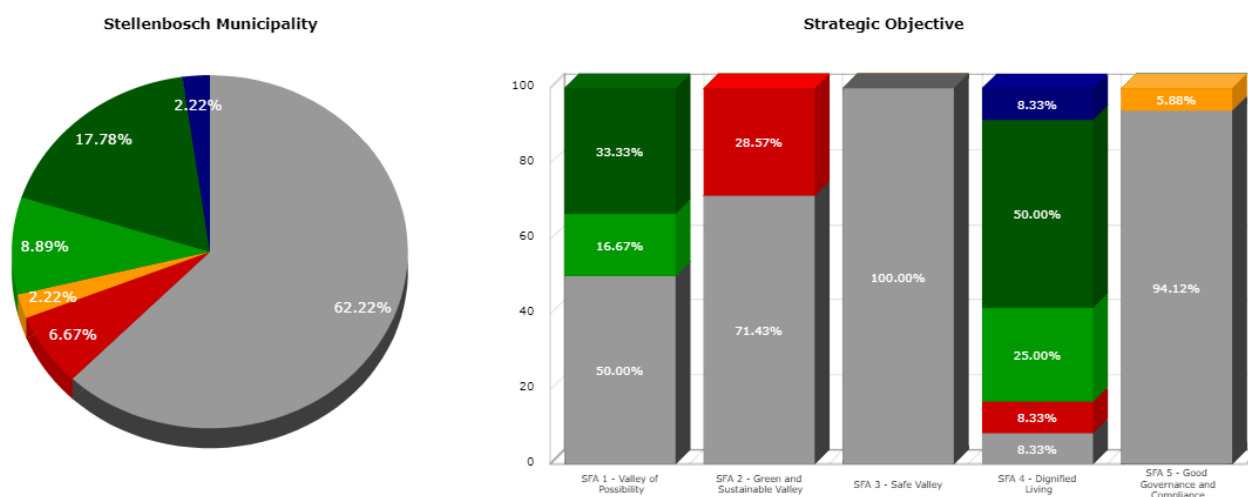
WC024 Stellenbosch - Supporting Table SC7(2) Monthly Budget Statement - Expenditure against approved rollovers - Q2 Second Quarter

Description	Ref	Budget Year 2021/22				
		Approved Rollover 2020/21	Monthly actual	YearTD actual	YTD variance	YTD variance %
R thousands						
EXPENDITURE						
Operating expenditure of Approved Roll-overs						
National Government:		-	-	-	-	
Operational Revenue:General Revenue:Equitable Share		-	-	-	-	
Operational:Revenue:General Revenue:Fuel Levy		-	-	-	-	
Provincial Government:		-	-	-	-	
Community Development Workers Operational Support Grant		-	-	-	-	
Human Settlements Development Grant		-	-	-	-	
Financial Management Capacity Building Grant		-	-	-	-	
Libraries, Archives and Museums		-	-	-	-	
Integrated Transport Planning Grant		-	-	-	-	
LGSETA Bursary Fund		-	-	-	-	
WC Financial Management Support Grant		-	-	-	-	
LG Graduate Internship Grant		-	-	-	-	
Maintenance and Construction of Transport Infrastructure		-	-	-	-	
Municipal Accreditation and Capacity Building Grant		-	-	-	-	
Title Deeds Restoration Grant		-	-	-	-	
Waste Water Infrastructure - Maintenance		-	-	-	-	
Water Supply Infrastructure - Maintenance		-	-	-	-	
District Municipality:		-	-	-	-	
Cape Winelands Disaster Grant		-	-	-	-	
Other grant providers:		-	-	-	-	
Departmental Agencies and Accounts		-	-	-	-	
Total operating expenditure of Approved Roll-overs		-	-	-	-	
Capital expenditure of Approved Roll-overs						
National Government:		-	-	-	-	
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		-	-	-	-	
Integrated Urban Development Grant		-	-	-	-	
Municipal Water Infrastructure Grant [Schedule 5B]		-	-	-	-	
Neighbourhood Development Partnership Grant [Schedule 5B]		-	-	-	-	
Integrated Urban Development Grant		-	-	-	-	
Provincial Government:		4 040	495	495	(3 545)	-87.8%
Human Settlements Development Grant		702	-	-	(702)	-100.0%
Libraries, Archives and Museums		-	-	-	-	
Regional Socio-Economic Project/Violence through urban upgrading (RSEP/VPUU)		3 338	495	495	(2 843)	-85.2%
Integrated Transport Planning		-	-	-	-	
Development of Sport and Recreational Facilities		-	-	-	-	
Infrastructure		-	-	-	-	
Libraries, Archives and Museums		-	-	-	-	
Other		-	-	-	-	
Public Transport		-	-	-	-	
Road Infrastructure		-	-	-	-	
Sports and Recreation		-	-	-	-	
Waste Water Infrastructure		-	-	-	-	
Water Supply Infrastructure		-	-	-	-	
District Municipality:		-	-	-	-	
All Grants		-	-	-	-	
Other grant providers:		-	-	-	-	
Departmental Agencies and Accounts		-	-	-	-	
Foreign Government and International Organisations		-	-	-	-	
Transfer from Operational Revenue		-	-	-	-	
Total capital expenditure of Approved Roll-overs		4 040	495	495	(3 545)	-87.8%
TOTAL EXPENDITURE OF APPROVED ROLL-OVERS		4 040	495	495	(3 545)	-87.8%

13. QUARTERLY PERFORMANCE ASSESSMENT REPORT 2021/22, Q2 (01 October – 31 December 2021)

13.1 OVERALL PERFORMANCE OF THE MUNICIPALITY

(a) Dashboard summary per Municipal Strategic Focus Area (SFA) for the 2nd Quarter (01 October – 31 December 2021) of the 2021/22 financial year.



Stellenbosch Municipality		Municipal Strategic Focus Areas (SFAs)				
		SFA 1 - Valley of Possibility	SFA 2 - Green and Sustainable Valley	SFA 3 - Safe Valley	SFA 4 - Dignified Living	SFA 5 - Good Governance and Compliance
KPI Not Yet Measured	28 (62.22%)	3 (50%)	5 (71.43%)	3 (100%)	1 (8.33%)	16 (94.12%)
KPI Not Met	3 (6.67%)	-	2 (28.57%)	-	1 (8.33%)	-
KPI Almost Met	1 (2.22%)	-	-	-	-	1 (5.88%)
KPI Met	4 (8.89%)	1 (16.67%)	-	-	3 (25%)	-
KPI Well Met	8 (17.78%)	2 (33.33%)	-	-	6 (50%)	-
KPI Extremely Well Met	1 (2.22%)	-	-	-	1 (8.33%)	-
Total:	45	6	7	3	12	17
	100%	13.33%	15.56%	6.67%	26.67%	37.78%

Table: 1 Overall performance for Quarter 1 per SFA- 01 October – 31 December 2021

14. ACTUAL PERFORMANCE AND CORRECTIVE MEASURES TO BE IMPLEMENTED

14.1 SFA 1 - Valley of Possibility

SFA 1 - Valley of Possibility										
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	01 October – 31 December 2021				
						Target	Actual	R	Performance Comment	Corrective Measures
TL88	KPI007	The number of jobs created through the municipality's local economic development initiatives including capital projects (NKPI Proxy - MSA, Reg. S10(d))	Number of job opportunities created through the municipality's local economic development initiatives including capital projects by 30 June	1 300	1 300	900	969	G2		
TL89	KPI008	Land-use applications considered by the Municipal Planning Tribunal (MPT) within 120 from days from a complete land-use application	Percentage of land-use applications considered by the MPT within 120 days from a complete land-use application	75%	75%	75%	100%	G2	1 / 1 x 100 = 100%	
TL90	KPI009	Training opportunities provided for entrepreneurs and Small, Medium and Micro Enterprises (SMMEs)	Number of quarterly training opportunities provided for entrepreneurs and SMMEs	4	4	1	1	G	Facilitated a 3-day SALGA training session for SMMEs on Rural Enterprise Development	
TL91	KPI010	Revised Spatial Development Framework (SDF) submitted to Council	Number of Revised SDFs submitted to Council by 30 June	1	1	0	0	N/A		
TL92	KPI012	Revised Housing Pipeline (document) submitted to the Mayoral Committee (MayCo)	Number of Revised Housing Pipelines (documents) submitted to the MayCo by 31 May	1	1	0	0	N/A		
TL93	KPI080	Submission of Tourism Strategic Plan to the Municipal Manager	Number of Tourism Strategic Plans submitted to the Municipal Manager by 30 June	1	1	0	0	N/A		

Summary of Results: SFA 1 - Valley of Possibility

KPI Not Yet Measured	3
KPI Not Met	0
KPI Almost Met	0
KPI Met	1
KPI Well Met	2
KPI Extremely Well Met	0
Total KPIs	6

14.2 SFA 2 - Green and Sustainable Valley

SFA 2 - Green and Sustainable Valley										
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	01 October – 31 December 2021				
						Target	Actual	R	Performance Comment	Corrective Measures
TL94	KPI016	Conduct an external audit of the Stellenbosch Municipality Waste Disposal Facilities	Number of external audits of the Stellenbosch Municipality Waste Disposal Facilities conducted by 30 June	1	1	0	0	N/A		
TL95	KPI073	Implementation of identified waste minimisation projects	Number of identified waste minimisation projects implemented by 30 June	2	2	0	0	N/A		
TL96	KPI018	Building plan applications of <500sqm decided on within 30 days	Percentage of building plan applications of <500sqm decided on within 30 days after date of receipt	80%	80%	80%	54.80%	R	251 / 458 x 100 = 54.80%	The target will be revised during February 2022 commensurate with the capacity constraints experienced within the Building and Development Management Unit.
TL97	KPI019	Waste water quality managed and measured to the Department of Water and Sanitation's License Conditions for physical and micro parameters	Percentage waste water quality compliance as per analysis certificate, measured quarterly	70%	70%	70%	52%	R	Effluent discharge limits were discussed with the Department of Water and Sanitation (DWS). Stellenbosch Municipality communicated with DWS in November 2021 to set up a meeting to discuss the recommendations. Once DWS agreed to the relaxation Stellenbosch WWTW compliance should improve.	The upgrade of the Pniël WWTW is currently under construction. Cold commissioning of phase 1 of the project is delayed due to the upgraded MV line to the mini-substation which is not yet connected to Eskom. As soon as this is implemented, the wastewater will be treated by the upgraded infrastructure which will result in improved effluent quality. The phase 1 upgrade BSM 28/21 tender for the Wemmershoek WWTW is currently in progress. Minor changes to the effluent process were implemented to monitor effluent quality.

SFA 2 - Green and Sustainable Valley										
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	01 October – 31 December 2021				
						Target	Actual	R	Performance Comment	Corrective Measures
										The position of assistant supervisor was also advertised.
TL98	KPI078	Submission of the Revised Facility Management Plan to the MayCo	Number of Revised Facility Management Plans submitted to the MayCo by 31 May	1	1	0	0	N/A		
TL99	KPI081	Reduce organic waste	Percentage of organic waste reduced by 30 June	20%	20%	0%	0%	N/A		
TL100	KPI085	Submission of a Friends Group Framework for the management of nature areas to the Municipal Manager	Number of Friends Group Frameworks for the management of nature areas submitted to the Municipal Manager by 31 March	1	1	0	0	N/A		

Summary of Results: SFA 2 - Green and Sustainable Valley

	KPI Not Yet Measured	5
	KPI Not Met	2
	KPI Almost Met	0
	KPI Met	0
	KPI Well Met	0
	KPI Extremely Well Met	0
	Total KPIs	7

14.3 SFA 3 - Safe Valley

SFA 3 - Safe Valley										
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	01 October – 31 December 2021				
						Target	Actual	R	Performance Comment	Corrective Measures
TL101	KPI025	Revised Disaster Management Plan submitted to the Municipal Manager	Number of Revised Disaster Management Plans submitted to the Municipal Manager by 31 March	1	1	0	0	N/A		
TL102	KPI026	Revised Safety and Security Strategy submitted to the Municipal Manager	Number of Revised Safety and Security Strategies submitted to the Municipal Manager by 30 April	1	1	0	0	N/A		
TL103	KPI027	Revised Traffic Management Plan submitted to the Municipal Manager	Number of Revised Traffic Management Plans submitted to the Municipal Manager by 31 March	1	1	0	0	N/A		

Summary of Results: SFA 3 - Safe Valley

	KPI Not Yet Measured	3
	KPI Not Met	0
	KPI Almost Met	0
	KPI Met	0
	KPI Well Met	0
	KPI Extremely Well Met	0
	Total KPIs	3

14.4 SFA 4 - Dignified Living

SFA 4 - Dignified Living										
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	01 October – 31 December 2021				
						Target	Actual	R	Performance Comment	Corrective Measures
TL104	KPI037	Provision of waterborne toilet facilities in informal settlements as identified by the Department: Integrated Human Settlements	Number of waterborne toilet facilities provided in Informal settlements as identified by the Department: Integrated Human Settlements by 30 June	50	50	20	0	R	A contractor was appointed. However, due to the illegal structures on the site, site establishment could not take place.	Community engagements were held on several occasions to convince the families to move. An amicable solution was reached during November 2021 and the contractor confirmed that site establishment will take place by 31 January 2022. The project duration is forecasted at 5 months and the project will be completed before by 30 June 2022.
TL105	KPI039	Registered indigent formal households with access to free basic water (NKPI Proxy - MSA, Reg. S10(a), (b))	Percentage of registered indigent formal households with access to free basic water, measured quarterly	100%	100%	100%	100%	G	6 417 / 6 417 x 100 = 100%	
TL106	KPI040	Limit unaccounted electricity to less than 9% annually {(Number of Electricity Units Purchased and / or Generated - Number of Electricity Units Sold (incl. Free basic electricity)) / Number of Electricity Units Purchased and/or Generated) x 100}	Percentage average electricity losses measured by 30 June	<9%	<9%	0%	0%	N/A		
TL107	KPI041	Water quality managed and measured quarterly to the SANS 241 physical and micro parameters	Percentage water quality level as per analysis certificate, measured quarterly	90%	90%	90%	93%	G2		
TL108	KPI042	Limit unaccounted water to less than 25%	Average percentage water losses measured quarterly	<25%	<25%	<25%	23.10%	B	2 431 510kl / 10 508 611kl x 100 = 23.10%	
TL109	KPI043	Registered indigent formal households with access to free basic electricity provided by the	Percentage of registered indigent formal households with access to free basic electricity	65%	65%	65%	81%	G2	5 205 / 6 417 x 100 = 81%	

SFA 4 - Dignified Living										
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	01 October – 31 December 2021				
						Target	Actual	R	Performance Comment	Corrective Measures
		municipality (NKPI Proxy - MSA, Reg. S10(a), (b))	provided by the municipality, measured quarterly							
TL110	KPI044	Registered indigent formal households with access to free basic refuse removal (NKPI Proxy - MSA, Reg. S10(a), (b))	Percentage of registered indigent formal households with access to free basic refuse removal, measured quarterly	100%	100%	100%	100%	G	6 417 / 6 417 x 100 = 100%	
TL111	KPI045	Registered indigent formal households with access to free basic sanitation (NKPI Proxy - MSA, Reg. S10(a), (b))	Percentage of registered indigent formal households with access to free basic sanitation, measured quarterly	100%	100%	100%	100%	G	6 417 / 6 417 x 100 = 100%	
TL112	KPI074	Formal households with access to water (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to water, measured quarterly	25 500	25 500	25 500	26 715	G2		
TL113	KPI075	Formal households with access to electricity (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to electricity, measured quarterly	24 000	24 000	24 000	26 715	G2		
TL114	KPI076	Formal households with access to refuse removal (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to refuse removal, measured quarterly	25 500	25 500	25 500	26 715	G2		
TL115	KPI077	Formal households with access to sanitation (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to sanitation, measured quarterly	25 500	25 500	25 500	26 715	G2		

Summary of Results: SFA 4 - Dignified Living

KPI Not Yet Measured	1
KPI Not Met	1
KPI Almost Met	0
KPI Met	3
KPI Well Met	6
KPI Extremely Well Met	1
Total KPIs	12

14.5 SFA 5 - Good Governance and Compliance

SFA 5 - Good Governance and Compliance										
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	01 October – 31 December 2021				
						Target	Actual	R	Performance Comment	Corrective Measures
TL116	KPI055	Financial viability measured in terms of the available cash to cover fixed operating expenditure (NKPI Proxy - MSA, Reg. S10(g)(iii))	Cost coverage as at 30 June annually [(Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation)	4	4	0	0	N/A		
TL117	KPI056	Achieve an average payment percentage of 96% by 30 June (Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100	(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100	96%	96%	0%	0%	N/A		
TL118	KPI057	Actual expenditure on the approved Capital Budget for the Municipality by 30 June (NKPI - MSA, Reg. S10(c))	Percentage of the approved Capital Budget for the municipality actually spent by 30 June	90%	90%	30%	24.57%	○	R 115 911 658 / R 471 680 164 x 100 = 24.57%	The capital projects will be reassessed during the Mid-year Adjustments Budgets process by 28 February 2022. Amendments will be made if so required.
TL119	KPI058	Employment equity appointments made within the financial year in the three highest levels of management	Percentage of employment equity appointments made within the financial year in the three highest levels of management, measured by 30 June	60%	60%	0%	0%	N/A		
TL120	KPI059	The percentage of the actual payroll budget spent on implementing the Municipal Workplace Skills Plan (NKPI Proxy- MSA, Reg. S10(f))	Percentage of the municipality's payroll budget actually spent on implementing its Workplace Skills Plan ((Total Actual Training Expenditure / Total Annual payroll Budget) x100), measured by 30 June	0.20%	0.20%	0%	0%	N/A		
TL121	KPI060	Financial viability measured in terms of the municipality's ability to meet its service	Debt coverage ratio ((Total operating revenue - operating grants received) / (Debt service	15%	15%	0%	0%	N/A		

SFA 5 - Good Governance and Compliance

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	01 October – 31 December 2021				
						Target	Actual	R	Performance Comment	Corrective Measures
		debt obligations (NKPI Proxy - MSA, Reg. S10(g)(i))	payments due within the year)) measured by 30 June							
TL122	KPI061	Financial viability measured in terms of the outstanding service debtors (NKPI Proxy - MSA, Reg. S10(g)(ii))	Service debtors to revenue ratio - (Total outstanding service debtors / revenue received for services) measured by 30 June	27%	27%	0%	0%	N/A		
TL123	KPI062	Revised Risk-Based Audit Plan (RBAP) submitted to the Audit Committee	Number of Revised RBAPs submitted to the Audit Committee by 30 June	1	1	0	0	N/A		
TL124	KPI063	AGSA Audit Action Plan (AAP) submitted to the Audit Committee	Number of AGSA Audit Action Plans submitted to the Audit Committee by 28 February	1	1	0	0	N/A		
TL125	KPI064	Revised Strategic Risk Register (SRR) submitted to the Risk Management Committee	Number of Revised Strategic Risk Registers submitted to the Risk Management Committee by 30 June	1	1	0	0	N/A		
TL126	KPI065	Revised Information and Communication Technology (ICT) Backup Disaster Recovery Plan submitted to the ICT Steering Committee	Number of Revised ICT Backup Disaster Recovery Plans submitted to the ICT Steering Committee by 31 March	1	1	0	0	N/A		
TL127	KPI066	Revised Strategic ICT Plan submitted to the ICT Steering Committee	Number of Revised Strategic ICT Plans submitted to the ICT Steering Committee by 31 March	1	1	0	0	N/A		
TL128	KPI067	Draft Integrated Development Plan (IDP) submitted to Council	Number of Draft IDPs submitted to Council by 31 March	1	1	0	0	N/A		
TL129	KPI070	IDP / Budget / SDF time schedule (process plan) submitted to Council	Number of IDP / Budget / SDF time schedules (process plan) submitted to Council by 31 August	1	1	0	0	N/A		
TL130	KPI071	Revised Electrical Master Plan submitted to Council	Number of Revised Electrical Master Plans submitted to Council by 30 June	1	1	0	0	N/A		

SFA 5 - Good Governance and Compliance

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	01 October – 31 December 2021				
						Target	Actual	R	Performance Comment	Corrective Measures
TL131	KPI072	Submission of a Draft Smart City Framework to the MayCo	Number of Draft Smart City Frameworks submitted to the MayCo by 31 May	1	1	0	0	N/A		
TL132	KPI084	Submission of a new Comprehensive Integrated Transport Plan (CITP) to the MayCo	Number of new Comprehensive Integrated Transport Plans (CITPs) submitted to the MayCo by 30 June	1	1	0	0	N/A		

Summary of Results: SFA 5 - Good Governance and Compliance

	KPI Not Yet Measured	16
	KPI Not Met	0
	KPI Almost Met	1
	KPI Met	0
	KPI Well Met	0
	KPI Extremely Well Met	0
Total KPIs		17

15. STRATEGIC PERFORMANCE CONCLUSION

- (a) Out of the 45 Key Performance Indicators (KPIs) listed on the Top layer SDBIP 2021/22 (quarter 2), 28 were not measured, 03 KPIs were not met, 04 were met and 08 were well met.

Summary of Results: Strategic Focus Areas 1 - 5

KPI Not Yet Measured	28
KPI Not Met	3
KPI Almost Met	1
KPI Met	4
KPI Well Met	8
KPI extremely well met	1
Total KPIs	45

6.4	OVERSIGHT ROLE OF COUNCIL: SUPPLY CHAIN MANAGEMENT POLICY-REPORT ON THE IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY OF STELLENBOSCH MUNICIPALITY: QUARTER 2 (01 OCTOBER 2021 - 31 DECEMBER 2021)
------------	--

Collaborator No:
 IDP KPA Ref No: Good Governance and Compliance
 Meeting Date: 21 January 2022

1. SUBJECT: OVERSIGHT ROLE OF COUNCIL: SUPPLY CHAIN MANAGEMENT POLICY-REPORT ON THE IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY OF STELLENBOSCH MUNICIPALITY: QUARTER 2 (01 OCTOBER 2021 - 31 DECEMBER 2021)

2. PURPOSE

To submit to Executive Management a report for the period 01 October 2021 - 31 December 2021 on the implementation of Council's Supply Chain Management Policy. The report covers the performance of the various delegated functions and the implementation thereof.

3. FOR DECISION BY MUNICIPAL COUNCIL

Section 6 (3) & 4 of the SCM Policy 2021/2022, determines that the Accounting Officer must within 10 days at the end of each quarter; submit a report on the implementation of the SCM Policy to the Executive Mayor. This report must be made public in accordance with section 21A of the Municipal Systems Act (32 of 2000).

4. EXECUTIVE SUMMARY

On a quarterly basis the Accounting Officer must submit a report on the implementation of the Supply Chain Management Policy to the Executive Mayor. In terms of the SCM Regulations and Council's SCM Policy the SCM unit has been delegated to perform powers and functions that related to the procurement of goods and services, disposal of goods no longer needed, the selection of contractors to provide assistance in the provision of municipal services.

5. RECOMMENDATIONS

- (a) that the Executive Mayor and Council takes note of this report and **ANNEXURE A** attached to the report, and
- (b) that the report be made public in accordance with section 21A of the Municipal Systems Act.

6 DISCUSSION/CONTENTS

6.1 Background

SCM must report within 10 days before the end of each quarter on the implementation of the SCM System.

6.2 Constitutional and Policy Implications

Paragraph 2(1) of Council's SCM Policy determines that all officials and other role players in the supply chain management system of the Stellenbosch Municipality must implement the SCM Policy in a way that gives effect to section 217 of the Constitution and Part 1 of Chapter 11 of the Municipal Finance Management Act (56 of 2003) and other applicable provisions of the Act; is fair, equitable, transparent, competitive and cost-effective; complies with the Regulations and any norms and standards that may be prescribed in terms of section 168 of the MFMA; is consistent with other applicable legislation; does not undermine the objective for uniformity in supply chain management systems between organs of state in all spheres; and is consistent with national economic policy concerning the promotion of investments and doing business with the public sector.

Paragraph 6(1) of the Supply Chain Management Policy of Council determines that the Council of Stellenbosch municipality reserves the right to maintain oversight over the implementation of the SCM Policy as approved and amended from time to time. Paragraph 6(3) of the above stated Policy determines that 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.

6.3 Environmental implications

None.

6.4 Financial Implications

The financial implications are the transactions for the procurement of goods and services that were processed during the 01 October 2021 - 31 December 2021 and the payments that will derive from these commitments.

6.5 Legal Implications

The Municipal Finance Management Act (section 112) stipulates that the SCM Policy should comply with a prescribed framework as set out in section 112(1) and section 112(2) that stipulates that the regulatory framework for the municipal supply chain management must be fair, equitable, transparent, competitive and cost-effective. Reporting back in terms of paragraph 6(3) of the SCM Policy 2021/2022 to the Executive Mayor and Council on the implementation of the supply chain management system and processes enables the Executive Mayor and Council to maintain the oversight role over the implementation of the SCM Policy as approved by Council.

6.6 Staff Implications

None.

6.7 Previous / Relevant Council Resolutions

None.

APPENDICES

APPENDIX 1: Report for the period 01 October 2021 - 31 December 2021 on the Implementation of Council's Supply Chain Management Policy

APPENDIX 1

STELLENBOSCH MUNICIPALITY
IMPLEMENTATION OF SYSTEM – SUPPLY CHAIN MANAGEMENT
SECTION 6 OF SCM POLICY:
OVERSIGHT ROLE OF COUNCIL OVER THE IMPLEMENTATION OF SCM POLICY

PERIOD: 01 OCTOBER 2021 - 31 DECEMBER 2021

REG. NO.	CRYPTIC DESCRIPTION OF POWER OR DUTY	POWER CURRENTLY RESIDING	DELEGATED	IMPLEMENTED	COMMENTS
3(1)(a)	Prepare and submit a draft supply chain management policy complying with regulation 2 to the council of the municipality for adoption.	Accounting Officer	Chief Financial Officer	YES	Done
3(1)(b)	Review at least annually the implementation of the policy.	Accounting Officer	Chief Financial Officer	YES	Done
3(1)(c)	Submit when considered necessary, proposals for amendment of the policy by the Council.	Accounting Officer	Chief Financial Officer	YES	The SCM Policy are part of the budget related policies that are annually reviewed.
3(2)(a)	Make use of any Treasury guidelines determining standards for municipal supply chain management policies, and submit to the council that guidelines standard or modified version therefore, as a draft policy.	Accounting Officer	Chief Financial Officer	YES	All NT guidelines are included in standard documents and the municipalities SCM policy is aligned with the Model SCM policy of NT.
3(2)(b)	Ensure that a draft policy submitted to council that differs from the guideline standard complies with Regulation 2.	Accounting Officer	Chief Financial Officer	YES	Not Applicable
3(1)(c)	Report any deviation from the guideline standard to the National Treasury and relevant provincial treasury	Accounting Officer	Chief Financial Officer	YES	Not Applicable
3(4)	Must, in terms of section 62(1)(f)(iv) take all reasonable steps to ensure that the municipality has and implements a supply chain management policy as set out in Regulation 2	Accounting Officer	Chief Financial Officer	YES	Done

REG. NO.	CRYPTIC DESCRIPTION OF POWER OR DUTY	POWER CURRENTLY RESIDING	DELEGATED	IMPLEMENTED	COMMENTS
5(2)(a)	Make a final award above R10 million (VAT included).	Accounting Officer (after considering recommendation of Bid Adjudication Committee)		YES	In the second quarter, there were six (6) final awards above R10 million.
5(2)(b)	Make a final award above R200 000(VAT included), but not exceeding R10 million (VAT included).	Accounting Officer	Bid Adjudication Committee	YES	In the second quarter, there were twelve (12) final awards above R200 000 but not exceeding R10 million.
5(2)(c)	Make a final award not exceeding R200 000(VAT included) including the appointment of consultants	Accounting Officer	CFO and Senior Manager - SCM and Senior Accountants	YES	Operational Delegations are in place with clear segregation of duties as stipulated in MFMA section 115 (b)
5(3)	Submit to the officials referred to in regulation 5(4) within five days of the end of each month a written report containing particulars of each final award, except procurements made out of petty cash, made during that month, including – (a) the amount of the award; (b) the name of the person to whom the award was made; (c) the reason why the award was made to that person; and (d) the BEE/HDI status of that entity/person.	Bid Adjudication Committee (refer regulation 5(4)(a) Chief Financial Officer – 5(4)(b)	Chief Financial Officer Senior Manager SCM	YES	The awards made were submitted on the following dates within this quarter: 03 November 2021 03 December 2021 03 January 2022
6(1)	Maintain oversight over the implementation of the supply chain management policy	Municipal Council		YES	The Supply Chain Management policy has been submitted to council in the last quarter of the previous financial year as part of the Budget Related policies.

REG. NO.	CRYPTIC DESCRIPTION OF POWER OR DUTY	POWER CURRENTLY RESIDING	DELEGATED	IMPLEMENTED	COMMENTS
6(2)(a)(i)	Submit a report to council within 30 days of the end of each financial year on the implementation of the supply chain management policy of the municipality.	Accounting Officer		YES	Done
6(2)(a)	Immediately submit a report to council whenever there are serious and material; problems in the implementation of the supply chain management policy, including such a report from any municipal entity as envisaged by this Regulation 6(2)(a)(iii)	Accounting Officer		N/A	To date no serious or material problems occurred in implementing the SCM policy.
6(3)	Submit a report to the mayor of the municipality within ten days of each quarter on the implementation of the supply chain management policy.	Accounting Officer	Chief Financial Officer	YES	Done.
7(1)	Establish a supply chain management unit.	Accounting Officer	Chief Financial Officer	YES	Unit operates under direct supervision of CFO
12(1)	<p><u>Direct that:</u></p> <p>a) cash purchases up to transaction value as defined I Council's Petty Cash policy</p> <p>b) one verbal quotation be obtained for any specified procurement of a transaction value lower than R2,000 (VAT included);</p> <p>c) written or verbal quotations for procurement of goods and/or services of a transaction value between R 2, 000.00 and R 10 000.00 (VAT included)</p> <p>d) formal written price quotations for procurement of goods and/or services of a transaction value between R 10,000.00 and R 200,000.00</p> <p>e) a competitive bidding process be followed for any specific procurement of a transaction value higher than R200 000.</p>	Accounting Officer	Operational delegations in place	YES	The SCM unit is responsible for procurement within these thresholds. Delegations approved and signed by the relevant officials.

REG. NO.	CRYPTIC DESCRIPTION OF POWER OR DUTY	POWER CURRENTLY RESIDING	DELEGATED	IMPLEMENTED	COMMENTS
12(2)(a)	Allow the Accounting Officer to lower, but not to increase, the different threshold values specified in sub regulation(1).	Accounting Officer	Chief Financial Officer	YES	Delegated officials act within delegated thresholds.
14(1)(a)(ii)	Invite prospective providers of goods and services at least once a year through newspaper commonly circulating locally, the website of the municipality	Accounting Officer	Senior : Manager SCM	YES	To be advertised in quarter three (3)
14(1)(b)	Specify the listing criteria for accredited prospective providers.	Accounting Officer	Chief Financial Officer	YES	Listing criteria is contained within the registration form.
14(1)(c)	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.	Accounting Officer		YES	SCM consult National Treasury's database of defaulters before awarding of tenders and quotations
14(2)	Update the list of prospective providers at least quarterly to include any additional prospective providers and any new commodities or types of services.	Municipal Council	Chief Financial Officer	YES	Done
15	Requesting reconciliation's on petty cash purchases on a monthly basis.	Chief Financial Officer	Manager: Expenditure section		N/A

REG. NO.	CRYPTIC DESCRIPTION OF POWER OR DUTY	POWER CURRENTLY RESIDING	DELEGATED	IMPLEMENTED	COMMENTS
16(c)	If it is not possible to obtain at least three written quotations, record and report quarterly to the accounting officer, or another official designated by the accounting officer, the reasons for this.	Accounting Officer	Chief Financial Officer	YES	Reports were submitted on the following dates within this quarter: 03 November 2021 03 December 2021 03 January 2022
16(e)	Record the name of potential providers requested to provide written quotation with their quoted prices.	Accounting Officer	Chief Financial Officer		Reports were submitted on the following dates within this quarter: 03 November 2021 03 December 2021 03 January 2022
17(1)(c)	Approve the recorded reasons for not obtaining at least three written price quotations.	Chief Financial Officer	Senior Manager SCM & CFO: below R200,000 Accountants: Acquisitions, Contracts and SCM: Accountant Demand and Chief Buyer : below R200,000		
17(1)(d)	Record the names of the potential formal written price quotation providers and their written quotations.	Accounting Officer	Senior Manager : Supply Chain Management		
17(2)	Report to the CFO within three days at the end of the month on any approvals given during that month by that the designed official referred to in sub-regulation (1) (c).	Chief Financial Officer	Senior Manager: Supply Chain Management		
18 (a)	All requirements in excess of R30,000 (VAT included) by means of formal written price quotations should be advertised for at least 7 days on the	Chief Financial Officer	Senior Manager: Supply Chain Management	YES	Done

REG. NO.	CRYPTIC DESCRIPTION OF POWER OR DUTY	POWER CURRENTLY RESIDING	DELEGATED	IMPLEMENTED	COMMENTS
	website and municipal official website.				
18 (b)	When using the list of accredited prospective providers, it should promote ongoing competition amongst providers by inviting providers to submit quotations on a rotational basis.	Chief Financial Officer	Senior Manager: Supply Chain Management	YES	Done
18(c)	Must take all reasonable steps to ensure that the procurement of goods and services through written quotations or formal written price quotations is not abused.	Accounting Officer	Chief Financial Officer	YES	Quotations and Formal written quotations are placed on the website and only opened on the closing date and time and mitigate the risks during the calling for quotations.
18(d)	Notify the Accounting Officer or CFO in writing on a monthly basis of all written quotations and formal written price quotations accepted by the official acting in terms of a sub-delegation	Chief Financial Officer	Senior Manager : Supply Chain Management	YES	Reports were submitted on the following dates within this quarter: 03 November 2021 03 December 2021 03 January 2022
22 (b) (i)	The publication notice must contain the closure date for the submission of bids, which may not be less than 3 weeks in case of transactions over R10m (VAT included), or which are of long term nature, or 14 days in any other case, from date on which the advertisement is placed in a newspaper.	Accounting Officer	Bid Specifications Committee		For quarter two, nineteen (19) tender specifications served before the Bid Specifications committee.
22(2)	The Accounting Officer may determine the closure date for the submission of bids which is less than the 30 days 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	Accounting Officer			None

REG. NO.	CRYPTIC DESCRIPTION OF POWER OR DUTY	POWER CURRENTLY RESIDING	DELEGATED	IMPLEMENTED	COMMENTS
23(a) (i)(ii)	The handling, opening and recording of bids should be (i) be opened 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;	Accounting Officer	Senior Manager: Supply Chain Management	YES	Done
23 (c)	(ii) make the register available for public inspection (iii) publish the entries in the register and the bid results on the website of the municipality	Accounting Officer	Senior Manager: Supply Chain Management	YES	Done
24(1)	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 submitted. Minutes of such negotiations must be kept.	Accounting Officer	Relevant user department Head of Department or Director	YES	Provision for the signing of a Form of Tender/Service Level Agreement with successful vendors is being made in the tender documents
26(1)(b)	Appoint the members of the bid specification, evaluation and adjudication committees, taking into account Section 117 of the MFMA.	Accounting Officer		YES	Done
26(1)(c)	Appoint a neutral or independent observer to a bid specification, evaluation or adjudication committee for an attendance and oversight process when this is appropriate for ensuring fairness and promoting transparency.	Accounting Officer		N/A	Not Applicable

REG. NO.	CRYPTIC DESCRIPTION OF POWER OR DUTY	POWER CURRENTLY RESIDING	DELEGATED	IMPLEMENTED	COMMENTS
26(3)	Apply the committee system to formal written price quotations.	Accounting Officer		N/A	Committee system is applied for goods/services above R200 000
27(1)	Compile specifications for the procurement of goods and services by the municipality.	Accounting Officer	Bid Specifications Committee, upon advice of the relevant user department	YES	The Director signs for items to serve on Specification committee.
27(2)(g)	Approve specifications compiled by the bid specification committee prior to publication of the invitation for bids.	Accounting Officer	Bid Specifications Committee, upon advice of the relevant user department	YES	The specifications are accompanied with a questionnaire that the relevant department has to complete. Meetings are held according pre-determined schedule.
28(1)(a)	Evaluate bids in accordance with – (i) the specifications for a specific procurement ; and (ii) the points system as must be set out in the supply chain management policy of the municipality in terms of Regulation 27(2)(f) and a prescribed in terms of the Preferential Procurement Policy Framework Act.	Accounting Officer	Bid Evaluation Committee upon advice of the relevant user department.	YES	Have regular BEC scheduled meetings.
28(1)(b)	Evaluate each bidder's ability to execute the contract.	Accounting Officer	Bid Evaluation Committee, upon advice from SCM	YES	Currently part of the Standard Evaluation Report
28(1)(c)	Check in respect of the recommended bidder whether municipal rates and taxes and municipal service charges are not in arrears.	Accounting Officer	Bid Evaluation Committee	YES	Has a screening list that has to be completed.
28(1)(d)	Submit to the adjudication committee a report and recommendations regarding the award of the bid or any other related matter.	Bid Evaluation Committee		YES	Currently part of the Standard Evaluation Report
29(1)(a)	Consider the report and recommendations of the bid evaluation committee where the award value exceeds R200 000 (VAT incl.) and make the award up to value of R10m (as per delegated authority)	Accounting Officer	Bid Adjudication Committee	YES	In the second quarter there were seventeen (17) BAC meetings
29(1)(b)(i)	For bids above R10 million, the SCM BAC will make	Accounting Officer		YES	In the second quarter there were four

REG. NO.	CRYPTIC DESCRIPTION OF POWER OR DUTY	POWER CURRENTLY RESIDING	DELEGATED	IMPLEMENTED	COMMENTS
	recommendation to the Municipal Manager to make the final award.				(6) final awards above R10 million.
29(1)(b)(ii)	Make another recommendation to the accounting officer on how to proceed with the relevant procurement.	Accounting Officer		YES	None.
29(3)	Appoint the chairperson of the bid adjudication committee.	Accounting Officer		YES	Delegations given is kept for record purposes
29(5)(a)	<p>If a 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 –</p> <p>(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</p> <p>(ii) notify the accounting officer.</p>	Bid Adjudication Committee		YES	None
29(5)(b)	<p>(i) After due consideration of the reasons for the deviation, ratify or reject the decision of the bid adjudication committee referred to in Regulation 29(5)(a); and</p> <p>(ii) If the decision of the bid adjudication committee is rejected, refer the decision of the adjudication committee back to that committee for reconsideration.</p>	Accounting Officer		YES	None
29(6)	Refer any recommendation made by the evaluation committee or adjudication committee back to that committee for reconsideration of the recommendation.	Accounting Officer		YES	One (1) tender was referred back to the BEC in the second quarter

REG. NO.	CRYPTIC DESCRIPTION OF POWER OR DUTY	POWER CURRENTLY RESIDING	DELEGATED	IMPLEMENTED	COMMENTS
29(7)	Comply with Section 114 of the MFMA within ten working days.	Accounting Officer		YES	Not applicable
31(1)	Request the State Information Technology Agency (SITA) to assist the municipality with the acquisition of IT related goods or services through a competitive bidding process.	Accounting Officer	Bid Adjudication Committee	YES	Not Applicable
31(2)	Enter into a written agreement to regulate the services rendered by, and the payments made to, SITA.	Accounting Officer		YES	Not Applicable
31(3)	Notify SITA together with a motivation of the IT needs of the municipality if – (a) the transaction value of IT related goods or services required by the municipality in any financial year will exceed R50 million (VAT incl); or (b) the transaction value of a contract to be procured by the municipality whether for one or more years exceeds R50 million.	Accounting Officer		YES	Not Applicable
31(4)	Submit to the Council, the National Treasury, the relevant provincial treasury and the Auditor General the SITA comments and the reasons for rejecting or not following such comments if the municipality disagrees with SITA's comments.	Accounting Officer	Senior Manager: Supply Chain Management	YES	Not Applicable
32(1)	To procure goods or services for the municipality under a contract secured by another organ of state, but only if –	Accounting Officer	Bid Adjudication Committee	YES	None

REG. NO.	CRYPTIC DESCRIPTION OF POWER OR DUTY	POWER CURRENTLY RESIDING	DELEGATED	IMPLEMENTED	COMMENTS
	<p>(a) the contract has been secured by that organ of state by means of a competitive bidding process applicable to that organ of state;</p> <p>(b) the municipality has no reason to believe that such contract was not validly procured;</p> <p>(c) there are demonstrable discounts or benefits or the municipality; and</p> <p>that other organ of state and the provider have consented to such procurement in writing.</p>				
35(1)	Procure consulting services above the value of R200 000 (VAT incl.) provided that any Treasury guidelines in respect of consulting services or CIDB guidelines in respect of services related to the build environment and construction works are taken into account when such procurements are made.	Accounting Officer	Bid Adjudication Committee	YES	New tender has been advertised
35(4)	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 municipality.	Municipal Council	Relevant user Department	YES	Not Applicable

REG. NO.	CRYPTIC DESCRIPTION OF POWER OR DUTY	POWER CURRENTLY RESIDING	DELEGATED	IMPLE- MENTED	COMMENTS
36(1)(a)	<p>Dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –</p> <ul style="list-style-type: none"> (i) in an emergency; (ii) if such goods or services are produced or available from a single provider only; (iii) for the acquisition of special worker of art or historical objects where specifications are difficult to compile; (iv) acquisition of animals or zoos; or (v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes (vi) any contract relating to the publication of notices and advertisements by or on behalf of the municipality (vii) any purchase on behalf of the municipality at a public auction (viii) any contract with an organ of state, local authority or a public utility corporation or company (ix) any contract in respect of which compliance therein would not be in the public interest or interest of Council (x) ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids (xi) workshop strip & quote 	Accounting Officer	BAC considers deviations and recommend to the Accounting Officer.	YES	Delegations are in place for BAC to recommend deviations to the Accounting Officer. Records and recordings are kept of all meetings. Departments draft memorandums and table items at BEC for consideration and recommendation to the BAC. The BAC upon approval will recommend deviation to the Accounting –Officer.
36(1)(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.	Accounting Officer		YES	Done

REG. NO.	CRYPTIC DESCRIPTION OF POWER OR DUTY	POWER CURRENTLY RESIDING	DELEGATED	IMPLEMENTED	COMMENTS
36(2)	Record the reasons for any deviations in terms of Regulations 36(1)(a) and (b); and Report them to the next meeting of the Council and include as a note to the annual financial statements.	Municipal Council	Accounting Officer	YES	Done
37(2)	Decide to consider an unsolicited bid but only if – (a) the product or service offered is a demonstrably or proven unique innovative concept; (b) the product or service will be exceptionally beneficially to, or have exceptional cost advantages for, the municipality; (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.	Accounting Officer		NO	None
37(4)	Submit written comments received pursuant to Regulation 37(3), including any responses from the unsolicited bidder, to the National Treasury and the relevant provincial treasury for comment.	Accounting Officer		NO	None
37(5)	Consider and may award the bid or make recommendations to the accounting officer depending on the delegations to the adjudication committee.	Accounting Officer	Bid Adjudication Committee	YES	None
37(7)	When considering an unsolicited bid, take into account where considering an unsolicited bid – (i) any comments submitted by the public; and	Accounting Officer		NO	None

REG. NO.	CRYPTIC DESCRIPTION OF POWER OR DUTY	POWER CURRENTLY RESIDING	DELEGATED	IMPLEMENTED	COMMENTS
	any written comments and recommendations of the National Treasury or the relevant provincial treasury.				
37(8)	Submit to the Auditor General, the relevant provincial treasury and the National Treasury the reasons for rejecting or not following any recommendations of the National Treasury or provincial treasury in regard to the unsolicited bid.	Accounting Officer	Senior Manager: Supply Chain Management	NO	None
38(1)(a)	Take all reasonable steps to prevent abuse of the supply chain management system.	Accounting Officer	Chief Financial Officer	YES	The National Treasury Code of Conduct has been circulated and communicated to municipal staff at various formal and informal meetings.
38(1)(b)	Investigate any allegations against an official or other role player of fraud, corruption, favoritism, unfair or irregular practices or failure to comply with the supply chain management 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.	Accounting Officer	Internal Audit	YES	None
38(1)(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.	Accounting Officer	Senior Manager: Supply Chain Management	YES	The National Treasury website information of the List of Defaulters is currently used to verify.
38(1)(d)	Reject any bid from a bidder – (i) if any municipal rates and taxes or municipal service charges owed by that bidder or any directors to the municipality are in arrears for more than three months;	Accounting Officer	Bid Adjudication Committee Senior Manager: Supply Chain Management	YES	Bid Evaluation checklist is in place

REG. NO.	CRYPTIC DESCRIPTION OF POWER OR DUTY	POWER CURRENTLY RESIDING	DELEGATED	IMPLEMENTED	COMMENTS
	(ii) who during the last five years has failed to perform satisfactorily on a previous contract with the municipality or any other organ of state after written notice was given to that bidder that performance was unsatisfactory.				
38(1)(e)	Reject a recommendation for the award of a contract if the recommended bidder, or any of its directors, has committed a corrupt or fraudulent act in competing for the particular contract.	Accounting Officer	Bid Adjudication Committee Senior Manager: Supply Chain Management	YES	Bid Evaluation checklist is in place
38(1)(f)	Cancel a contract awarded to a person if – the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract; or (i) 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.	Accounting Officer	Bid Adjudication Committee Senior Manager: Supply Chain Management	YES	Bid Evaluation checklist is in place
38(1)(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 municipality or has committed any improper conduct in relation to such system; (ii) has been convicted for fraud or corruption during the last five years; (iii) has willfully neglected or reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or	Accounting Officer	Bid Adjudication Committee Senior Manager: Supply Chain Management	YES	Bid Evaluation checklist is in place

REG. NO.	CRYPTIC DESCRIPTION OF POWER OR DUTY	POWER CURRENTLY RESIDING	DELEGATED	IMPLEMENTED	COMMENTS
	(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).				
38(2)	Inform the National Treasury and relevant provincial treasury in writing of any actions taken in terms of Regulation 38(1)(b)(ii), (e)	Accounting Officer	Bid Adjudication Committee Senior Manager: Supply Chain Management	YES	Bid Evaluation checklist is in place
40(1)	The Supply chain 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&90 of MFMA	Municipal Council	Chief Financial Officer	YES	Delegations are in place
40(2) a	A Supply Chain management policy must specify the ways in which assets may be disposed of, including by – (i) Transferring the asset to another organ of state in terms of a provision of the MFMA enabling the transfer of assets (ii) Transferring the asset to another organ of state at market related value or, when appropriate, free of charge (iii) Selling the asset (iv) Destroying the asset	Municipal Council	Chief Financial Officer	YES	. As per delegations
40(2) (b)	Stipulate that – Immoveable property may be sold only at market	Municipal Council		YES	Not Applicable

REG. NO.	CRYPTIC DESCRIPTION OF POWER OR DUTY	POWER CURRENTLY RESIDING	DELEGATED	IMPLEMENTED	COMMENTS
	related prices except when public interest or the plight of the poor demands otherwise				
40(2)(b)(ii)	Movable assets may be sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous to the municipality	Accounting Officer	Chief Financial Officer		As per delegations
40(2)(b)(iii)	In the case of the free disposal of computer equipment, the Provincial Department of Education must first be approached to indicate within 30 days whether any of the local schools are interested in the equipment.	Accounting Officer	Chief Financial Officer		Not Applicable
40(2)(b)(iv)	In the case of the disposal of firearms, the National Conventional Arms Control Committee has approved any sale or donation of firearms to any person or institution within or outside the Republic	Accounting Officer			Not Applicable
40(2)(c)(ii)	All fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed	Municipal Council		YES	Not Applicable
40(2)(d)	Ensure that where assets are traded in for other assets, the highest possible trade-in is negotiated	Municipal Council			None
40(2)(b)(iii)	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.				Not Applicable
41(1)	A Supply chain management policy must provide for an effective system of risk management for the identification, consideration and avoidance of	Accounting Officer	Internal Audit		Busy implementing a system for risk management

REG. NO.	CRYPTIC DESCRIPTION OF POWER OR DUTY	POWER CURRENTLY RESIDING	DELEGATED	IMPLEMENTED	COMMENTS
	potential risks in the supply chain management system				
42	Establish and implement an internal monitoring system in order to determine, on a retrospective analysis, whether the authorized supply chain management processes were followed and whether the objectives of this policy were achieved.	Accounting Officer	Chief Financial Officer		Busy implementing a system for performance management in SCM
43(2)	Check with SARS whether a person's tax matters are in order before making an award to such person.	Municipal Council	Senior Manager: Supply Chain Management	YES	The Tax Clearance of vendors registered on the Central Supplier Database are checked regularly and before awards are made.
45	Disclose in the notes to the annual financial statements of the municipality particulars of any award of more than R2,000 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.	Municipal Council	Chief Financial Officer	YES	This information was disclosed within the 19/20 financial statements of the municipality.
46(3)(a)	Keep a register of all declarations in terms of Regulation 46(2)(d) and (e).	Accounting Officer	Senior Manager: Supply Chain Management	YES	SCM keep record of it.
46(3)(b)	Declarations must be made to the mayor of the municipality who must ensure that such declarations are recorded in the register.	Accounting Officer	Chief Financial Officer	YES	Declarations are kept at SCM section and hard copy on file.
46(4)	Adopt the National Treasury's code of conduct and Schedule 2 of the Systems Act for supply chain	Accounting Officer	Senior Manager: Supply Chain Management	YES	Code of conduct are circulated annually to all officials

REG. NO.	CRYPTIC DESCRIPTION OF POWER OR DUTY	POWER CURRENTLY RESIDING	DELEGATED	IMPLEMENTED	COMMENTS
	management practitioners and other role players involved in supply chain management.		Council's Speaker		
47(2)	Report any alleged contravention of Regulation 47(1) to the National Treasury for considering whether the offending person, and any representative or intermediate 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.	Accounting Officer	Chief Financial Officer	YES	Not Applicable
48	Disclose to the National Treasury and the relevant provincial treasury any sponsorship promised, offered or granted to the municipality whether directly or through a representative or intermediate, by any person who is – (a) a provider or prospective provider of goods or services to the municipality; or (b) a recipient or prospective recipient of goods disposed or to be disposed, of by the municipality.	Accounting Officer	Senior Manager: Supply Chain Management	YES	None.
49	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.	Accounting Officer		YES	Have an administrative process in place.
50(1)	Appoint an independent and impartial person to assist in the resolution of disputes between the municipality and other persons and to deal with objections, complaints or queries as described more fully in Regulation 49.	Accounting Officer		YES	Done.
50(1)(a)	Responsible to assist the person appointed in terms of Regulation 50(1) to perform his or her functions effectively.	Accounting Officer		YES	Done

REG. NO.	CRYPTIC DESCRIPTION OF POWER OR DUTY	POWER CURRENTLY RESIDING	DELEGATED	IMPLEMENTED	COMMENTS
50(4)(b)	Appointed must submit monthly reports to the Accounting Officer on all disputes, objections, complaints or queries received, attended to or resolved.	Accounting Officer		YES	The appointed official is responsible for the submission of the monthly report to the Municipal Manager.
51	Service provider that acts on behalf of municipality to provide any service or act as a collector of fees, service charges or taxes and the compensation payable to service provider, contract must stipulate a cap on compensation payable to the service provider; that such compensation must be performance based.	Accounting Officer		YES	Done

6.5	MONTHLY FINANCIAL STATUTORY REPORTING: DEVIATIONS FOR DECEMBER 2021
-----	--

Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance and Compliance

21 January 2022

1. SUBJECT: MONTHLY FINANCIAL STATUTORY REPORTING: DEVIATIONS FOR DECEMBER 2021

2. PURPOSE

To comply with Regulation 36(2) of the Municipal Supply Chain Management Regulations and Section 36 of the Supply Chain Management Policy 2021/2022 to report the deviations to Council.

3. DELEGATED AUTHORITY

Council

FOR NOTING.

4. EXECUTIVE SUMMARY

Regulation 36(2) of the Municipal Supply Chain Management Regulations and Section 36 of the Supply Chain Management Policy (2021/2022) stipulate that SCM deviations be reported to Council. In compliance thereto, this report presents to Council the SCM deviations that occurred during December 2021.

5. RECOMMENDATION

that Council notes the deviations as listed for the month of December 2021.

6. DISCUSSION / CONTENTS

6.1 Background/Legislative Framework

The regulation applicable is as follows:

GNR.868 of 30 May 2005: Municipal Supply Chain Management Regulations

Deviation from and ratification of minor breaches of, procurement processes

36. (1) A supply chain management policy may **allow the accounting officer—**

(a) To **dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only—**

(i) in an emergency;

(ii) if such goods or services are produced or available from a single provider only;

(iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;

(iv) acquisition of animals for zoos; or

(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and

(b) to 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 sub regulation (1) (a) and (b) and **report them to the next meeting of the council**, or board of directors in the case of a municipal entity, and include as a note to the annual financial statements.

6.2 Discussion

Reporting the deviations as approved by the Accounting Officer for December 2021:

The following deviations were approved with the reasons as indicated below:

DEVIATION NUMBER	CONTRACT DATE	NAME OF CONTRACTOR	CONTRACT DESCRIPTION	REASON	SUBSTANTIATION WHY SCM PROCESS COULD NOT BE FOLLOWED	TOTAL CONTRACT PRICE R
D/SM 04/22	24/12/2021	TMT Services and Supplies (Pty) Ltd	Provision of traffic Law Enforcement equipment, back office system and related services	Exceptional case and it is impractical or impossible to follow the official procurement processes	<p>The Municipality has approved the extension of services for provision of Law Enforcement equipment, back office systems and related services by deviation D/SM 18/21. This Deviation was done as result of failure of the preferred bidder to reach consensus with the Municipality in terms of pricing on Tender: B/SM 04/20. For the period as from 01 July 2021 – 31 December 2021 a deviation was approved for a period of six months of which first period as from 01 July 2021 up to 31 December 2021 for enforcement purposes. Additional six months period in order to finalise all legacy cases as per this deviation period as from</p> <p>The implementation of AARTO and the uncertainty thereof impacted the finalisation of specifications for a new tender.</p> <p>The Department therefor requested a further deviation from the 01st of January 2022 until 30th June 2022 for enforcement purposes and a further six months period to deal with legacy cases from 01st July 2022 until December 2022.</p>	Rates: R121.49 per fine

					This will allow for specifications to be finalised.	
--	--	--	--	--	---	--

6.3 Legal Implications

The regulation applicable is:

GNR.868 of 30 May 2005: Municipal Supply Chain Management Regulations: Deviations from and ratification of minor breaches of, procurement processes.

6.4 Staff Implications:

No staff implications

6.5 Previous / Relevant Council Resolutions:

None

6.6 Risk Implications

That the market may not be tested.

The measures in place to deal with deviations mitigate the risk to an acceptable level. The auditor general also audit the deviations during the yearly audit

6.7 Comments from Senior Management:

The item was not circulated for comment except to Municipal Manager

6.7.1 Municipal Manager

Supports the recommendations.

FOR FURTHER DETAILS CONTACT:

NAME	Kevin Carolus
POSITION	CFO
DIRECTORATE	Finance
CONTACT NUMBERS	021 808 8528
E-MAIL ADDRESS	Kevin.Carolus@stellenbosch.gov.za
REPORT DATE	November 2021

7.	CONSIDERATION OF ITEMS BY THE EXECUTIVE MAYOR: [ALD G VAN DEVENTER (MS)]
-----------	---

7.1	COMMUNITY AND PROTECTION SERVICES: (PC: CLLR R BADENHORST)
------------	---

7.1.1	GRANT IN AID POLICY REVIEW
--------------	-----------------------------------

Collaborator No:	722001
IDP KPA Ref No:	Good Governance and Compliance
Meeting Date:	21 January 2022

1. SUBJECT: GRANT IN AID POLICY REVIEW

2. PURPOSE

To obtain Council approval for the Grant in Aid Policy Review.

3. DELEGATED AUTHORITY

FOR DECISION BY MUNICIPAL COUNCIL

4. EXECUTIVE SUMMARY

Council approved the Grant in Aid 2021-2022 Policy in May 2021 as part of the policies with financial implications. To ensure that every effort is made to provide each child access to good quality education during the early childhood development phase, the municipality needs to ensure that all policies are aligned to this desired outcome.

5. RECOMMENDATION

that the review of the Grant in Aid Policy be approved.

6. DISCUSSION / CONTENTS

6.1 Background

The current Grant in Aid policy requires applicants to show proof of registration if the applicant claim to be a non-profit organisation (paragraph 7.2 of the policy). NPO registration is possible with the Department of Social Development, but does not mean compliance with all registration requirements as a partial care facility in terms of the child care act. NPO registration numbers are easily obtained and looks as follow: 000 000 NPO (example). Registration numbers for partial care facilities looks as follow: C-0000. The latter indicates registration not only as a non-profit, but as a facility that complies with the Children's Act in terms of providing child care services.

6.2 Discussion

The registration status of ECD facilities is as follow:

Registered ECD Facilities: 34

Lapsed ECD Facilities: 52

Unregistered ECD Facilities: 81

TOTAL NO OF FACILITIES: 167

The above means that 79% of the ECD facilities are not registered with the Department of Social Development as partial care facilities within the municipal boundaries. The department has over the years worked towards assisting ECD centres to comply with the requirements of registration by hosting quarterly ECD capacity building workshops where we invited all the roleplayers in the registration process to be available and assist the practitioners or owners of the facilities. This included internal departments (planning, fire and disaster management), Department of Social Development, Municipal Health (CWDM) and other grass route organisations who focus on the registration of ECD facilities.

In terms of Grant in Aid, the municipality has also taken the stance that it would like to assist as many as possible community organisations as the budget would allow. This meant that donations were approved for as many as possible compliant applications. Compliance in terms of the existing Grant in Aid policy does not require compliance with the Children's Act for ECD facilities. Although the municipality hoped that donations would be used to assist ECD facilities to become compliant, it was found that many facilities applied for funding to extend their facility and make provision for more children, thereby increasing the earning ability of the facility rather than working towards registration compliance.

It has become clear that the municipality is thus enabling non-compliance and for this reason, the suggested changes in the reviewed policy is aimed towards forcing ECD facilities to comply with the requirements of the Children's Act. Further to this, registration with the Department of Social Development (DSD) will allow facilities to apply for funding support from DSD and other funders moving them towards financial sustainability.

It should be noted that the function of Early Childhood Development is also in the process of being moved from DSD to the Department of Education with many schools already providing the Grad R and Grade 0 as part of the school infrastructure. It is surmised that once the move of the function is finalised that the Department of Education will look to accommodate registered ECD facilities catering for children 4 years and above. This makes it even more necessary for the municipality to push ECD facilities to become fully registered ECD's.

The following two changes are thus suggested under "General Guidelines and Categories" in the policy.

6.2.1 Social Development

- (vi) Early childhood development where an organization is registered with the Department of Social Development or Education as a fully functional ECD facility;
- (vii) Early childhood development where an organization is registered as an NPO, but **not registered with the Department of Social Development or Education** then only with regard to application content that will contribute towards compliance with registration requirements. In these cases also up to a maximum of three years by when said organization must be able to illustrate registration.

6.4 Legal Implications

Changes included through the review of the policy will align the Grant in Aid Policy with the Children's Act.

6.5 Staff Implications

None

6.6 Previous / Relevant Council Resolutions:

SPECIAL COUNCIL MEETING: 2021-09-29: ITEM 9.9.2

RESOLVED (nem con)

that the revised Draft Grant in Aid Policy be approved for public participation.

6.7 Risk Implications

It can be interpreted that the municipality condones partial care facilities that do not comply, should the municipality continue to support unregistered ECD facilities financially.

FURTHER COMMENTS BY THE DIRECTOR COMMUNITY AND PROTECTION SERVICES.

The proposed policy changes was advertised for public comment in the Eikestadnuus of 28 October 2021 with a due date of 30 November 2021. The proposed changes was further workshopped with all the local Early Childhood Development (ECD) Forums and organisations serving the ECD sector at the quarterly ECD capacity building session on 20 October 2021.

No comments was received by the due date.

ANNEXURES

Annexure A: Grant in Aid Policy (With track changes)

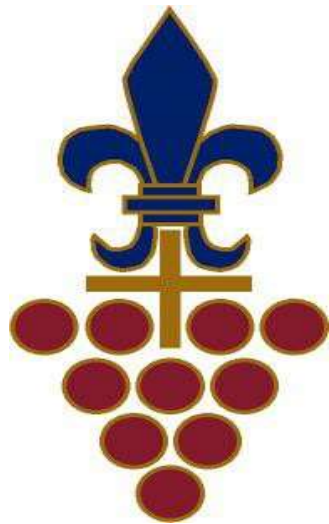
FOR FURTHER DETAILS CONTACT:

NAME	Michelle Aalbers
POSITION	Manager Community Development
DIRECTORATE	Community and Protection Services
CONTACT NUMBERS	8408
E-MAIL ADDRESS	Michelle.aalbers@stellenbosch.gov.za
REPORT DATE	2021-11-30

ANNEXURE A

~~APPENDIX 29~~

STELLENBOSCH MUNICIPALITY



**GRANT-IN-AID
POLICY**

2021/2022



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 applications 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,
 - (vii) Where an applicant did not attend the compulsory clarification session as advertised, and
 - (viii) 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 where an organization is registered with the Department of Social Development or Education as a fully functional ECD facility;
- ~~(vi)~~(vii) Early childhood development where an organization is registered as an NPO, but **not registered with the Department of Social Development or Education** then only with regard to application content that will contribute towards compliance with registration requirements. In these cases also up to a maximum of three years by when said organization must be able to illustrate registration.
- ~~(vii)~~(viii) Street people programmes;
- ~~(viii)~~(ix) Arts and culture programmes
- ~~(ix)~~(x) Facilitation of public participation processes; arts and culture programmes
- ~~(x)~~(xi) Development of disabled persons, and
- ~~(xi)~~(xii) Development of elderly people

Formatted: Font: Bold

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.



STELLENBOSCH

MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

APPENDIX A
(Category A & B)

APPLICATION FOR GRANT-IN-AID: 2021/22

NOTE: ATTENDANCE OF THE GRANT-IN-AID WORKSHOP IS COMPULSORY

PLEASE COMPLETE THE FOLLOWING

PLEASE COMPLETE THE FOLLOWING			
A	REGISTERED NAME OF ORGANISATION		
B	DATE AND YEAR IN WHICH THE ORGANISATION WAS FOUNDED: (include a brief description of the business or activities of the organization)		
C	ADDRESS OF REGISTERED ORGANISATION		
	PHYSICAL ADDRESS	POSTAL ADDRESS	
	CODE:	CODE:	
D	CONTACT DETAILS (Details of the person to contact regarding this GIA application)		
	NAME & SURNAME:		
	POSITION:		
	TEL: ()	FAX: ()	
	MOBILE:	ALTERNATIVE:	
	EMAIL ADDRESS:		

E REGISTRATION:			
Is the organization a NP/NG Organisation?		YES	NO
If YES, please provide the Registration Number: (Attach a copy of the registration certificate or proof of other affiliation where applicable)			
F BOARD/COMMITTEE MEMBERS OF THE ORGANISATION: (List ALL Board/Committee Members of the Organisation) Insert a separate page if the space is not enough).			
1	NAME & SURNAME:		
	POSITION:		
	ADDRESS:		
	CONTACT NUMBER:		
2	NAME & SURNAME:		
	POSITION:		
	ADDRESS:		
	CONTACT NUMBER:		
3	NAME & SURNAME:		
	POSITION:		
	ADDRESS:		
	CONTACT NUMBER:		
4	NAME & SURNAME:		
	POSITION:		
	ADDRESS:		
	CONTACT NUMBER:		

5	NAME & SURNAME:	
	POSITION:	
	ADDRESS:	
	CONTACT NUMBER:	
6	NAME & SURNAME:	
	POSITION:	
	ADDRESS:	
	CONTACT NUMBER:	
7	NAME & SURNAME:	
	POSITION:	
	ADDRESS:	
	CONTACT NUMBER:	
8	NAME & SURNAME:	
	POSITION:	
	ADDRESS:	
	CONTACT NUMBER:	
9	NAME & SURNAME:	
	POSITION:	
	ADDRESS:	
	CONTACT NUMBER:	

10	NAME & SURNAME:			
	POSITION:			
	ADDRESS:			
	CONTACT NUMBER:			
G PREVIOUS FUNDING:				
Have you successfully applied and received Stellenbosch Municipal Grant-In-Aid funding previously?				
If yes for which financial year?				
What amount was received?				
Did you submit Financial Reports for the funds received?				
Do you receive any other sources of funding? (If YES please provide details)				
H CATEGORY A:				
For more information refer to the Grant-In-Aid Policy for general guidelines and categories (Please categorize your application by marking the appropriate category with X)				
HEALTH				
ENVIRONMENT				
SOLID WASTE				
SOCIAL DEVELOPMENT				
SPORTS & RECREATION				
CATEGORY B:				
For more information refer to the Grant-In-Aid Policy for general guidelines and categories (Please categorize your application by marking the appropriate category with X)				
NIGHT SHELTER				
OTHER (Please specify)				
I REQUEST FOR FUNDING:				
Is funding required for the ensuing year?		YES		NO
Is funding required for a specific project? (If YES attach details separately)		YES		NO
Is funding required for general support? (If YES, attach a copy of the Organisation's Overall Budget)		YES		NO
Budgeted amount requested				
Duration of project?				

If Category B Application						
Total amount requested for 3 year period						
Annual amounts requested:	Year 1		Year 2		Year 3	
J SERVICE FOCUS						
Ward number/s in which services are delivered:						
Which Ward Priority/ies are addressed through the service: (Please provide details below)						
Which Municipal Strategic Goal/s is linked to the services: (Please mark with a X)						
Valley of Possibility						
Safe Valley						
Dignified Living						
Good Governance and Compliance						
Green and Sustainable Valley						
K THE FOLLOWING MUST BE ATTACHED TO THIS APPLICATION: (Category A and B applications) (Please use this form as a check-list, to ensure that you comply to the specified requirements)						
1	AUDITED FINANCIAL STATEMENTS (A copy of the latest audited financial statements. Should the organization be classified as an emerging organization, the financial statements MUST be dated and signed by the Treasurer and Chairperson and MUST include a monthly income and expense statement for the months that the organization has been in existence or for the last 12 months)					
2	ORGANISATIONAL CONSTITUTION (A signed and dated copy of the Organisation's Constitution, as well as a signed copy of the Minutes of the AGM/Special Meeting , to verify the acceptance of the Constitution.)					
3	PROJECT PROGRAMME/BUSINESS PLAN (A copy of the project/program description and/or a business plan for the ensuing financial year. Please ensure that the following is included in the project/program and or business plan, by using the below mentioned bullet points as a guide). <ul style="list-style-type: none"> ❖ 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 to 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:- <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 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:	
<p>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.</p> <p>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.</p> <p>Thus completed and signed at Stellenbosch on this day of _____ 20 .</p> <p>_____ _____ Chairperson/Authorised Representative Secretary/Duly Authorised Signatory</p>	
PLEASE TAKE NOTE: (Completed application forms, together with all the required supporting documentation must be posted to):	
<p>The Director: Planning & Economic Development P O Box 17 Stellenbosch 7599</p> <p>Or hand delivered to:</p> <p>The Manager: Community Development 58 Andringa Street Stellenbosch 7600</p> <p>The submission of applications closes at 13H00 on the closing date as per the advertisement.</p> <p>PLEASE NOTE: Neither LATE nor INCOMPLETE applications shall be considered.</p>	



STELLENBOSCH

STELLEN BOSCH • PN I E L • FR ANSC HHOE K

MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

APPENDIX B

MEMORANDUM OF AGREEMENT

Entered into and between

STELLENBOSCH MUNICIPALITY

(hereafter called the "**MUNICIPALITY**")

Herein represented by **Geraldine Mettler**, in her capacity as **Municipal Manager**, being duly authorised

and

_____ (hereafter called the "**BENEFICIARY**")

Herein represented by _____ in his/her capacity as _____, being duly authorised.

WHEREAS Section 67(1) of the Local Government: Municipal Finance Management Act, Act 56 of 2003 (MFMA) oblige the Accounting Officer of a **MUNICIPALITY** to satisfy himself that, before transferring funds of the **MUNICIPALITY** to an organisation or body outside any sphere of government otherwise than in compliance with a commercial or other business transaction, that such organisation or body:-

- (a) has the capacity and has agreed-
 - (i) to comply with any agreement with the **MUNICIPALITY**;
 - (ii) for the period of the agreement to comply with all reporting, financial management and auditing requirements as may be stipulated in the agreement;
 - (iii) to report at least monthly to the Accounting Officer on actual expenditure against such transfer (should transfers be done on a monthly basis); and

- (b) implements effective, efficient and transparent financial management and internal control systems to guard against fraud, theft and financial mismanagement; and
- (c) has in respect of previous similar transfers complied with all the requirements as set out above; and
- (d) give permission to site visits done by the **MUNICIPALITY**.

WHEREAS the **MUNICIPALITY** has approved a Grants-in-Aid Policy, in terms whereof applications are considered;

WHEREAS the **BENEFICIARY** has applied for a grant-in-aid as per the official grant-in-aid application form; and

WHEREAS the **MUNICIPALITY** has approved such application, subject to certain conditions;

NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:

1. TRANSFER OF FUNDS

1.1 The **MUNICIPALITY** hereby undertakes to transfer an all-inclusive amount of **R..... (.....)**, being a donation for the period **01 July 20...** to **30 June 20...** to the **BENEFICIARY**.

1.2 Bank Account details: (The following are confirmed through a correctly completed Creditors Control Form.)

Account number : _____
Name of financial institution : _____
Name of account holder : _____
Branch code : _____
Type of account : _____

1.3 The all-inclusive amount will be transferred in equal amounts on the following dates (if applicable):

2. OBLIGATIONS OF BENEFICIARY

- 2.1 The **BENEFICIARY** must acknowledge in writing to the Municipal Manager that the amount(s) was(were) received in its bank account.
- 2.2 The **BENEFICIARY** hereby certifies that the money will be utilised in accordance with the role of the organisation or society, to the benefit of the community and in accordance with the project(s) / programme(s) as indicated in the application form.
- 2.3 The **BENEFICIARY** undertakes to regularly report on a monthly basis to the Municipal Manager regarding the activities conducted, actual expenditure against such transferred funds, as well as the number of people benefiting from the activities should monthly payments be made. If not, an annual report on the expenditure will be provided.
- 2.4 The **BENEFICIARY** further undertakes to submit an audited financial statement for its financial year to the Municipal Manager by not later than **30 April 20...**

3. SPECIFIC CONDITIONS

- 3.1 The parties specifically agree on the following:

That the organization will commit to active involvement in any programme run by the municipality in the area of operation of the organization when such a programme is active in the community.

Other conditions:

4. 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:

or at such other address of which the Party concerned may notify the other(s) in writing provided that no street address mentioned in this sub-clause shall be changed to a post office box or poste restante.

10.3 Any notice given in terms of this Agreement shall be in writing and shall-

10.3.1 if delivered by hand be deemed to have been duly received by the addressee on the date of delivery;

10.3.2 if posted by prepaid registered post be deemed to have been received by the addressee on the 8th (eighth) day following the date of such posting;

10.3.3 if transmitted by facsimile be deemed to have been received by the addressee on the day following the date of dispatch;

10.4 Notwithstanding anything to the contrary contained or implied in this Agreement, a written notice or communication actually received by one of the Parties from another, including by way of facsimile transmission, shall be adequate written notice or communication to such party.

11. ENTIRE AGREEMENT

This Agreement, including the **Grant-in-Aid policy and application form**, reflects the entire Agreement between the Parties and no variation, amendment or addendum shall be of any force and effect between the Parties unless contained in writing, signed and agreed on by both Parties.

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

.....
for the **MUNICIPALITY**

WITNESS: 1.
2.

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

.....
for the **BENEFICIARY**

WITNESS: 1.
2.

7.2	CORPORATE SERVICES: (PC: CLLR L NKAMISA)
------------	---

7.2.1	PROPERTY MANAGEMENT STRATEGY: PROPERTY REGISTER
--------------	--

Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance and Compliance

21 January 2022

1. SUBJECT: PROPERTY MANAGEMENT STRATEGY: PROPERTY REGISTER

2. PURPOSE

To brief MAYCO on the progress of the compilation of property register and the different categories properties that exists on the register. This will identify all council owned properties and include all such properties an asset register. This will enable council to develop a property management strategy to determine the future of these properties to ensure the optimal usage of such properties for the benefit of WC024 community at large.

3. DELEGATED AUTHORITY

Council must make decisions on properties except the lease contracts less than 10 years that has been delegated to the Executive Mayor in consultation with the Mayoral Committee and the delegation to the Municipal Manager in regard to servitudes and other matters relating to services.

4. EXECUTIVE SUMMARY

Council task the Municipal Manager on 31 March 2021 to compile a property register and present the register to Council for consideration. The Municipal Manager as the Accounting Officer constituted an inclusive committee of representatives from various departments and delegated such a committee with the task to investigate all the properties, compile a property register and submit a report which contains all the council properties for consideration as a reliable source on decision making processes in dealing with properties within the WCO24. This will identify all council owned properties and include all such properties an asset register. This will enable council to develop a property management strategy to determine the future of these properties to ensure the optimal usage of such properties for the benefit of WC024 community at large

5. RECOMMENDATION

For consideration.

6. DISCUSSION / CONTENT

6.1 Background

Council task the Municipal Manager on 31 March 2021 to compile a property register and present the register to Council for consideration. The Municipal Manager as the Accounting Officer constituted an inclusive committee of representatives from various departments and delegated such a committee with the task to investigate all the properties, compile a property register and submit a report which contains all the council properties for consideration as a reliable source on decision making processes in dealing with properties within the WCO24.

6.2 Discussion

Different categories of the properties has been. The categories are as follows:

- a. Land and Buildings Portfolio;
- b. Investment Portfolio;
- c. Heritage Portfolio;
- d. Engineering Service Built-infrastructure;
- e. Community Facilities; and
- f. Office space and related buildings

Rental stock has not been included as there is currently another internal process dealing with staff housing policy that has not been finalized as yet.

The rental stock is mainly rented to residents in terms of a housing allocation policy.

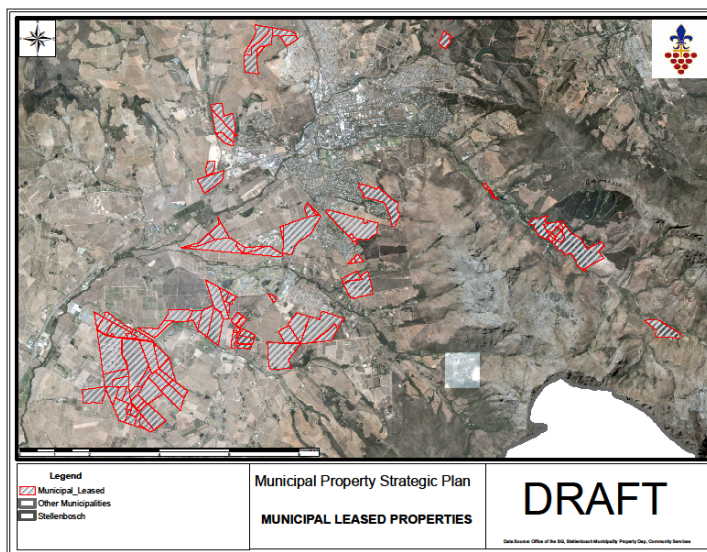
However, full information about rental stock is also readily available.

6.2.1 Categories of properties

- a) **Land and buildings** mean assets with an expected usage of long- and medium-term lease periods and therefore are seen as current assets. There are currently 50 long term leases, 40 of which are for farming purposes, 2 of which are the sporting bodies, Stellenbosch golf club and Paradyskloof tennis club and 8 is buildings, such as Medi-clinic and taxi associations. The 40 farms and the 2 sporting bodies leases expires in 2041 and the 8 buildings in 2023, 2032, 2033 and the other 3 with undetermined periods.

There are 44 medium term leases of which 18 leases are for farming purposes with a 5-year lease period until 31 July 2025 and others are 9 years 11 months lease period until 31 June 2029. There are 4 which are month-month, such the flying club, tennis club, bowling club and district riding club. The other 22 medium term leases are mainly the buildings rented our as either training centres or office spaces with different lease periods.

There are currently about 18 outdoor dining permits/agreements; 21 for parking purposes agreements and 87 agreements for garden purposes. There are 22 telecommunications infrastructure, of which 18 are base stations such cell phone towers and 4 are installed in municipal buildings or infrastructure.

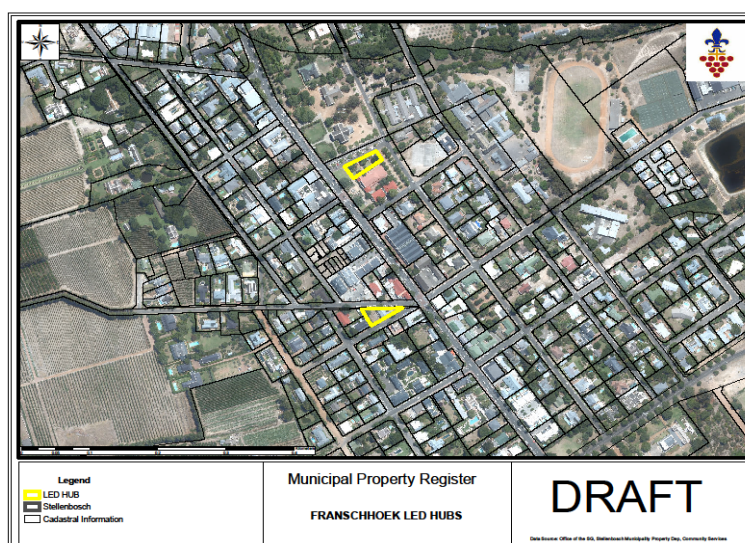


b) **Investment Portfolio** means property (land or a building – or part of a building – or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for administrative purposes; or
- sale in the ordinary course of operations.

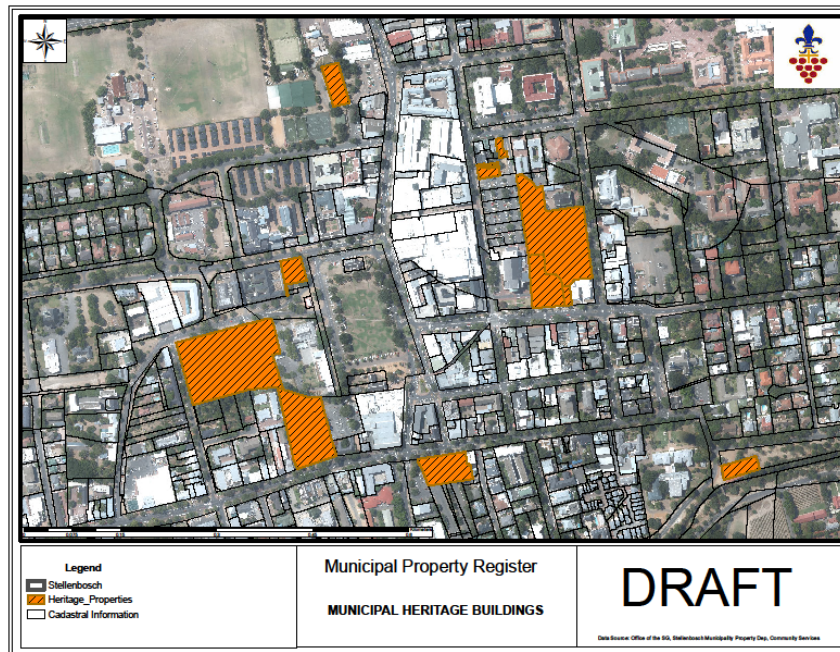
There are 94 investment properties which have been identified as having potential for development or improvement, either through a process of disposal or the awarding of a long-term lease rights. However, these properties are excluding the long-term lease rental properties.

There is also another 5 individual structures of which 4 have been identified for Local Economic Development (LED) Hubs. Additional to this is another 7 Informal Trading sites with Formal Structures which are using for informal businesses.

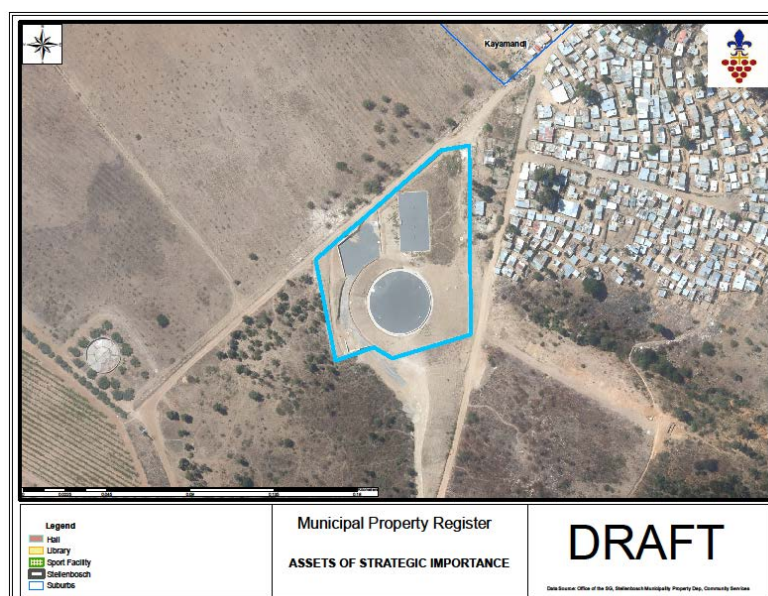


c) **Heritage Portfolio** - heritage assets are assets that have **cultural, environmental, historical, natural**, scientific, technologically, or artistic significance and are held indefinitely for the benefit of present and future generations. One of the key features of

heritage assets are that they are held indefinitely for the purposes of preserving such assets for the benefit of present and future generations. This means that entities often incur expenditure to preserve and extend the life of an asset so that it can be enjoyed by future generations. As a result of the preservation of heritage assets, the value often increased over time, making the effect of the appreciation negligible. (This is in accordance with GRAP guidelines 103 on Heritage Assets.)



- d) **Engineering Service Built infrastructure** means an asset that enhances the efficiency and effectiveness of public sector organisation and help the organisation meet the challenges of the future by enhancing strategic decision-making and better-informed policy. Water reservoirs are just but one examples of such assets.

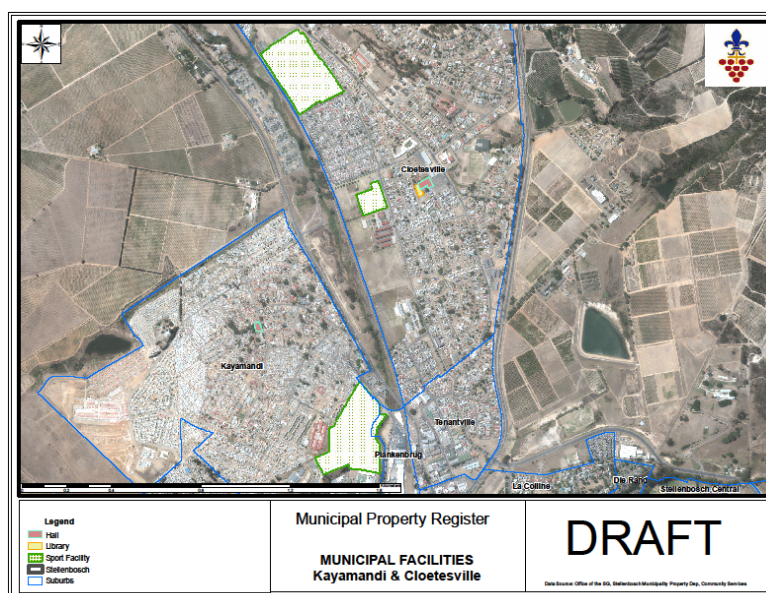


- e) **Community facilities** means any asset of the municipality that improves the quality of community life such as:
- The capacities and abilities of community members.

- A physical structure or place such as a library, swimming pool, or hall.

Such assets include:

Libraries; swimming pool; community halls



- (f) **Office space and related buildings** for the purpose of this report is regarded as the following exclusively used or intended for office space:
- The three Main Administrative Offices in Franschhoek, Pniel and Stellenbosch, which is used by various Departments;
 - Office Space used by specific Departments;
 - Fire stations;
 - Traffic Centre; and
 - Rental Office space (private property).

This report intends to give council feedback on the property register as compiled and a determination must be made on how the manage the different categories.

6.2.2 Legal requirements

Any decision to dispose of assets must adhere to the Asset Management Regulations under published under the MFMA.

6.3 Financial Implications

Currently all maintenance of the assets must be funded from own funding and the income derived from most of the rental properties are minimal and does not cover the maintenance of the buildings.

6.4 Legal Implications

Any decision to dispose of assets must adhere to the Asset Management Regulations under published under the MFMA.

6.5 Staff Implications

It is a challenge to maintain all properties with the existing staff on the staff structure.

6.6 Previous / Relevant Council Resolutions

41ST COUNCIL MEETING: 2021-03-31: ITEM 11.2.1 During deliberations on the matter, Cllr F Adams raised his concern that the Administration waits until the last minute that contracts expire.

RESOLVED (majority vote) (

(a) that lease portions 528a and 529cc, known as Mountain Breeze Caravan Park, be identified as land not needed for own use during the period for which such rights are to be granted, as provided for in Regulation 36 of the Asset Transfer Regulations;

(b) that the lease agreement be extended on a month-to-month basis until a property register has been compiled and considered by Council to determine the future of Council properties per category;

(c) that the lessee be informed to strictly adhere to the conditions of the lease agreement;

(d) that the Caravan Park pay their municipal account and that the Municipal Manager be mandated to determine the lease amount;

(e) that the Municipal Manager be mandated to take the necessary steps to ensure the drafting and finalisation of the property register and submit it to Council by not later than December 2021; and

(f) that the item be brought back to Council as soon as the property register has been adopted by Council.

The following Councillors requested that their votes of dissent be minuted: Cllr F Adams; FT Bangani-Menziwa (Ms); G Cele (Ms); C Moses (Ms); RS Nalumango (Ms); N Sinkinya (Ms); P Sitshoti (Ms) and LL Stander

6.7 Risk Implications

The Risks has been addressed in the item

6.8 Comments from Senior Management

Inputs from all directorates in the compilation of the register was made through the representatives serving on the committee:

FOR FURTHER DETAILS CONTACT:

NAME	Mandlenkosi Mgogoshe
POSITION	Property Management
DIRECTORATE	CORPORATE SERVICES
CONTACT NUMBERS	021-8088073
E-MAIL ADDRESS	Mandlenkosi.Mgogoshe@Stellenbosch.gov.za
REPORT DATE	2022-01-12

7.2.2	DUALLING OF LOWER DORP STREET: PROPOSED EXCHANGE OF LAND: REMGRO: PORITONS OF ERVEN 705, 4080 AND 8719 FOR PORTIONS OF ERVEN 7592 AND 7596, STELLENBOSCH
--------------	---

Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance and Compliance

21 January 2022

1. SUBJECT: DUALLING OF LOWER DORP STREET: PROPOSED EXCHANGE OF LAND: REMGRO: PORITONS OF ERVEN 705, 4080 AND 8719 FOR PORTIONS OF ERVEN 7592 AND 7596, STELLENBOSCH

2. PURPOSE

To inform Council of the need to dual lower Dorp street and to get council's approval of how the land that is needed will be obtained. One of the options is a possible land swap.

3. DELEGATED AUTHORITY

Council must consider the matter.

4. EXECUTIVE SUMMARY

During 2017 and 2018 Stellenbosch Municipality approved developments on erven 7586, 7588 and 7592, subject to certain conditions. One of the conditions was that lower Dorp street need to be dualling and for this purpose Stellenbosch Municipality need to acquire the land from the land owner, being Remgro.

Remgro is willing to exchange the land needed for other Council owned properties as an alternative to Council purchasing the land from them.

The Property Management Policy provide for exchange of Land Agreements to be concluded, subject thereto that reasons for justifying such a step is recorded in writing. Council must consider the proposal.

5. RECOMMENDATIONS

- (a) that the portions of erven 705, 4080 and 8719 Stellenbosch, as indicated on Fig 4, be identified as land not needed to provide the minimum level of basic services;
- (b) that an independent valuer be appointed to value the respective portions of land before council make an in-principle decision; and
- (c) for consideration

6. DISCUSSION / CONTENT

6.1 Background

6.1.1 Development of erven 7586, 7588 and 7592, Stellenbosch

During 2017 and 2018 Stellenbosch Municipality approved the development of Remgro's erven, subject to certain conditions.

According to the Directorate: Engineering Services, these developments would trigger the dualling of lower Dorp street from Adams Tas Road to the R44, which is registered for the broader community of Stellenbosch and not only for the development *per ce*.

See letters of approval attached as **APPENDIX 1**.

The Engineering Services Directorate state in their memo *"that the areas and land required for dualling of Dorp Street be surrendered by the developer to Stellenbosch Municipality, at his/her cost, in order for construction of the road to take place and that compensation from Stellenbosch Municipality for the aforementioned land required for the dualling of Dorp Street, if any, be based on the value of the land in terms of its current zoning, i.e. Specific Business"*.

Find attached hereto as **APPENDIX 2** a plan illustrating the required road reserve for the proposed dualling of Lower Dorp Street.

6.2. DISCUSSION

6.2.1 Location and context

The area needed for the road widening is approximately 800m² and 2390m² in size, respectively, as indicated on **APPENDIX 2** and is shown on fig 1 and 2 below.

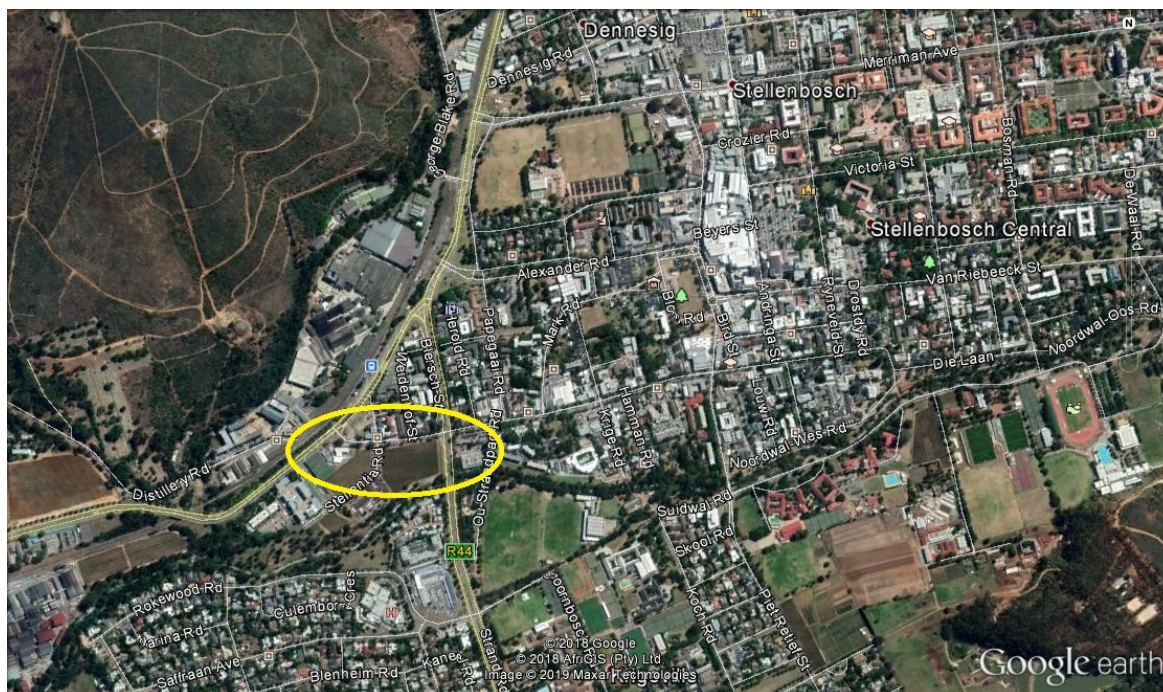


Fig 1: Location and context: erven 7586 and 7592



Fig 2: Extent of proposed road widening

6.2.2 Proposed land swap as an alternative to purchasing of land for road widening

Remgro is now in the process of finalising their development proposals in order to proceed with construction of these approved developments. However, this requires the dualling of Lower Dorp Street. For Council to compensate Remgro for the land needed for the dualling of lower Dorp street in order to accommodate the required dualling a property valuer must be appointed to determine the value of the land required for the dualling of Lower Dorp Street.

As an alternative to Council purchasing the land from Remgro, Remgro has indicated that they are willing to engage in a land swap agreement with Council. They have identified three municipal erven (i.e. Erven 705, 4080 and 8719, Stellenbosch) that are located on the Eerste River and which borders on Remgro's erven. They request that these erven be swapped for Remgro's land. The value of the 3 erven must first be determined before further engagements can take place. Find attached hereto as **APPENDIX 3** a possible land swap plan.

The public erven that has been identified as land that could be swapped, is located on the Eerste River. These public erven cannot (for environmental and flood line reasons) be developed. It is currently only a maintenance and security burden for Council.

The benefits of such a land swap agreement, is that:

- The land transaction will not cost the taxpayer any money;
- Undevelopable land will be exchanged for developable land (necessary for municipal traffic upgrades); and
- The maintenance and security burden of the river erven will become

Remgro's responsibility.

Hereto attached as **APPENDIX 4** a self-explanatory letter/proposal received from TV3 Architects and Town Planners, on behalf of their client, Remgro.

The municipal land that is proposed for the land swap is approximately 3658m \pm , 4827m 2 , and 8871m 2 in extent, respectively, as shown on Fig 3 and 4 below.

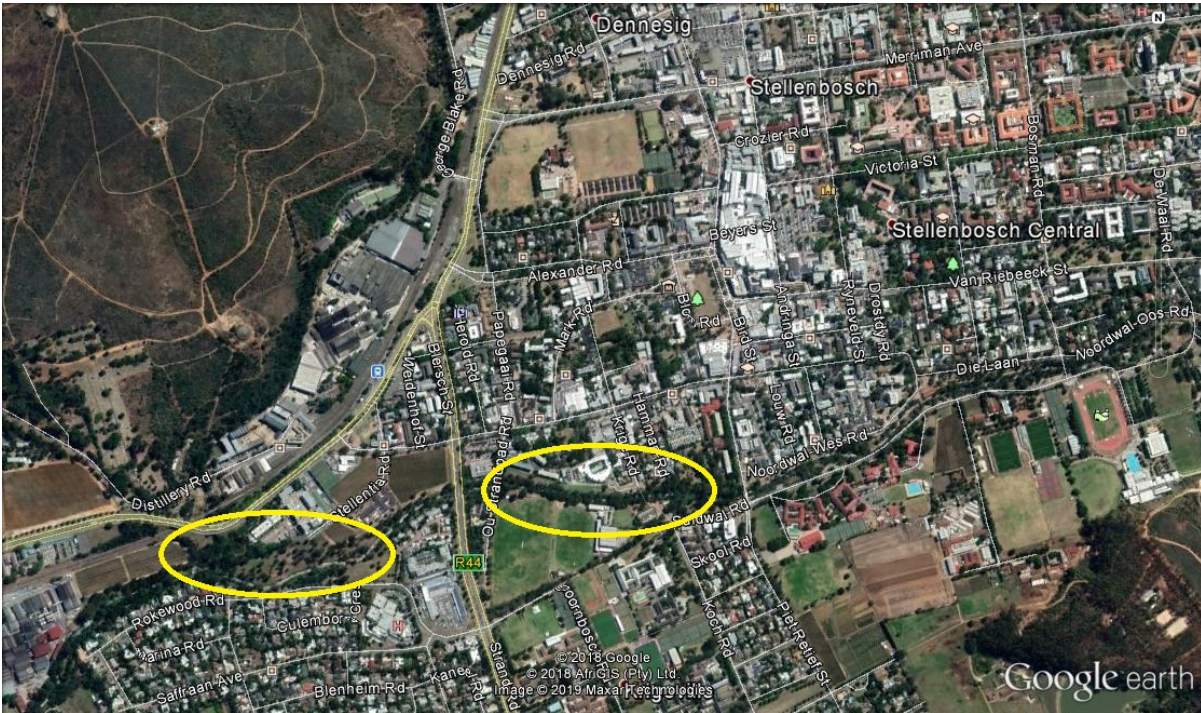


Fig 3: Location and context



Fig 4: Extent of land

6.2.3 Legal regime

6.2.3.1 Municipal Finance Management Act (MFMA)

In terms of Section 14 of the MFMA a Municipality may not transfer ownership as a result of a sale or other transaction, or otherwise permanently dispose of a capital asset needed to provide the minimum level of basic services.

Further, in terms of Subsection (2), a municipality may dispose of land not needed to provide the main level of basic municipal services, but only if the Council, in a meeting open to the public, (a) has decided on reasonable grounds that the **asset is not needed to provide the minimum level of basic municipal services**; and (b) has considered the **fair market value** of the asset and the economic and community value to be received in exchange for the asset.

In terms of sub-section (5) any such transfer must be **competitive** and consistent with the **SCM Policy**.

6.2.3.2 Asset Transfer Regulations

In terms of Regulation 5 (1) (b) of the Asset Transfer Regulations, a municipal Council may transfer or dispose of a non-exempted capital asset only after the Municipal Council:-

- (i) has **made the determination** required Section 14(2)(a) and (b); and
- (ii) has, as a consequence of such determination, **approved in principle** that the asset may be disposed of.

In terms of Regulation (7), when considering any disposal as contemplated above, a council must take into account:-

- (a) *whether the capital asset may be required for the municipality's own use at a later date;*
- (b) *the expected loss or gain that is expected to result from the proposed transfer or disposal;*
- (c) *the extent to which any compensation to be received in respect of the proposed transfer or disposal will result in a significant economic or financial cost or benefit to the municipality;*
- (d) *the risks and rewards associated with the operation or control of the capital asset that is to be transferred or disposed of in relation to the municipality's interests;*
- (e) *the effect that the proposed transfer or disposal will have on the credit rating of the municipality, its ability to raise long-term or short-term borrowings in the future and its financial position and cash flow;*
- (f) *any limitation or conditions attached to the capital asset or the transfer or disposal of the asset, and the consequences of any potential non-compliance with those conditions;*
- (g) *the estimated cost of the proposed transfer or disposal;*
- (h) *the transfer of any liabilities and reserve funds associated with the capital asset;*
- (i) *any comments or representations on the proposed transfer or disposal received from the local community and other interested persons;*

- (j) *the interests of any affected organ of state, the municipality's own strategic, legal and economic interests and the interests of the local community; and*
- (k) *compliance with the legislative regime applicable to the proposed transfer or disposal.*

In considering the above, Council should take into account the following:

- a) The property in question will not be required for the municipality's own use;
- b) There should be no loss as a result of the transaction;
- c) The compensation, if any, should not result in a significant economic or financial benefit to the municipality, as the proposed swap entails two portions of land equal in size ($\pm 100\text{m}^2$);
- d) There should be no risks associated with the proposed swap;
- e) The transactions will have no effect on the credit rating of the municipality;
- f) There are no limitations or conditions attached to the land in question;
- g) The cost of transfer and all associated cost, such as compilations of diagrams, closing of public streets, ect, will for the account of the applicant;
- h) There are no liabilities reserved funds associated with the land in question;
- i) No comment were solicited from the community;
- j) No organ of state is involved;
- k) All legal requirements will be met

Regulation 11 authorise a Council to approve conditions, when considering an in principle disposal, such as:

- (a) the way in which an asset is to be disposal of (e.g. tender, call for proposal, ect.);
- (b) a floor price or minimum compensation;
- (c) whether the capital asset may be transferred/disposal of for less than its fair market value (in which case the council must first consider the criteria set out in Regulation 12 (2))

6.2.3.3 Property Management Policy

In terms of paragraph 9.23 of the Property Management Policy the *“disposal by exchange of land will be appropriate when it is **advantageous to the Municipality** and other parties to exchange land in their ownerships and will achieve best consideration for the municipality. The Municipal Council must authorise the disposal of land by exchange with another land owner for alternative land. **Reasons for justifying this manner of disposal must be recorded in writing.***

*The exchange will usually be **equal in value**. However, an inequality in land value may be compensated for by other means where appropriate. In such circumstances the Municipality must seek an independent valuation to verify that “best consideration” will be obtained’.*

6.3 Financial Implications

Should Council approve the exchange of land, as proposed by Remgro there would be no exchange of money, but the value of the land swop must be considered. should be no financial implication. Should we, however need to buy the land for road widening, then the municipality will have to make provision in the budget for the acquisition of the land. The exact implication needs to be determined through a valuation of the properties involved.

6.4 Legal Implications

See par. 6.2.2 (*supra*). If the municipality agree to a land swap a public participation process must be followed to get inputs from the public on the intention of council to swop council owned land for private land. The exchange involves portions of erven 7592 and 7586, measuring $\pm 800\text{m}^2$ and $\pm 2390\text{m}^2$ in extent, as shown in Fig 2 (Remgro property) for portions of erven 705, 4080 and 8719, measuring $\pm 8571\text{m}^2$; 3658m^2 and 4827m^2 in extent, as shown on Fig 4 (Municipal land).

6.5 Staff Implications

An external valuation must be obtained as the capacity does not exist in house.

6.6 Previous / Relevant Council Resolutions

None

6.7 Risk Implications

The risks has been addressed in the item.

6.8 Comments from Senior Management

6.8.2 Director: Community Services

This section supports the recommendation for the proposed exchange of portions of erven 705, 4080 and 8719. The proposal is for the exchange of developable land for undevelopable land (undevelopable, largely due to its proximity to the Eerste River). Should the proposed land exchange be effected Remgro must take full responsibility for the maintenance of the relevant portions of land in a manner that supports the ecological functioning of the Eerste River.

- ANNEXURES:**
- Appendix 1 Letter of approval**
 - Appendix 2 Plan illustrating the required road reserve**
 - Appendix 3 Possible Land Swop plan**
 - Appendix 4 Letter/proposal received from TV3**

FOR FURTHER DETAILS CONTACT:

NAME	Piet Smit
POSITION	Manager: Property Management
DIRECTORATE	Corporate Services
CONTACT NUMBERS	021-8088189
E-MAIL ADDRESS	Piet.smit@stellenbosch.gov.za
REPORT DATE	2022 – 01 - 18

APPENDIX 1



STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

Enquiries	R Fooy / B Mdoda
Your ref	-
Our ref	Erf 7586, Stellenbosch
Application No	LU/3075
Date	20 June 2018
Telephone	021-808 8680 / 8690
Fax	021-886 6899

REGISTERED MAIL

TV3 Architects and Town Planners
1st Floor, La Gratitude Offices
97 Dorp Street
Stellenbosch
7600

Sir

APPLICATION FOR A SPECIAL DEVELOPMENT ON ERF 7586, STELLENBOSCH

Your application in the above regard, refers.

The 17th Council meeting of the Council of Stellenbosch Municipality held on 23 May 2018 resolved as follows:

1. That **approval be granted** in terms of Section 10.7.2 of the Stellenbosch Municipality's Zoning Scheme Regulations (1996) for a Special Development on Erf 7586, Stellenbosch to permit the construction of a commercial building consisting of shops and offices, subject to the following conditions:
 - (a) The approval applies only to the Special Development as applied for and shall not be construed as authority to depart from any other legal prescriptions or requirements from Council;
 - (b) That the development shall be limited to shops and offices only;
 - (c) That the development shall be limited to a 2 storey building, with flat roof only, with basement parking, shops, restaurants, liquor store, offices and flats above ground floor only as indicated on the attached Site Development Plan, Plan number 2970-A-102, dated 03 April 2014, attached as **APPENDIX 2**;
 - (d) That building plans must be submitted to this municipality for approval, prior to any building work commencing on site;
 - (e) That the conditions imposed by the Directorate Engineering Service in their memo dated 15 July 2017 attached as **APPENDIX 4** be adhered to;
 - (f) That an advertising theme be submitted to the Municipality for approval and that the theme complies with the relevant signage policy of Council prior to any signage being fixed to the building;
 - (g) That the relevant business licence be obtained if required;
 - (h) That the developments proposed on erven 7587, 7588 and 7592 be considered as one application and that the bulk infrastructure cost applicable to each property be paid simultaneously;

- (i) That the developer submits a motivation and implementation plan to the Municipality for consideration. That the implementation plan should include items like programmes for the construction of the internal services and the building construction;
 - (j) That all the conditions of approval listed above need to be complied with prior to any building plans being submitted or considered by the Municipality;
 - (k) That this Council reserves the right to impose further conditions if deemed necessary.
2. Reasons for the above decision are as follows:
- (a) The land use is considered desirable as it is in line with the municipal planning policies and principles; constitutes infill development of underutilised land; will lead to the optimal use and appropriate densification; is compatible with and will complement the surrounding land uses; will have a positive impact on the local economy; will broaden the municipal tax base and will lead to efficient use of existing services and facilities.
3. Kindly note that the above approval does not guarantee approval of any related building plan application in terms of the National Building Regulations and Building Standards Act, No 103 of 1977 and that building work may therefore only commence once such plans are formally passed.
4. I wish to advise that the above decision is therefore now considered final. Accordingly, you may now act on the decision, subject to compliance with the conditions herein.

Yours faithfully


FOR ACTING DIRECTOR, PLANNING & ECONOMIC DEVELOPMENT

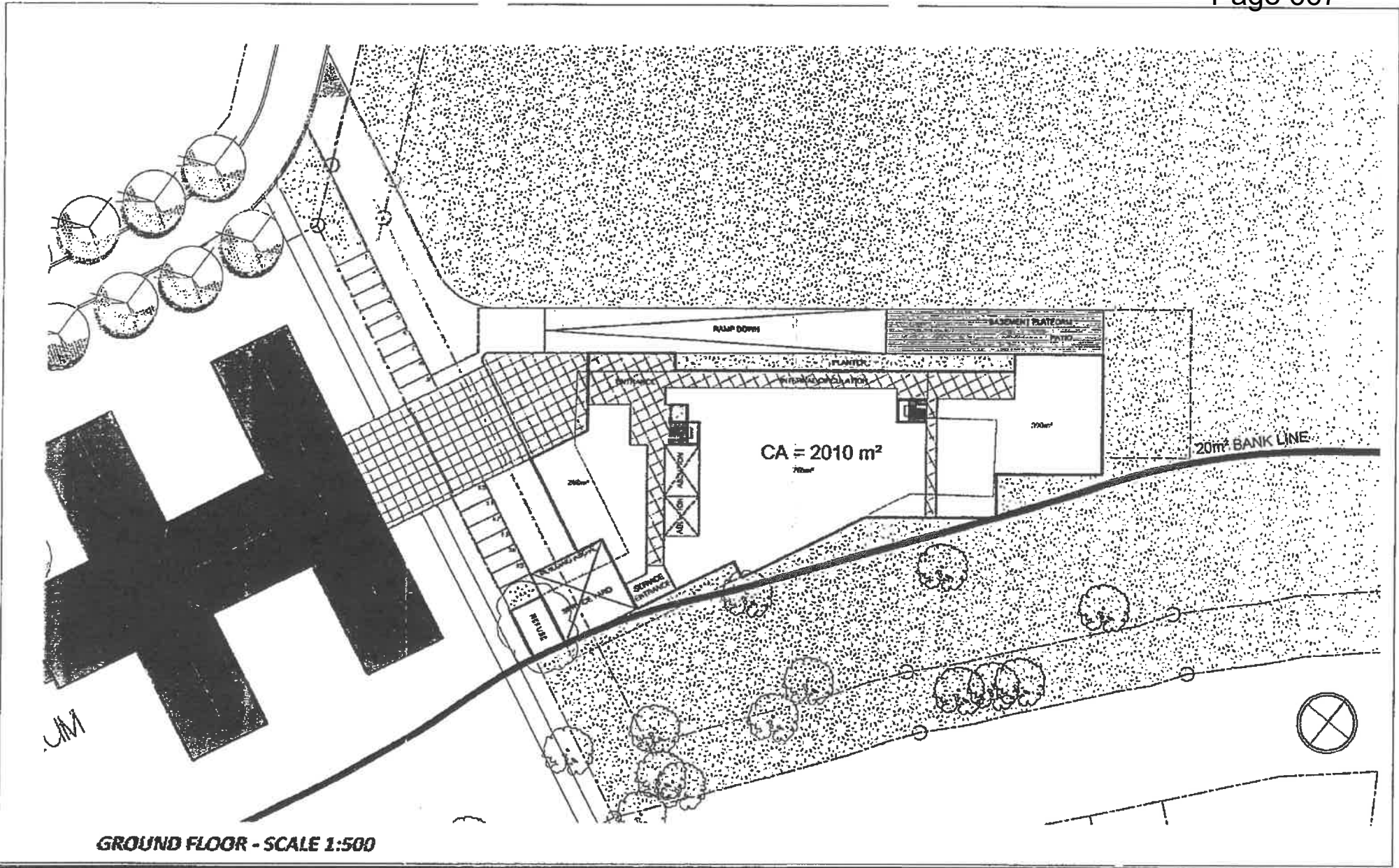


STELLENBOSCH
STELLENBOSCH • PNIEL • FRANSCHHOEK
MUNICIPALITY • UMASIPALA • MUNISIPALITEIT
Department: Planning and Economic Development

APPENDIX 2

Application is made in terms of Section 10.7.2 of the Stellenbosch Municipality's Zoning Scheme Regulations (1996) for a Special Development to permit the construction of a commercial building consisting of shops and offices.

SITE DEVELOPMENT PLAN



GROUND FLOOR - SCALE 1:500

ALL STATUTORY REQUIREMENTS NATIONAL BUILDING REGULATIONS AND MUNICIPAL BY-LAWS MUST BE ADHERED TO • CONTRACTORS ARE TO CHECK AND VERIFY ALL DIMENSIONS AND LEVELS ON THE BUILDING SITE BEFORE WORK COMMENCES • FURNISH DIMENSIONS AND LARGE SCALE DETAIL TAKES FOR REFERENCE OVER SCALED DIMENSIONS • SAFETY FIRST AND ALL CONSTRUCTING INFORMATION TO THE ARCHITECT AND OTHER RESPONSIBLE CONSULTANTS BE OBTAIN AND DETAIL OF THIS DRAWING IS THE PROPERTY OF TV3 ARCHITECTS AND TOWN PLANNERS (PTY) LTD, AND COPYRIGHT IS RESERVED.

DRAWING STATUS CODES:

A: Design • B: Marketing • C: Municipal • D: Tender • E: Construction • F: As Built

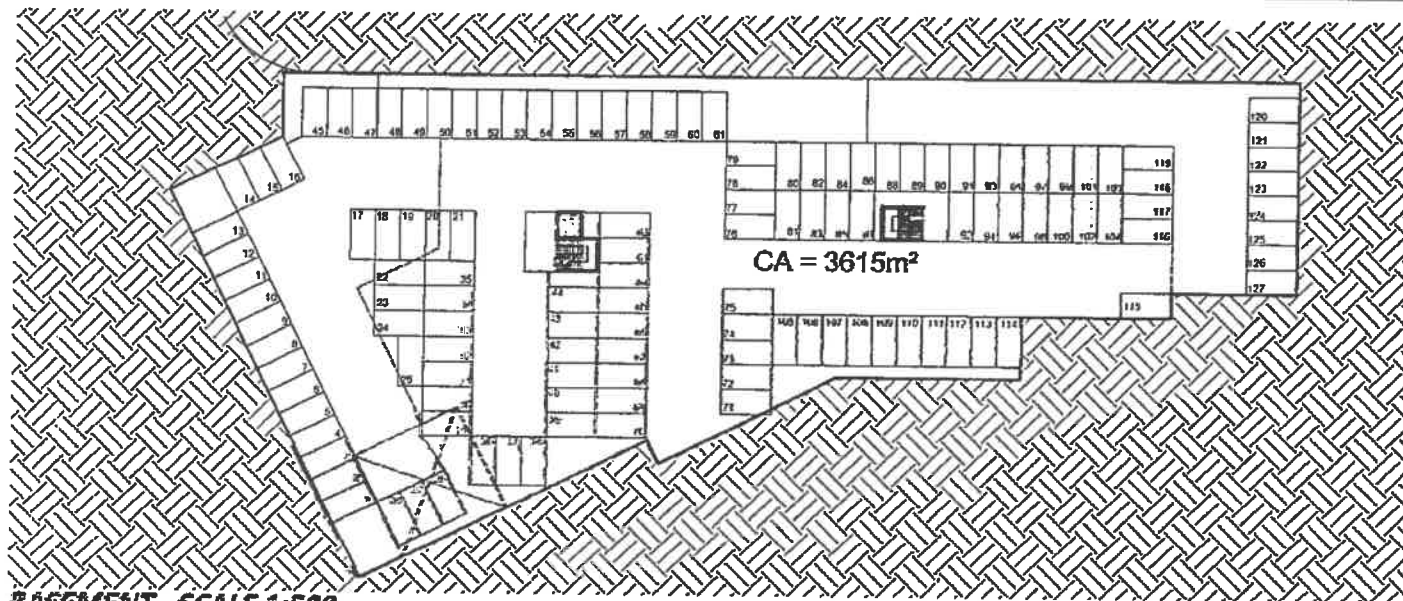
PROJECT DESCRIPTION:
PROPOSED DEVELOPMENT
STELLENBOSCH, Erf No. 7586

DRAWING DESCRIPTION:
FLOOR LAYOUTS

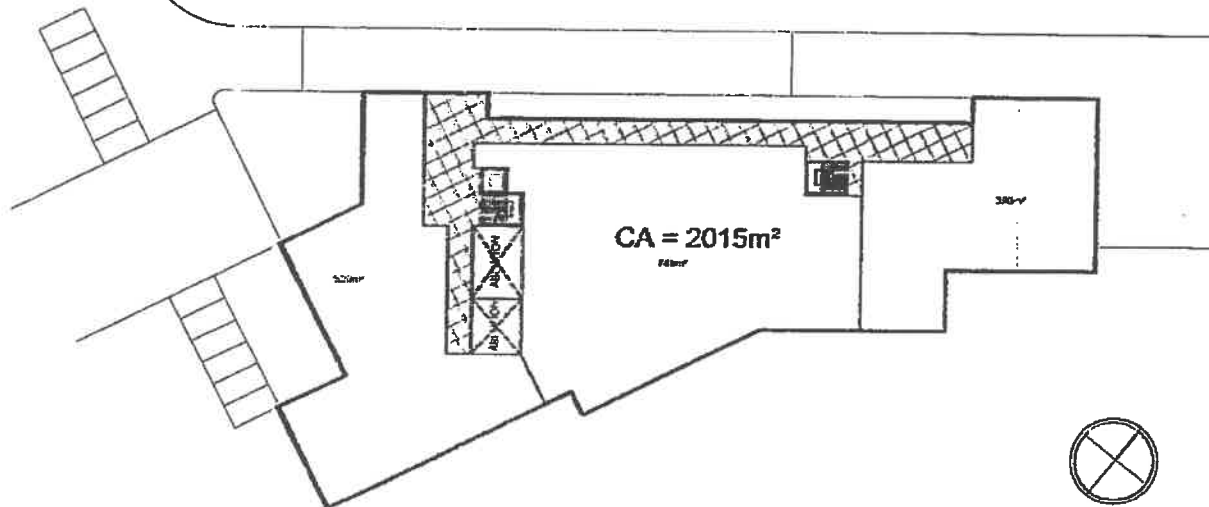


1st Floor • Lx Graditude Office Building
 97 Deep Street • Stellenbosch 7600
 tel: (021) 861 3600
 fax: (021) 862 6025
 e-mail: ste@tv3.co.za
 web: www.tv3.co.za

DRAWN: **RJ KILMISTER**
 CHECKED: **EDWIN SWANEPOEL**
 DATE: **03 APRIL 2014** | SCALE/SHEET SIZE: **TBC**
 DRAWING No.: **2970-A-102** | REVISION: **A**



BASEMENT - SCALE 1:500



FIRST FLOOR - SCALE 1:500

Permissible and Proposed Development

DEVELOPMENT PARAMETERS	PERMISSIBLE DEVELOPMENT RIGHTS	TV3'S PROPOSAL
ERF	2555	
ZONING	SPECIFIC BUSINESS	
SITE AREA	26 869 m²	
BUILDING LINES	9m	REFER TO PLAN
COVERAGE	13% 17 735m²	14% 2150m²
HEIGHT	12M	12M
BULK	NSA	
CA		
BASEMENT		
GROUND	SHOPS	2815 m²
FIRST	OFFICE	2030m²
TOTAL		4845m²
GDA		
BASEMENT		
GROUND	SHOPS	2010m²
FIRST	OFFICE	2013 m²
TOTAL		4023m²
GLA		
GROUND	SHOPS	1415m²
FIRST FLOOR	OFFICE	1650m²
TOTAL		3065m²
PARKING REQUIREMENTS	#REQUIRED	PROVIDED
	1 PER 25m² - OFFICES	
GROUND + OFFICE	67 bays required	
FIRST	66 bays required	15 OPEN Formal carpool bays 27 Basement Parking bays
TOTAL PARKING	123 BAYS	142 BAYS PROVIDED

ALL STATUTORY REQUIREMENTS (NATIONAL BUILDING REGULATIONS AND MUNICIPAL BY-LAWS) MUST BE ADVISED TO • CONTINUOUS ARE TO CHECK AND VERIFY ALL DIMENSIONS AND LEVELS ON THE BUILDING SITE BEFORE WORK COMMENCES • PROVIDE CHANGESTOPS AND LARGE SCALE DETAIL TAKES PREFERENCE OVER SMALL DIMENSIONS • KEEP ANY AND ALL CONTACTING INFORMATION TO THE ARCHITECT AND OTHER RESPONSIBLE CONSULTANTS THE DESIGN AND DETAIL ON THIS DRAWING IS THE PROPERTY OF TV3 ARCHITECTS AND TOWN PLANNERS (PTY) LTD, AND COPYRIGHT IS RESERVED.

DRAWING STATUS CODES:
 A: Design • B: Marketing • C: Municipal • D: Tender • E: Construction • F: As Built

PROJECT DESCRIPTION:
PROPOSED DEVELOPMENT
 STELLENBOSCH, Erf No. 7586

DRAWING DESCRIPTION:
FLOOR LAYOUTS

tv3 ARCHITECTS AND TOWN PLANNERS

First floor = La Gratitude Office Building
 87 Dorp Street • Stellenbosch 7600

tel: (021) 881 3800
 fax: (021) 882 8025
 e-mail: stel@tv3.co.za
 web: www.tv3.co.za

DRAWN: **RJ KILMISTER**
 CHECKED: **EDWIN SWANEPOEL**
 DATE: **04 FEBRUARY 2013** | SCALE/SHEET SIZE: **TBC**
 DRAWING No.: **2970-A-103**

REVISION: **-**



STELLENBOSCH
STELLENBOSCH • PNIEL • FRANSCHHOEK
MUNICIPALITY • UMASIPALA • MUNISIPALITEIT
Department: Planning and Economic Development

APPENDIX 4

Application is made in terms of Section 10.7.2 of the Stellenbosch Municipality's Zoning Scheme Regulations (1996) for a Special Development to permit the construction of a commercial building consisting of shops and offices.

COMMENT RECEIVED FROM EXTERNAL & INTERNAL DEPARTMENTS



MEMO

DIRECTORATE: ENGINEERING SERVICES
DIREKTORAAT: INGENIEURSDIENSTE

TO : The Director: Planning and Development

FOR ATTENTION : Robert Fooy

FROM : Tyrone King (Head: Development Services and Project Management)

DATE : 15 July 2016

RE. : Application for special development: Erven 7586, 7588 and 7592, Lower Dorp Street (Remgo)

Reference : Erven 7586, 7588 and 7592, Stellenbosch

Details, specifications and information reflected in the following documentation refers:

Erf 7586

- Land Use application document, dated 28 June 2013;
- Site Development Plan titled Floor Layouts Dwg No 2970-A-103 Rev -, dated 4 February 2013;
- Traffic Impact Assessment by ICE Group dated 1 July 2013;
- Cost Estimates and Funding letter by ICE Group dated 14 June 2016;
- GLS report on water and sewer dated 2 February 2016;
- Engineering Services Report No 1258 / 1B by Bart Senekal Inc dated April 2016;
- Letter re Flood protection of basement by Bart Senekal Inc, dated 25 February 2016 (ref 1258 / A4) and associated drawings 1258/07A and 10258/02B

Erf 7588

- Land Use application document, dated 28 June 2013;
- Site Development Plan titled Floor Layouts Dwg No 2970-A-103 Rev -, dated 4 February 2013;
- Traffic Impact Assessment by ICE Group dated 1 July 2013;
- Cost Estimates and Funding letter by ICE Group dated 14 June 2016;
- GLS report on water and sewer dated 2 February 2016;
- Engineering Services Report No 1282 by Bart Senekal Inc dated April 2016;

APPLICATION FOR SPECIAL DEVELOPMENT: ERVEN 7586, 7588 AND 7592 LOWER DORP STREET

- Letter re Flood protection of basement by Bart Senekal Inc, dated 25 February 2016 (ref 1282 / A1) and associated drawings 1282/02A

Erf 7592

- Land Use application document, dated 28 June 2013;
- SDP Ground Floor Dwg No J2892-A-101 Rev e, dated 25 June 2013;
- Traffic Impact Assessment by ICE Group dated 1 July 2013;
- Cost Estimates and Funding letter by ICE Group dated 14 June 2016;
- GLS report on water and sewer dated 2 February 2016;
- Engineering Services Report No 1281 by Bart Senekal Inc dated April 2016;
- Letter re Flood protection of basement by Bart Senekal Inc, dated 25 February 2016 (ref 1281 / A1)

Application is made for following:

Erf 7586 (Shops and offices):

- A Special Development to permit the development of a commercial facility consisting of retail, shops, restaurant, wine shop and offices
- Business GLA: 3065m² (Areas as per Floor Layouts Dwg No 2970-A-103 Rev -, dated 4 February 2013)

Erf 7588 (Offices and residential):

- A Special Development in order to develop offices and apartments
- Business GLA: 3755m²
- Residential: 7 units (1285m² floor area) Areas as per Floor Layouts Dwg No J3083-A-102 Rev -, dated Oct 2013

Erf 7592 (Offices and residential):

- A Special Development to permit the construction of a commercial facility consisting of shops, restaurant, liquor store, offices and apartments
- Business GLA: 8478m²
- Residential: 46 units (3731m² floor area) (No of units defined in TIA) (Areas from SDP Ground Floor Dwg No J2892-A-101 Rev e, dated 25 June 2013)

APPLICATION FOR SPECIAL DEVELOPMENT: ERVEN 7586, 7588 AND 7592 LOWER DORP STREET

Comments from the Directorate: Engineering Services, i.e. Roads & Stormwater, Water Services, Traffic Engineering and Development Services will be reflected in this memo and is to be regarded as development conditions to be reflected in the land-use approval. It must be noted that Electrical Services will comment in a separate memo.

The above-mentioned land-use application is supported, subject to the following conditions:

General

1. that the following words and expressions referred to in the development conditions, shall have the meanings hereby assigned to except where the context otherwise requires:
 - (a) "*Municipality*" means the STELLENBOSCH MUNICIPALITY a metropolitan municipality, Local Authority, duly established in terms of section 9 of the Local Government Municipal Structures act, Act 117 of 1998 and Provincial Notice (489/200), establishment of the Stellenbosch Municipality (WC024) promulgated in Provincial Gazette no. 5590 of 22 September 2000, as amended by Provincial Notice 675/2000 promulgated in Provincial Gazette;
 - (b) "*Developer*" means the developer and or applicant who applies for certain development rights by means of the above-mentioned land-use application and or his successor-in-title who wish to obtain development rights at any stage of the proposed development;
 - (c) "*Engineer*" means an engineer employed by the "*Municipality*" or any person appointed by the "*Municipality*" from time to time, representing the Directorate: Engineering Services, to perform the duties envisaged in terms of this land-use approval;
2. that all previous relevant conditions of approval to this development application remain valid and be complied with in full unless specifically replaced or removed by the "*Engineer*";
3. that no occupation certificates will be issued or taking up of proposed rights will be allowed until sufficient capacity in the following infrastructure is confirmed by the "*Engineer*":
 - a. Stellenbosch WWTW (Waste Water Treatment Works): The proposed development falls within the catchment area of the existing Stellenbosch WWTW (Waste Water Treatment Works). The current capacity of the existing Stellenbosch WWTW does not allow for any new developments at this stage. However, construction for the upgrade of the Stellenbosch WWTW with a design capacity of

APPLICATION FOR SPECIAL DEVELOPMENT: ERVEN 7586, 7588 AND 7592 LOWER DORP STREET

20.4 ML/day, to a 35 ML/day treatment works is underway. Commissioning of the first phase to accommodate sewage from new developments is dependent on the Contractor's adherence to the programme and is estimated to be in December 2017.

b. Sewer:

- i. Plankenbrug Main Outfall Sewer Phase 1 (WWTW to Plankenbrug River at Bosman's Crossing) and Phase 2 (Plankenbrug River at Bosman's Crossing to Merriman Avenue):

The existing 600 mm, 375 mm and 625 mm diameter bulk-outfall sewers to which the proposed developments are to connect, are at capacity and have insufficient capacity to accommodate any additional development within the Adam Tas drainage area. A new 1 200 mm diameter pipe is however currently being constructed by the Stellenbosch Municipality parallel to the existing 600 mm, 375 mm and 625 mm pipes. This will provide sufficient capacity to accommodate future developments. Commissioning of Phase 1 to accommodate sewage from new developments is dependent on the Contractor's adherence to the programme and is estimated to be in December 2017. Commissioning of Phase 2 to accommodate sewage from new developments is dependent on the Contractor's adherence to the programme and is estimated to be in July 2019.

- ii. The following items as indicated in the GLS report on water and sewer dated 2 February 2016:

- SSS1.18 : 45m x 355 dia upgrade existing sewer

At this stage it is not clear if this pipeline section is included within the scope of the Plankenbrug Main Outfall Sewer project as described above. If not, this will have to be implemented by the Developer in lieu of DC's, or if DCs are not sufficient, at the Developer's own cost.

- c. Water link services (to be implemented by the Developer and at the Developer's cost): The items as indicated in the GLS report on water and sewer dated 2 February 2016:

- i. Item 1 : 330 m x 160 mm dia replace existing 100mm dia pipe

- d. Road infrastructure: All upgrades listed below as identified in the Traffic Impact Assessment by ICE Group dated 1 July 2013. The Cost Estimates and Funding letter by ICE Group dated 14 June 2016 (*Annexure A*) indicates the funding

APPLICATION FOR SPECIAL DEVELOPMENT: ERVEN 7586, 7588 AND 7592 LOWER DORP STREET

requirements and it is clear that the Municipal funding and Development Contributions of the proposed developments on erven 7586, 7588 and 7592 are not sufficient to fund the required upgrades. It is also evident that in order to achieve sufficient funding for the road upgrades, this Development is dependent on the Development Contributions of Farm 183/57 and 183/58 (Woodmill), which also triggers the upgrading of Dorp Street. Without the required upgrades, the proposed development cannot be implemented. Therefore, no further approval i.e. engineering drawing approval and/or building plan approval will be granted until a financial commitment and implementation plan for these upgrades is presented and agreed between all the relevant parties and the Municipality and the approval mentioned in Condition 3e below is granted by the Municipality. It is further recommended that the Developer, in conjunction with the Municipality, engage with the Western Cape Government: Transport and Public Works (stated as PGWC in the letter) to discuss their contribution to these upgrades.

Improvements required at the various intersections with Dorp Street as per TIA:

i. No development

Adam Tas Road-intersection: provide an additional right turn lane on the southern approach (Adam Tas Road), 55 metres long; provide a dedicated left turn lane on the northern approach (Adam Tas Road), 35 metres long; provide two lanes on Dorp Street eastbound to accommodate two right turn lanes from Adam Tas Road; change the dedicated right turn lane on Dorp Street (westbound) to a left/right right lane.

Stellentia Avenue/Stadler Street-intersection: provide traffic signals.

R44-intersection: provide a dedicated left turn lane on the southern approach (R44 from Somerset West) 50 metres long; extend the dedicated right turn lane on the southern approach (Adam Tas Road) to 75 metres (maximum to before bridge over Eerste River); provide an additional dedicated right turn lane on the western approach (Dorp Street) 65 metres long; change the through lane on the eastern approach (Dorp Street) to a through/left turn lane.

APPLICATION FOR SPECIAL DEVELOPMENT: ERVEN 7586, 7588 AND 7592 LOWER DORP STREET

ii. Erf 7586 development

Adam Tas Road-intersection: No further improvements required

Stellentia Avenue-intersection: No further improvements required

R44-intersection: No further improvements required

iii. Erf 7586 and Erf 7592 developments

Adam Tas Road-intersection: No further improvements required

Stellentia Avenue-intersection: No further improvements required

R44-intersection: No further improvements required

Dorp Street: The road should be dualled from Adam Tas Road to the R44 as indicated in Figure 15 of the TIA

iv. Erf 7586, Erf 7592 and Erf 7588 developments

Adam Tas Road-intersection: No further improvements required

Stellentia Avenue-intersection: No further improvements required

R44-intersection: No further improvements required

Dorp Street: No further improvements required

- e. Should the "Developer" wish to discuss the possibility of proceeding with construction work parallel with the provision of the bulk services listed above, he must present a motivation and an implementation plan to the "Engineer" for his consideration and approval. The implementation plan should include items like programmes for the construction of the internal services and the building construction;
4. that should the "Developer" not take up his rights for whatever reason within two years from the date of this memo, a revised Engineering report addressing services capacities and reflecting infrastructure amendments during the two year period, must be submitted to the Directorate: Engineering Services by the "Developer" for further comment and conditions. Should this revised Engineering report confirm that available services capacities is not sufficient to accommodate this development, then the implementation of the development must be re-planned around the availability of bulk services as rate clearance in terms of Section 31 of LUPO will not be supported by the Directorate: Engineering Services for this development if bulk services are not available upon occupation or taking up of proposed rights;
5. that the "Developer" indemnifies and keep the "Municipality" indemnified against all actions, proceedings, costs, damages, expenses, claims and demands (including claims pertaining to consequential damages by third parties and whether as a result of the damage to or

APPLICATION FOR SPECIAL DEVELOPMENT: ERVEN 7586, 7588 AND 7592 LOWER DORP STREET

interruption of or interference with the municipalities' services or apparatus or otherwise) arising out of the establishment of the development, the provision of services to the development or the use of servitude areas or municipal property, for a period that shall commence on the date that the installation of services to the development are commenced with and shall expire after completion of the maintenance period.

6. that the "*Developer*" must ensure that he / she has an acceptable public liability insurance policy in place;
7. that the "*Developer*" approach the Western Cape Government: Transport and Public Works for their input and that the conditions as set by the Western Cape Government: Transport and Public Works be adhered to before Section 31 Clearance Certificate will be issued;
8. that the "*Developer*" informs the project team for the proposed development (i.e. engineers, architects, etc.) of all the relevant conditions contained in this approval;
9. that the General Conditions of Contract for Construction Works (GCC) applicable to all civil engineering services construction work related to this development, will be the SAICE 2nd Edition of 2010;
10. that the "*Developer*" takes cognizance and accepts the following:
 - a.) that no construction of any civil engineering services may commence before approval of internal – and external civil engineering services drawings;
 - b.) that no approval of internal – and external civil engineering services drawings will be given before land-use and or SDP approval is obtained;
 - c.) that no approval of internal – and external civil engineering services drawings will be given before the "*Developer*" obtains the written approval of all affected owners where the route of a proposed service crosses the property of a third party;
 - d.) that no building plans will be recommended for approval by the Directorate: Engineering Services before land-use and or SDP approval is obtained;
 - e.) that no building plans will be recommended for approval by the Directorate: Engineering Services before the approval of internal – and external civil engineering services drawings;
 - f.) that no building plans will be recommended for approval by the Directorate: Engineering Services before a Clearance Certificate in terms of Section 31 of the Land-use Planning Ordinance is issued.

APPLICATION FOR SPECIAL DEVELOPMENT:- ERVEN 7586, 7588 AND 7592 LOWER DORP STREET

Site Development Plan

11. that it is recognized that the normal Site Development Plan, submitted as part of the land-use application, is compiled during a very early stage of the development and will lack engineering detail that may result in a later change of the Site Development Plan. Any later changes will be to the cost of the "Developer";
12. that even if a Site Development Plan is approved by this letter of approval, a further fully detailed site plan be submitted for approval prior to the approval of engineering services plans and or building- and/or services plans to allow for the setting of requirements, specifications and conditions related to civil engineering services. Such Plan is to be substantially in accordance with the approved application and or subdivision plan and or precinct plan and or site plan, etc. and is to include a layout plan showing the position of all roads, road reserve widths, sidewalks, parking areas with dimensions, loading areas, access points, stacking distances at gates, refuse removal arrangements, allocation of uses, position and orientation of all buildings, the allocation of public and private open spaces, building development parameters, the required number of parking bays, stormwater detention facilities, connection points to municipal water- and sewer services, updated land-use diagram and possible servitudes;
13. that if the fully detailed Site Development Plan, as mentioned in the above item, contradicts the approved Site Development Plan, the "Developer" will be responsible for the amendment thereof and any costs associated therewith;
14. that an amended Site Development Plan be submitted for approval prior to the approval of building plans for new buildings not indicated on the Site Development Plan applicable to this application and or changes to existing buildings or re-development thereof;

Internal- and Link Services

15. that it be noted that as per the Site Development Plans, the roads are reflected as private roads. Therefore all internal services on the said erven will be regarded as private services and will be maintained by the "Developer" and or HOA;
16. that the "Developer", at his/her cost, construct the internal (on-site) municipal civil services for the development, as well as any link (service between internal and available bulk municipal service) municipal services that need to be provided;

APPLICATION FOR SPECIAL DEVELOPMENT: ERVEN 7586, 7588 AND 7592 LOWER DORP STREET

17. that the "*Developer*", at his/her cost, construct the internal (on-site) private civil services for the development, as well as any link (service between internal and available bulk municipal service) municipal services that need to be provided;
18. that the Directorate: Engineering Services may require the "*Developer*" to construct internal municipal services and/or link services to a higher capacity than warranted by the project, for purposes of allowing other existing or future developments to also utilise such services. The costs of providing services to a higher capacity could be offset against the Development Contributions payable in respect of bulk civil engineering services if approved by the Directorate: Engineering Services;
19. that the detailed design and location of access points, circulation, parking, loading - and pedestrian facilities, etc., shall be generally in accordance with the approved Site Development Plan and / or Subdivision Plan applicable to this application;
20. that plans of all the internal civil services and such municipal link services as required by the Directorate: Engineering Services be prepared and signed by a Registered Engineering Professional before being submitted to the aforementioned Directorate for approval;
21. that the design and construction/alteration of all civil engineering infrastructure shall be generally in accordance with the Standard Conditions imposed by the Directorate: Engineering Services in this respect or as otherwise agreed. The Standard Conditions is available in electronic format and available on request;
22. that the construction of all civil engineering infrastructure shall be done by a registered civil engineering services construction company approved by the "*Engineer*";
23. that the "*Developer*" ensures that his/her design engineer is aware of the Stellenbosch Municipality Design Guidelines & Minimum Standards for Civil Engineering Services and that his/her design engineer will comply to the mentioned document or as otherwise agreed in writing with the Directorate: Engineering Services;
24. that engineering design drawings will only be approved once Final Notice of LUPO approval is issued;
25. that all the internal civil services (water, sewer and stormwater), be indicated on the necessary building plans for approval by the Directorate: Engineering Services;

APPLICATION FOR SPECIAL DEVELOPMENT: ERVEN 7586, 7588 AND 7592 LOWER DORP STREET

26. that all internal - and link services be inspected by the "Engineer" on request by the "Developer" or his Consulting Engineer;
27. that a practical completion certificate be issued prior to transfer of individual units or utilization of buildings;
28. that a complete set of test results of all internal -- and external services (i.e. pressure tests on water - and sewer pipelines as well as densities on road structure and all relevant tests on asphalt), approved and verified by a professional registered engineer be submitted to the "Engineer" on a monthly basis;
29. that the "Developer" shall adhere to the specifications of Telkom (SA) and or any other telecommunications service provider. Copies of all correspondence with Telkom shall be handed over to the "Engineer";
30. that the "Developer" shall be responsible for the cost for any surveying and registration of servitudes regarding services on the property;
31. that the "Developer" be liable for all damages caused to existing civil and electrical services of the "Municipality" relevant to this development. It is the responsibility of the contractor and/or sub-contractor of the "Developer" to determine the location of existing civil and electrical services;
32. that all connections to the existing services be made by the "Developer" under direct supervision of the "Engineer" or as otherwise agreed and all cost will be for the account of the "Developer".
33. that the "Developer" shall install a bulk water meter conforming to the specifications of the Directorate: Engineering Services at his cost at the entrance gate of all private developments before the practical completion inspection is carried out;
34. that the developer takes cognizance of applicable tariffs by Council in respect of availability of services and minimum tariffs payable;
35. that Section 31 Clearance will only be issued if the bulk watermeter is installed, a municipal account for the said meter is activated and the consumer deposit has been paid;

APPLICATION FOR SPECIAL DEVELOPMENT: ERVEN 7586, 7588 AND 7592 LOWER DORP STREET

36. that a suitably qualified professional resident engineer be appointed to supervise the construction of all internal – and external services;
37. that the “Developer”, at his/her cost, will be responsible for the maintenance of all the internal (on-site) municipal – and private civil engineering services constructed for this development until at least 80% of the development units (i.e. houses, flats or GLA) is constructed and occupied whereafter the services will be formally handed over to the HOA, in respect of private services, and to the Municipality in respect of public services;

Servitudes

38. that the “Developer” ensures that all main services to be taken over by the Directorate: Engineering Services, all existing municipal – and or private services crossing private - and or other institutional property and any other services crossing future private land/erven are protected by a registered servitude before final Section 31 Clearance will be given or building plans are approved;
39. The width of the registered servitude must be a minimum of 3 m or twice the depth of the pipe (measured to invert of pipe), whichever is the highest value. The “Developer” will be responsible for the registration of the required servitude(s), as well as the cost thereof;
40. that the “Developer” obtains the written approval of all affected owners where the route of a proposed service crosses the property of a third party before final approval of engineering drawings be obtained.

Stormwater Management

41. that it be noted that the section of the Eersteriver to which these developments drain, is very sensitive to the impact of any additional stormwater generated by new development;
42. that the stormwater management generally be in accordance with the Engineering services reports, which indicates that detention facilities will be provided;
43. that the geometric design of the roads and/or parking areas ensure that no trapped low-points are created with regard to stormwater management. All stormwater to be routed to the nearest formalized municipal system;

APPLICATION FOR SPECIAL DEVELOPMENT: ERVEN 7586, 7588 AND 7592 LOWER DORP STREET

44. that the design engineer needs to apply his/her mind to ensure a design that will promote a sustainable urban drainage system which will reduce the impacts of stormwater on receiving aquatic environments;
45. that no disturbance to the river channel or banks be made without the prior approval in accordance with the requirements of the National Water Act;
46. that the consulting engineer, appointed by the "Developer", analyses the existing stormwater systems and determine the expected stormwater run-off for the proposed development, for both the minor and the major storm event. Should the existing municipal stormwater system not be able to accommodate the expected stormwater run-off, the difference between the pre- and post-development stormwater run-off must be accommodated on site, or the existing system must be upgraded to the required capacity at the cost of the "Developer" and to the standards and satisfaction of the Directorate: Engineering Services. The aforementioned stormwater analysis is to be submitted concurrent with the detail services plans;
47. that for larger developments, industrial developments or developments near water courses a stormwater management plan for the proposed development area, for both the minor and major storm events, be compiled and submitted for approval to the Directorate: Engineering Services.
48. that the approved management plan be implemented by the "Developer", at his/her cost, to the standards of the Directorate: Engineering Services. The management plan, which is to include an attenuation facility, is to be submitted concurrent with the detail services plans;
49. that overland stormwater escape routes be provided in the cadastral layout at all low points in the road layout, or that the vertical alignment of the road design be adjusted in order for the roads to function as overland stormwater escape routes. If this necessitates an amendment of the cadastral layout, it must be done by the "Developer", at his/her cost, to the standards of the Directorate: Engineering Services;
50. that in the case of a sectional title development, the internal stormwater layout be indicated on the necessary building plans to be submitted for approval.
51. that no overland discharge of stormwater will be allowed into a public road for erven with catchment areas of more than 1500m² and for which it is agreed that no detention facilities are

APPLICATION FOR SPECIAL DEVELOPMENT: ERVEN 7586, 7588 AND 7592 LOWER DORP STREET

required. The "Developer" needs to connect to the nearest piped municipal stormwater system with a stormwater erf connection which may not exceed a diameter of 300mm.

Floodplain Management

52. that the 1:50 and 1:100 year flood lines of the Eersteriver be shown on all plans submitted. The flood lines are to be verified by a suitably qualified registered engineering professional. Where flood lines have not previously been determined, the "Developer" must procure the services of a suitably qualified registered engineering professional to undertake such determinations at his/her own cost. No new development will be allowed under the 1:100 year flood line;
53. that the floor level of all buildings be at least 100 mm above the 1:100 year flood level. These levels must be indicated on all building plans submitted and must be certified by a Registered Professional Engineer;
54. that the engineering design of the internal road, basement parking ramps and ramp retaining walls be generally in accordance with the following:
 - Erf 7586: Letter re Flood protection of basement by Bart Senekal Inc, dated 25 February 2016 (ref 1258 / A4) and associated drawings 1258/07A and 10258/02B
 - Erf 7588: Letter re Flood protection of basement by Bart Senekal Inc, dated 25 February 2016 (ref 1281 / A1) and associated drawing 1282/02A
 - Erf 7592: Letter re Flood protection of basement by Bart Senekal Inc, dated 25 February 2016 (ref 1281 / A1)
55. that all perimeter fencing below the 1:50 year flood line be visually permeable from ground level and not adversely effects the free flow of water (e.g. palisade fencing). No fences will be allowed across the watercourse;

Roads

56. that the "Developer" will enter into a Services Agreement with the "Municipality" in respect of the implementation of the identified infrastructure as reflected in the Traffic Impact Assessment by ICE Group dated 1 July 2013;
57. that no access control will be allowed in public roads;
58. that provision be made for acceptable stacking distances in front of access control gates;

APPLICATION FOR SPECIAL DEVELOPMENT: ERVEN 7586, 7588 AND 7592 LOWER DORP STREET

59. than any amendments to cadastral erven to accommodate access control gates will be for the cost of the "Developer" as these configurations were not available at rezoning and subdivision stage;
60. that, where access control is being provided, a minimum of 2 to 3 visitor's parking bays be provided on site, but outside the entrance gate, for vehicles not granted access to the development;
61. that the layout must make provision for all deliveries to take place on-site. Movement of delivery vehicles may not have a negative impact on vehicular – and pedestrian movement on public roads and or public sidewalks;
62. The design and lay-out of the development must be such that emergency vehicles can easily drive through and turn around where necessary;
63. that, prior to commencement of any demolition / construction work, a traffic accommodation plan for the surrounding roads must be submitted to the Directorate: Engineering Services for approval, and that the approved plan be implemented by the "Developer", at his/her cost, to the standards of the Directorate: Engineering Services;
64. that the "Developer" will be responsible for the design, construction, supervision and implementation of the infrastructure as reflected in the Traffic Impact Assessment by ICE Group dated 1 July 2013 and summarized in Condition 3d above. Clearance / building plan approval will only be given once the construction of these infrastructure is completed to the satisfaction of the Engineer.
65. that Condition 64 above be met by the "Developer" before a Certificate in terms of Section 31 will be given / building plans approved or on discretion of the Directorate: Engineering Services, the "Developer" furnish the Council with a bank guarantee equal to the value of the required construction work in Condition 64 above as certified by an independent engineering professional, prior to a Certificate in terms of Section 31 will be given or building plans approved;
66. that during the construction stage, access to the site be strictly via the following route only:
Stellentia Avenue;

APPLICATION FOR SPECIAL DEVELOPMENT: ERVEN 7586, 7588 AND 7592 LOWER DORP STREET

67. that the "Developer" will be held liable for any damage to municipal infrastructure within the road reserves of the roads mentioned in Condition 66 above, caused as a direct result of the development of the subject property. The "Developer" will therefore be required to carry out the necessary rehabilitation work, at his/her cost, to the standards of the Directorate: Engineering Services;
68. that, after the construction work on site has been completed, the sidewalk, kerbs and channeling in Stellantia Avenue, over the length of the road reserve abutting Erven 7586, 7588 and 7592, be re-established / constructed by the "Developer" and to the cost of the "Developer" in compliance with the Design and Construction Standards of the Directorate: Engineering Services;
69. that no direct access shall be permitted onto Dorp Street;
70. that access to the properties concerned shall be in accordance with the recommendations of the Traffic Impact Assessment by ICE Group dated 1 July 2013. The TIA further states that it is also not clear from the drawings whether there will be security gates at the various accesses to the proposed developments but should this be the case the spacing between the gates/booms and the edge of Stellantia Avenue should be determined based on the type of control, i.e. remote control, disks, sign in, etc;
71. that visibility splays shall be provided and maintained on each side of the new access in accordance with the standard specifications as specified in the Red Book with regard to sight triangles at intersections;
72. that on-site parking be provided by the owner of the property in the ratios as per the Stellenbosch Municipality Zoning Scheme;
73. that the area of land required for the dualling of Dorp Street, be surrendered by the "Developer" to Stellenbosch Municipality, at his/her cost, in order for construction of the road to take place and prior to Section 31 Clearance;
74. that compensation from Stellenbosch Municipality for the aforementioned land required for the dualling of Dorp Street, if any, be based on the value of the land in terms of its current zoning, i.e., Specific Business (erven 7586 and 7592);

APPLICATION FOR SPECIAL DEVELOPMENT: ERVEN 7586, 7588 AND 7592 LOWER DORP STREET

75. that the parking area be provided with a permanent surface and be clearly demarcated and accessible. Plans of the parking layout, pavement layerworks and stormwater drainage are to be approved by the Directorate: Engineering Services before commencement of construction and that the construction of the parking area be to the standards of the Directorate: Engineering Services;
76. that no parking be allowed closer than 9 metres from the intersection of Stellantia Avenue and Dorp Street (measured from the closest kerb);
77. that no parking be allowed in the road reserve;
78. that provision be made for a stacking distance of 12 metres for a dual entrance, or 18 metres for a single entrance, measured from the public road kerb to the entrance gate, or as otherwise determined by the "Engineer" when civil engineering services drawings / building plans are submitted for approval (also see Condition 70 above);
79. that provision be made for a 3-point turning head in front of the entrance gate, to the satisfaction of the Directorate: Engineering Services in order to enable a vehicle to turn around;
80. that the "Developer", at his/her cost, implement the recommendations of the approved Traffic Impact Assessment by ICE Group dated 1 July 2013, and where required, a sound Traffic Management Plan to ensure traffic safety shall be submitted for approval by the Directorate: Engineering Services and the approved management plan shall be implemented by the "Developer", at his/her cost;
81. that provision be made for a refuse embayment and hardened store area off the roadway/sidewalk to accommodate refuse removal. (Embayment to be minimum 9.5m x 2.5m);
82. that the design and lay-out of the development must be such that emergency vehicles can easily drive through and turn around where necessary.

Wayleaves

83. that way-leaves / work permits be obtained from the Directorate: Engineering Services prior to any excavation / construction work on municipal land or within 3,0m from municipal services located on private property;

APPLICATION FOR SPECIAL DEVELOPMENT: ERVEN 7586, 7588 AND 7592 LOWER DORP STREET

84. that wayleaves will only be issued after approval of relevant engineering design drawings;

Development Contributions

85. that the "Developer" hereby acknowledges that development contributions are payable towards the following civil services: water, sewerage, roads, stormwater and solid waste as per Council's Policy;
86. that the "Developer" hereby acknowledges that the development contribution levy as determined by the "Municipality" and or the applicable scheme tariffs will be paid by the "Developer" towards the provision of bulk municipal civil services in accordance with the relevant legislation and as determined by Council's Policy, should this land-use application be approved;
87. that the "Developer" immediately familiarise himself with the latest development contributions applicable to his/her development;
88. that the "Developer" accepts that the development contributions will be subject to annual escalation up to date of payment. The amount payable will therefore be the amount as calculated at the time that payment is made;
89. that the "Developer" may enter into a services agreement with the "Municipality" to install or upgrade bulk municipal services at an agreed cost, to be off-set against Development Contributions payable in respect of bulk civil engineering services;
90. that the "Developer" is aware that a contribution is required for municipal services to permit the development at this stage;
91. that the "Developer" accepts the average amount, as reflected in this document as the amount required for the provision of municipal services in the event that the development is approved;
92. that the Development Contribution levy as set out below and as reflected on the BICLS Contribution calculation sheet, dated 25 May 2016 (erven 7586, 7592) and 15 July 2016 (erf 7588), and attached herewith as Annexure BICLS, be paid by the "Developer" towards the provision of bulk municipal civil services in accordance with the relevant legislation and as determined by Council's Policy.

APPLICATION FOR SPECIAL DEVELOPMENT: ERVEN 7586, 7588 AND 7592 LOWER DORP STREET

Based on the 2016/2017 tariff structure and the proposed lay-out, the following amounts are payable:

Erf 7586

Water	:	R 88 640, 00
Sewerage	:	R 66 360, 00
Roads	:	R 1 615 286, 00
Stormwater	:	R 104 772, 00
Solid Waste	:	R 10 734, 00
Total (Erf 7586 Civil Services) exclusive of VAT:		<u>R1 885 792, 00</u>

Erf 7588

Water	:	R 169 327, 00
Sewerage	:	R 131 819, 00
Roads	:	R 2 109 717, 00
Stormwater	:	R 109 202, 00
Solid Waste	:	R 18 054, 00
Total (Erf 7588 Civil Services) exclusive of VAT:		<u>R2 538 119, 00</u>

Erf 7592

Water	:	R 644 280, 00
Sewerage	:	R 515 539, 00
Roads	:	R 5 327 496, 00
Stormwater	:	R 122 317, 00
Solid Waste	:	R 61 912, 00
Total (Erf 7592 Civil Services) exclusive of VAT:		<u>R 6 671 544, 00</u>

Total all erven:

Water	:	R 902 247, 00
Sewerage	:	R 713 718, 00
Roads	:	R 9 052 499, 00
Stormwater	:	R 336 291, 00
Solid Waste	:	R 90 700, 00
Total (All Erven Civil Services) exclusive of VAT:		<u>R 11 095 455, 00</u>

93. that the Development Contribution levy be paid by the "Developer" per erf –

APPLICATION FOR SPECIAL DEVELOPMENT: ERVEN 7586, 7588 AND 7592 LOWER DORP STREET

- prior to the approval of any building- and/or services plans in the case of a Sectional title erf in that erf and or;
- prior to the approval of a Certificate in terms of Section 31 in all cases and or;
- prior to the erf or portion thereof being put to the approved use;

94. that it be noted that the Development Contributions as reflected on the BICLS Contribution calculation sheet will be subject to annual escalation up to date of payment. The final amount payable will therefore be the amount as calculated at the time that payment is made;

95. that the development shall be substantially in conformance with the Site Development Plan submitted in terms of this application. Any amendments and/or additions to the Site Development Plan, once approved, which might lead to an increase in the number of units i.e.

Erf 7586: more than 0 units (residential), or which might lead to an increase in the Gross Leasable Area i.e. a GLA of more than 3065m² (All Business) -,

Erf 7588: more than 7 units (residential), or which might lead to an increase in the Gross Leasable Area i.e. a GLA of more than 3755m² (All Business) -,

Erf 7592: more than 46 units (med/high income flats), or which might lead to an increase in the Gross Leasable Area i.e. a GLA of more than 8478m² (All Business) -,

will result in the recalculation of the Development Contributions;

96. Bulk infrastructure contribution levies and repayments are subject to VAT and are further subject to the provisions and rates contained in the Act on Value Added Tax of 1991 (Act 89 of 1991) as amended;

Home Owners Association

97. that a Home Owners Association (HOA) be established in accordance with the provisions of section 29 of the Land Use Planning Ordinance no 15 of 1985 and shall come into being upon the separate registration or transfer of the first deducted land unit arising from this subdivision;

98. that the HOA take transfer of the private roads simultaneously with the transfer or separate registration of the first deducted land portion in such phase;

APPLICATION FOR SPECIAL DEVELOPMENT: ERVEN 7586, 7588 AND 7592 LOWER DORP STREET

99. that in addition to the responsibilities set out in section 29, the HOA also be responsible for the maintenance of the private roads, street lighting, open spaces, retention facilities and all internal civil services;
100. that the Constitution of the HOA specifically empower the Association to deal with the maintenance of the roads, street lighting, open spaces, retention facilities and all internal civil services;

Green Technologies

101. Peak water demand should be accommodated with supplementary storage and recycling (e.g. rainwater tanks, grey water recycling) of water so that municipal water only be used to satisfy the base demand;
102. Technologies that facilitate the efficient use of irrigation water must be used;
103. Planting of waterwise flora is encouraged;
104. In accordance with the new SANS 10400-XA standard, all new housing should install solar water heating devices;
105. All non-subsidy housing is encouraged to meet the portion of their electrical demand that exceeds 300 kWh per month by generators such as solar photovoltaic panels and solar hot water heating devices;
106. SANS 10400-XA energy efficiency standards should be adhered to in all planning applications for new buildings, major renovations and usage changes;

Solid Waste

107. that it be noted that the Solid Waste Branch will not enter private property, private roads or any access controlled properties for the removal of solid waste;
108. that detail design be generally in accordance with refuse room positions as indicated on the following drawings:
Erf 7586: Site Development Plan 2970-A-102 Rev A by TV3, dated 3 April 2014 and received by this office on 9 June 2016 (Our Ref LUPO #1259). The position of the refuse room does not comply with Condition 107 above and the position of the refuse room should therefore be amended;

APPLICATION FOR SPECIAL DEVELOPMENT: ERVEN 7586, 7588 AND 7592 LOWER DORP STREET

Erf 7588: Site Development Plan J3083-A-101 Rev B by TV3, dated 3 March 2016 and received by this office on 9 June 2016 (Our Ref LUPO #1259);

Erf 7592 Site Development Plan Z 2892-A-101 Rev f by TV3, dated 3 March 2016 and received by this office on 9 June 2016 (Our Ref LUPO #1259);

109. that the "Developer" will enter into a service agreement with the "Municipality" for the removal of refuse;
110. that should it not be an option for the "Municipality" to enter into an agreement with the "Developer" due to capacity constraints, the "Developer" will have to enter into a service agreement with a service provider approved by the "Municipality";
111. that if the "Developer" wishes to remove the waste by private contractor, provision must still be made for a refuse room should this function in future revert back to the "Municipality";
112. Access to all properties via public roads shall be provided in such a way that collection vehicles can complete the beats with a continuous forward movement;
113. Access shall be provided with a minimum travelable surface of 5 meters width and a minimum corner radii of 5 meters;
114. Maximum depth of cul-de-sac shall be 20 meters or 3 erven, whichever is the lesser. Where this requirement is exceeded, it will be necessary to construct a turning circle with a minimum turning circle radius of 11m or, alternatively – a turning shunt as per the Directorate: Engineering Services' specifications. With respect to the latter, on street parking are to be prohibited by way of "red lines" painted on the road surface as well as "no parking" signboards as a single parked vehicle can render these latter circles and shunts useless;
115. Minimum turning circle radius shall be 11 meters to the center line of the vehicle;
116. Road foundation shall be designed to carry a single axle load of 8.2 tons;
117. Refuse storage areas are to be provided for all premises other than single residential erven;
118. Refuse storage areas shall be designed in accordance with the requirements as specified by the Solid Waste Branch. Minimum size and building specifications is available from the Solid Waste Branch;

APPLICATION FOR SPECIAL DEVELOPMENT: ERVEN 7586, 7588 AND 7592 LOWER DORP STREET

119. A single, centralized, refuse storage area which is accessible for collection is required for each complete development. The only exception is the case of a single residential dwelling, where a refuse storage area is not required;
120. The refuse storage area shall be large enough to store all receptacles needed for refuse disposal on the premises, including all material intended to recycling. No household waste is allowed to be disposed / stored without a proper 240 l Municipal wheelie bin;
121. The size of the refuse storage area depends on the rate of refuse generation and the frequency of the collection service. For design purposes, sufficient space should be available to store two weeks' refuse;
122. Where the premises might be utilized by tenants for purposes other than those originally foreseen by the building owner, the area shall be sufficiently large to store all refuse generated, no matter what the tenant's business may be;
123. All black 85 l refuse bins or black refuse bags is in the process of being replaced with 240 l black municipal wheeled containers engraved with WC024 in front, and consequently refuse storage areas should be designed to cater for these containers. The dimensions of these containers are:

Commercial and Domestic : 585 mm wide x 730 mm deep x 1100 mm high

124. With regard to flats and townhouses, a minimum of 50 litres of storage capacity per person, working or living on the premises, is to be provided at a "once a week" collection frequency;
125. Should designers be in any doubt regarding a suitable size for the refuse storage area, advice should be sought from the Solid Waste Department : Tel 021 808-8224
126. Building specifications for refuse storage area:
- Floor**
- The floor shall be concrete, screened to a smooth surface and rounded to a height of 75mm around the perimeter. The floor shall be graded and drained to a floor trap (See: Water Supply and Drainage).

APPLICATION FOR SPECIAL DEVELOPMENT: ERVEN 7586, 7588 AND 7592 LOWER DORP STREET

Walls and Roof

The Refuse Storage Area shall be roofed to prevent any rainwater from entering. The walls shall be constructed of brick, concrete or similar and painted with light color high gloss enamel. The height of the room to the ceiling shall be not less than 2.21 meters.

Ventilation and Lighting

The refuse storage area shall be adequately lit and ventilated. The room shall be provided with a lockable door which shall be fitted with an efficient self-closing device. The door and ventilated area shall be at least 3 metres from any door or window of a habitable room. Adequate artificial lighting is required in the storage area.

Water Supply and Drainage

A tap shall be provided in the refuse storage area for washing containers and cleaning spillage. The floor should be drained towards a 100 mm floor trap linked to a drainage pipe which discharges to a sewer gully outside the building. In some cases a grease gully may be required.

127. Should the refuse storage area be located at a level different from the level of the street entrance to the property, access ramps are to be provided as stairs are not allowed. The maximum permissible gradient of these ramps is 1:7;
128. A refuse bay with minimum dimensions of 15 meters in length x 2, 5 meters in width plus 45 degrees splay entrance, on a public street, must be provided where either traffic flows or traffic sight lines are affected. The refuse bays must be positioned such that the rear of the parked refuse vehicle is closest to the refuse collection area;
129. Any containers or compaction equipment acquired by the building owner must be approved by the Directorate: Engineering Services, to ensure their compatibility with the servicing equipment and lifting attachments;
130. Refuse should not be visible from a street or public place. Suitable screen walls may be required in certain instances;
131. Access must be denied to unauthorized persons, and refuse storage areas should be designed to incorporate adequate security for this purpose;

APPLICATION FOR SPECIAL DEVELOPMENT: ERVEN 7586, 7588 AND 7592 LOWER DORP STREET

132. All refuse storage areas shall be approved by the Directorate: Engineering Services, to ensure that the Council is able to service all installations, irrespective of whether these are currently serviced by Council or other companies;

AS-BUILTs

133. The "Developer" shall provide the "Municipality" with:
- a. a complete set of as-built paper plans, signed by a professional registered engineer;
 - b. a CD/DVD containing the signed as-built plans in an electronic DXF-file format, reflecting compatible layers and formats as will be requested by the "Engineer" and is reflected herewith as Annexure X;
 - c. a completed Asset Verification Sheet in Excell format, reflecting the componitization of municipal services installed as part of the development. The Asset Verification Sheet will have to be according to the IMQS format, as to be supplied by the "Engineer", and is to be verified as correct by a professional registered engineer;
 - d. a complete set of test results of all internal – and external services (i.e. pressure tests on water - and sewer pipelines as well as densities on road structure and all relevant tests on asphalt), approved and verified by a professional registered engineer;
 - e. Written verification by the developer's consulting engineer that all professional fees in respect of the planning, design and supervision of any services to be taken over by the "Municipality" are fully paid;
134. All relevant as-built detail, as reflected in the item above, of civil engineering services constructed for the development, must be submitted to the "Engineer" and approved by the "Engineer" before any application for Certificate of Clearance will be supported by the "Engineer";
135. The Consulting Civil Engineer of the "Developer" shall certify that the location and position of the installed services are in accordance with the plans submitted for each of the services detailed below;
136. All As-built drawings are to be signed by a professional engineer who represents the consulting engineering company responsible for the design and or site supervision of civil engineering services;

APPLICATION FOR SPECIAL DEVELOPMENT: ERVEN 7586, 7588 AND 7592 LOWER DORP STREET

137. Section 31 Clearance certificates shall not be issued unless said services have been inspected by the "Engineer" and written clearance given, by the "Engineer";

Section 31 Clearance Certificate

138. It is specifically agreed that the "Developer" undertakes to comply with all conditions of subdivision and rezoning as laid down by the "Municipality" before clearance certificates shall be issued, unless otherwise agreed herein;
139. It is specifically agreed that the "Developer" undertakes to ensure that ALL applicable development conditions and requirements are met before submitting an application for the issuing of a Clearance Certificate in terms of Section 31. A list stipulating ALL conditions must be attached to the application and ALL conditions to the list must be ticked, indicating that it has been complied to, and evidence of such compliance also needs to be attached;
140. that the "Municipality" reserves the right to withhold any clearance certificate until such time as the "Developer" has complied with conditions set out in this contract with which he/she is in default. Any failure to pay monies payable in terms of this contract within 30 (thirty) days after an account has been rendered shall be regarded as a breach of this agreement and the "Municipality" reserves the right to withhold any clearance certificate until such time as the amount owing has been paid;
141. that clearance will only be given per phase and the onus is on the "Developer" to phase his development accordingly;
142. The onus will be on the "Developer" and or his professional team to ensure that all land-use conditions have been complied with before submitting an application for a Section 31 Certificate. Verifying documentation (proof of payment in respect of development contributions, services installation, etc.) must be submitted as part of the Section 31 Certificate application before an application will be accepted by this Directorate;
143. that any application for Certificate of Clearance will only be supported by the "Engineer" once all relevant as-built detail, as reflected in the item "AS-BUILT's" of this document, is submitted to the "Engineer" and approved by the "Engineer".

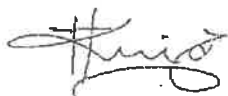
APPLICATION FOR SPECIAL DEVELOPMENT: ERVEN 7586, 7588 AND 7592 LOWER DORP STREET

Avoidance of waste, nuisance and risk

144. Where in the opinion of the "Municipality" a lack of maintenance of any service constitutes a nuisance, health or other risk to the public the "Municipality" may give the "Developer" and or HOA written notice to remedy the defect failing which the "Municipality" may carry out the work itself or have it carried out, at the cost of the "Developer" and or HOA.

Streetlighting

145. The "Developer" will be responsible for the design and construction at his own expense of all internal street lighting services and street lighting on link roads leading to his development (excluding Class 1, 2 and 3 Roads) according to specifications determined by the municipality's electro technical engineer and under the supervision of the consulting engineer, appointed by the "Developer";
146. Prior to commencing with the design of street lighting services, the consulting electrical engineer, as appointed by the "Developer" must acquaint himself with, and clarify with the municipality's electro technical engineer, the standards of materials and design requirements to be complied with and possible cost of connections to existing services;
147. The final design of the complete internal street lighting network of the development must be submitted by the consulting electrical engineer, as appointed by the "Developer", to the municipality's electro technical engineer for approval before any construction work commences;
148. Any defect with the street lighting services constructed by the "Developer" which may occur during the defects liability period of 12 (TWELVE) months and which occurs as a result of defective workmanship and/or materials must be rectified immediately / on the same day the defect was brought to the attention of the consulting electrical engineer, appointed by the "Developer". Should the necessary repair work not be done within the said time the "Municipality" reserves the right to carry out the repair work at the cost of the "Developer";
149. The maintenance and servicing of all private internal street lighting shall be the responsibility and to the cost of the "Developer" and or Home Owners Association.



TYRONE KING
HEAD: DEVELOPMENT SERVICES AND PROJECT MANAGEMENT

APPLICATION FOR SPECIAL DEVELOPMENT: ERVEN 7586, 7588 AND 7592 LOWER DORP STREET.

ATTACHMENT X

Geographic Information System (GIS) data capturing standards

In drawing up the As-build Plans relating to this development, the consultant must create the following separate layers in ESRI .shp, electronic file format in order for the data to reflect spatially correct.

Layer name	Content
TITLE	Title information, including any endorsements and references
NOTES	All noted information, both from the owner / surveyor and SG
PARENT_PROPLINES	Parent property lines
PARENT_PROPNUM	Parent erf number (or portion number)
PROPLINES	New portion boundaries
PROPANNO	New erf numbers
SERVLINES	Servitude polygons
SERVANNO	Servitude type
STREET_NAMES	Road centre lines with street names
STREET_NUMBERS	Points with street numbers
COMPLEX BOUNDARIES	Where applicable, polygon with complex name (mention whether gated or not and if so, where gates are)
SUBURB	Polygon with suburb name, where new suburb / township extension created
ESTATE	Where applicable, polygon with estate name (mention whether gated or not and if so, where gates are)

When data is provided in a .shp format it is mandatory that the .shx, .dbf, files should accompany the shapefile. The prj file containing the projection information must also accompany the shapefile.

It is important that different geographical elements for the GIS capture process remains separate. That means that political boundaries like wards or suburbs be kept separate from something like rivers. The same applies for engineering data types like water lines, sewer lines, electricity etc. that it is kept separate from one another. When new properties are added as part of a development, a list of erf numbers with its associated SG numbers must be provided in an electronic format like .txt, .xls or .csv format.

For road layer shapefiles; the road name, the from_street and to_street where applicable as well as the start and end street numbers needs to be included as part of the attributes. A rotation field needs to be added to give the street name the correct angle on the map.

In addition to being geo-referenced and in WGS 1984 Geographic Coordinate System, the drawing must be completed using real world coordinates based on the Stellenbosch

APPLICATION FOR SPECIAL DEVELOPMENT: ERVEN 7586, 7588 AND 7592 LOWER DORP STREET

Municipality standard as follows:

A1

- Datum : Hartebeeshoek WGS 84
- Projection : Transverse Mercator
- Central Longitude/Meridian: 19
- False easting : 0.00000000
- False northing : 0.00000000
- Central meridian : 19.00000000
- Scale factor : 1.00000000
- Origin latitude : 0.00000000
- Linear unit : Meter



STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

Enquiries	R Fooy / B Mdoda
Your ref	-
Our ref	Erf 7588, Stellenbosch
Application No	LU/6528
Date	20 June 2018
Telephone	021-808 8680 / 8690
Fax	021-886 6899

REGISTERED MAIL

TV3 Architects and Town Planners
1st Floor, La Gratitude Offices
97 Dorp Street
Stellenbosch
7600

Sir

APPLICATION FOR A SPECIAL DEVELOPMENT ON ERF 7588, STELLENBOSCH

Your application in the above regard, refers.

The 17th Council meeting of the Council of Stellenbosch Municipality held on 23 May 2018 resolved as follows:

1. That **approval be granted** in terms of Section 10.7.2 of the Stellenbosch Municipality's Zoning Scheme Regulations (1996) for a Special Development on Erf 7588, Stellenbosch to permit the construction of a mixed use building consisting of basement parking, offices and flats above ground level, subject to the following conditions:
 - (a) The approval applies only to the application under consideration and shall not be construed as authority to depart from any other legal prescriptions or requirements from Council;
 - (b) That the development shall be limited to a 3 storey building with basement parking, shops, restaurants, liquor store, offices and flats above ground floor only as indicated on the attached Site Development Plan, Plan number J3083-A-101-2, dated 2013;
 - (c) That building plans must be submitted to this municipality for approval, prior to any building work commencing on site; that the building plans submitted to Council for approval is substantially the same as the approved Site Development;
 - (d) That building plans must comply with the conditions imposed by Heritage Western Cape and must be endorsed by the relevant Heritage body;
 - (e) That the conditions imposed by the Directorate: Engineering Services in their memo dated 15 July 2017 attached as **APPENDIX 4** be adhered to prior to building plans being submitted to Council for approval;
 - (f) That a detailed landscaping plan is submitted for approval with the building plans and that the landscaping plan be to the satisfaction of the Directorate Community Services;
 - (g) That the landscaping shall be implemented prior to an occupational certificate being issued for the building;
 - (h) That the refuse room be placed in such a position on the property to have minimal impact on the streetscape and to form part of architecture of the building;

- (i) That any vehicle servicing the refuse room should at all times have minimal impact on the existing traffic flow within the street;
 - (j) That an advertising theme be submitted to the Municipality for approval and that the theme complies with the relevant signage policy of Council prior to any signage being fixed to the building;
 - (k) That the relevant business licence be obtained if required;
 - (l) That the developments proposed on erven 7587, 7588 and 7592 be considered as one application and that the bulk infrastructure cost applicable to each property be paid simultaneously;
 - (m) That the developer submits a motivation and implementation plan to the Municipality for consideration. That the implementation plan should include items like programmes for the construction of the internal services and the building construction;
 - (n) That all the conditions of approval listed above need to be complied with prior to any building plans being submitted or considered by the Municipality;
 - (o) That this Council reserves the right to impose further conditions if deemed necessary.
2. Reasons for the above decision are as follows:
- (a) The proposed development of the subject property is considered desirable as it is in line with the municipal planning policies and principles; constitutes infill development of underutilised land. The proposal is compatible with the surrounding land uses. The proposal will have a positive impact on the local economy and will broaden the municipal tax base. The proposal will also facilitate the efficient use of existing services and facilities.
3. Kindly note that the above approval does not guarantee approval of any related building plan application in terms of the National Building Regulations and Building Standards Act, No 103 of 1977 and that building work may therefore only commence once such plans are formally passed.
4. I wish to advise that the above decision is therefore now considered final. Accordingly, you may now act on the decision, subject to compliance with the conditions herein.

Kours faithfully

FOR ACTING DIRECTOR: PLANNING & ECONOMIC DEVELOPMENT



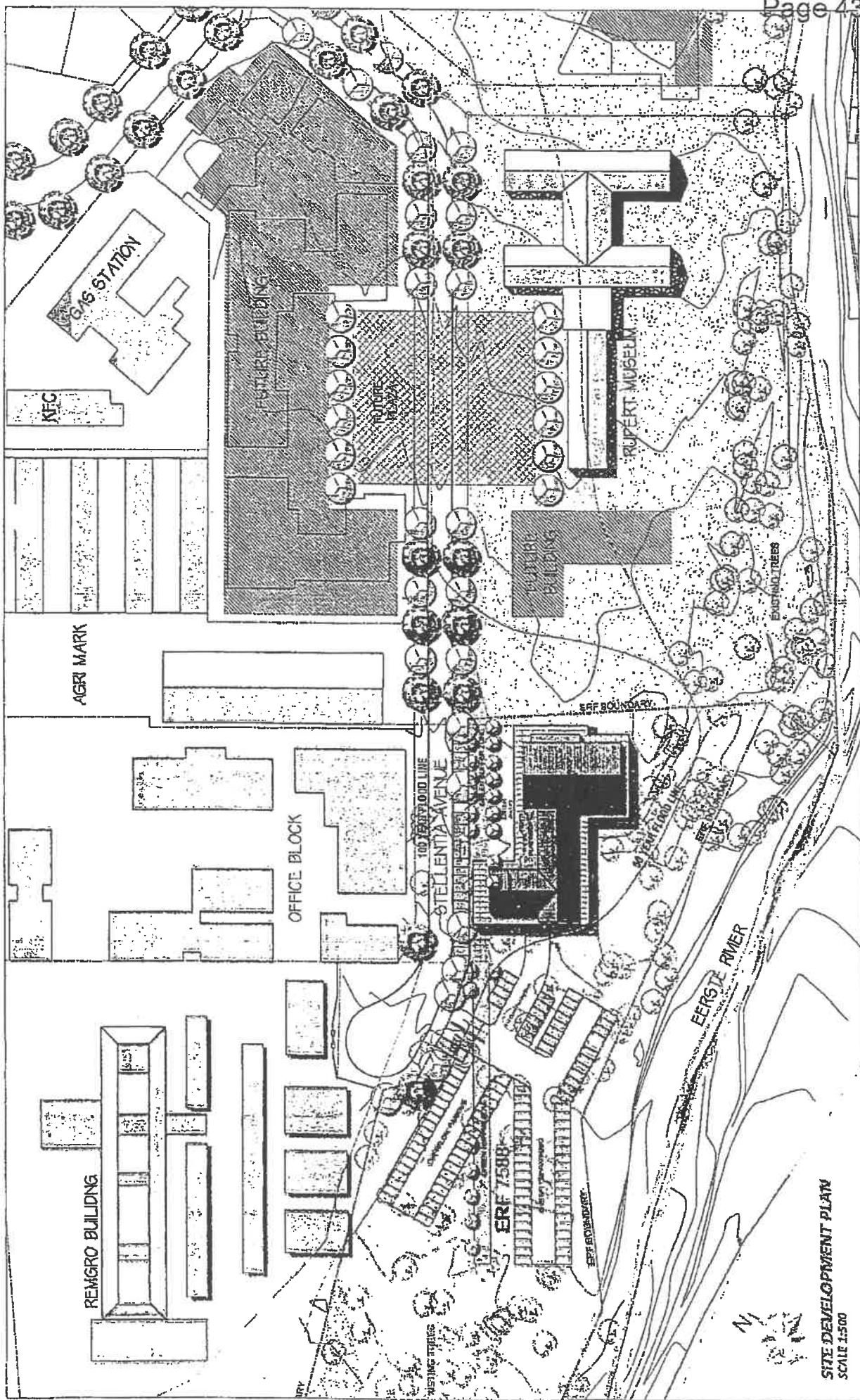


STELLENBOSCH
STELLENBOSCH • PNIEL • FRANSCHHOEK
MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

APPENDIX 2

Application is made in terms of Section 10.7.2 of the Stellenbosch Municipality's Zoning Scheme Regulations (1996) for a Special Development on erf 7588, Stellenbosch, to permit the construction of a 3 storey mixed use building consisting of basement parking with shops, restaurants, liquor store, offices and flats above ground floor level.

SITE DEVELOPMENT PLAN



SITE DEVELOPMENT PLAN
SCALE 1:500

PROJECT NO. 13083-A-101
 DATE: 13/08/2013
 DRAWN BY: J. VAN DER MERWE
 CHECKED BY: J. VAN DER MERWE
 APPROVED BY: J. VAN DER MERWE
 PROJECT: OFFICE & RESIDENTIAL DEVELOPMENT
 CLIENT: CRYSTAL DEVELOPMENT
 SITE NO: 13083-A-101
 SHEET NO: B
 DESIGN

Proposed Development
 Erf No. 7588
 Stellenbosch
 SITE PLAN

ALL RIGHTS RESERVED. NO PART OF THIS DOCUMENT MAY BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM, WITHOUT THE WRITTEN PERMISSION OF THE AUTHOR.



STELLENBOSCH
STELLENBOSCH • PNIEL • FRANSCHHOEK
MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

APPENDIX 4

Application is made in terms of Section 10.7.2 of the Stellenbosch Municipality's Zoning Scheme Regulations (1996) for a Special Development on erf 7588, Stellenbosch, to permit the construction of a 3 storey mixed use building consisting of basement parking with shops, restaurants, liquor store, offices and flats above ground floor level.

COMMENT RECEIVED FROM EXTERNAL & INTERNAL DEPARTMENTS



MEMO

DIRECTORATE: ENGINEERING SERVICES
DIREKTORAAT: INGENIEURSDIENSTE

TO : The Director: Planning and Development

FOR ATTENTION : Robert Fooy

FROM : Tyrone King (Head: Development Services and Project Management)

DATE : 15 July 2016

RE. : Application for special development: Erven 7586, 7588 and 7592, Lower Dorp Street (Remgo)

Reference : Erven 7586, 7588 and 7592, Stellenbosch

Details, specifications and information reflected in the following documentation refers:

Erf 7586

- Land Use application document, dated 28 June 2013;
- Site Development Plan titled Floor Layouts Dwg No 2970-A-103 Rev -, dated 4 February 2013;
- Traffic Impact Assessment by ICE Group dated 1 July 2013;
- Cost Estimates and Funding letter by ICE Group dated 14 June 2016;
- GLS report on water and sewer dated 2 February 2016;
- Engineering Services Report No 1258 / 1B by Bart Senekal Inc dated April 2016;
- Letter re Flood protection of basement by Bart Senekal Inc, dated 25 February 2016 (ref 1258 / A4) and associated drawings 1258/07A and 10258/02B

Erf 7588

- Land Use application document, dated 28 June 2013;
- Site Development Plan titled Floor Layouts Dwg No 2970-A-103 Rev -, dated 4 February 2013;
- Traffic Impact Assessment by ICE Group dated 1 July 2013;
- Cost Estimates and Funding letter by ICE Group dated 14 June 2016;
- GLS report on water and sewer dated 2 February 2016;
- Engineering Services Report No 1282 by Bart Senekal Inc dated April 2016;

APPLICATION FOR SPECIAL DEVELOPMENT: ERVEN 7586, 7588 AND 7592 LOWER DORP STREET

- Letter re Flood protection of basement by Bart Senekal Inc, dated 25 February 2015 (ref 1282 / A1) and associated drawings 1282/02A

Erf 7592

- Land Use application document, dated 28 June 2013;
- SDP Ground Floor Dwg No J2892-A-101 Rev e, dated 25 June 2013;
- Traffic Impact Assessment by ICE Group dated 1 July 2013;
- Cost Estimates and Funding letter by ICE Group dated 14 June 2016;
- GLS report on water and sewer dated 2 February 2016;
- Engineering Services Report No 1281 by Bart Senekal Inc dated April 2016;
- Letter re Flood protection of basement by Bart Senekal Inc, dated 25 February 2016 (ref 1281 / A1)

Application is made for following:

Erf 7586 (Shops and offices):

- A Special Development to permit the development of a commercial facility consisting of retail, shops, restaurant, wine shop and offices
- Business GLA: 3065m² (Areas as per Floor Layouts Dwg No 2970-A-103 Rev -, dated 4 February 2013)

Erf 7588 (Offices and residential):

- A Special Development in order to develop offices and apartments
- Business GLA: 3755m²
- Residential: 7 units (1285m² floor area) Areas as per Floor Layouts Dwg No J3083-A-102 Rev -, dated Oct 2013

Erf 7592 (Offices and residential):

- A Special Development to permit the construction of a commercial facility consisting of shops, restaurant, liquor store, offices and apartments
- Business GLA: 8478m²
- Residential: 46 units (3731m² floor area) (No of units defined in TIA) (Areas from SDP Ground Floor Dwg No J2892-A-101 Rev e, dated 25 June 2013)

APPLICATION FOR SPECIAL DEVELOPMENT: ERVEN 7586, 7588 AND 7592 LOWER DORP STREET

Comments from the Directorate: Engineering Services i.e. Roads & Stormwater, Water Services, Traffic Engineering and Development Services will be reflected in this memo and is to be regarded as development conditions to be reflected in the land-use approval. It must be noted that Electrical Services will comment in a separate memo.

The above-mentioned land-use application is supported, subject to the following conditions:

General

1. that the following words and expressions referred to in the development conditions, shall have the meanings hereby assigned to except where the context otherwise requires:
 - (a) "*Municipality*" means the STELLENBOSCH MUNICIPALITY a metropolitan municipality, Local Authority, duly established in terms of section 9 of the Local Government Municipal Structures act, Act 117 of 1998 and Provincial Notice (489/200), establishment of the Stellenbosch Municipality (WC024) promulgated in Provincial Gazette no. 5590 of 22 September 2000, as amended by Provincial Notice 675/2000 promulgated in Provincial Gazette;
 - (b) "*Developer*" means the developer and or applicant who applies for certain development rights by means of the above-mentioned land-use application and or his successor-in-title who wish to obtain development rights at any stage of the proposed development;
 - (c) "*Engineer*" means an engineer employed by the "*Municipality*" or any person appointed by the "*Municipality*" from time to time, representing the Directorate: Engineering Services, to perform the duties envisaged in terms of this land-use approval;
2. that all previous relevant conditions of approval to this development application remain valid and be complied with in full unless specifically replaced or removed by the "*Engineer*";
3. that no occupation certificates will be issued or taking up of proposed rights will be allowed until sufficient capacity in the following infrastructure is confirmed by the "*Engineer*":
 - a. Stellenbosch WWTW (Waste Water Treatment Works): The proposed development falls within the catchment area of the existing Stellenbosch WWTW (Waste Water Treatment Works). The current capacity of the existing Stellenbosch WWTW does not allow for any new developments at this stage. However, construction for the upgrade of the Stellenbosch WWTW with a design capacity of

APPLICATION FOR SPECIAL DEVELOPMENT: ERVEN 7586, 7588 AND 7592 LOWER DORP STREET

20.4 ML/day, to a 35 M/day treatment works is underway. Commissioning of the first phase to accommodate sewage from new developments is dependent on the Contractor's adherence to the programme and is estimated to be in December 2017.

b. Sewer:

- i. Plankenbrug Main Outfall Sewer Phase 1 (WWTW to Plankenbrug River at Bosman's Crossing) and Phase 2 (Plankenbrug River at Bosman's Crossing to Merriman Avenue):

The existing 600 mm, 375 mm and 625 mm diameter bulk outfall sewers to which the proposed developments are to connect, are at capacity and have insufficient capacity to accommodate any additional development within the Adam Tas drainage area. A new 1 200 mm diameter pipe is however currently being constructed by the Stellenbosch Municipality parallel to the existing 600 mm, 375 mm and 625 mm pipes. This will provide sufficient capacity to accommodate future developments. Commissioning of Phase 1 to accommodate sewage from new developments is dependent on the Contractor's adherence to the programme and is estimated to be in December 2017. Commissioning of Phase 2 to accommodate sewage from new developments is dependent on the Contractor's adherence to the programme and is estimated to be in July 2019.

- ii. The following items as indicated in the GLS report on water and sewer dated 2 February 2016:

- SSS1.1B :45m x 355 dia upgrade existing sewer

At this stage it is not clear if this pipeline section is included within the scope of the Plankenbrug Main Outfall Sewer project as described above. If not, this will have to be implemented by the Developer in lieu of DC's, or if DCs are not sufficient, at the Developer's own cost.

- c. Water link services (to be implemented by the Developer and at the Developer's cost): The items as indicated in the GLS report on water and sewer dated 2 February 2016:

- i. Item 1 : 330 m x 160 mm dia replace existing 100mm dia pipe

- d. Road infrastructure: All upgrades listed below as identified in the Traffic Impact Assessment by ICE Group dated 1 July 2013. The Cost Estimates and Funding letter by ICE Group dated 14 June 2016 (*Annexure A*) indicates the funding

APPLICATION FOR SPECIAL DEVELOPMENT: ERVEN 7586, 7588 AND 7592 LOWER DORP STREET

requirements and it is clear that the Municipal funding and Development Contributions of the proposed developments on erven 7586, 7588 and 7592 are not sufficient to fund the required upgrades. It is also evident that in order to achieve sufficient funding for the road upgrades, this Development is dependent on the Development Contributions of Farm 183/57 and 183/58 (Woodmill), which also triggers the upgrading of Dorp Street. Without the required upgrades, the proposed development cannot be implemented. Therefore, no further approval i.e. engineering drawing approval and/or building plan approval will be granted until a financial commitment and implementation plan for these upgrades is presented and agreed between all the relevant parties and the Municipality and the approval mentioned in Condition 3e below is granted by the Municipality. It is further recommended that the Developer, in conjunction with the Municipality, engage with the Western Cape Government: Transport and Public Works (stated as PGWC in the letter) to discuss their contribution to these upgrades.

Improvements required at the various intersections with Dorp Street as per TIA:

i. **No development**

- **Adam Tas Road-intersection:** provide an additional right turn lane on the southern approach (Adam Tas Road), 55 metres long; provide a dedicated left turn lane on the northern approach (Adam Tas Road), 35 metres long; provide two lanes on Dorp Street eastbound to accommodate two right turn lanes from Adam Tas Road; change the dedicated right turn lane on Dorp Street (westbound) to a left/right right lane.

Stellenbosch Avenue/Stadler Street-intersection: provide traffic signals.

R44-intersection: provide a dedicated left turn lane on the southern approach (R44 from Somerset West) 50 metres long; extend the dedicated right turn lane on the southern approach (Adam Tas Road) to 75 metres (maximum to before bridge over Eerste River); provide an additional dedicated right turn lane on the western approach (Dorp Street) 65 metres long; change the through lane on the eastern approach (Dorp Street) to a through/left turn lane.

APPLICATION FOR SPECIAL DEVELOPMENT: ERVEN 7586, 7588 AND 7592 LOWER DORP STREET

ii. Erf 7586 development

Adam Tas Road-intersection: No further improvements required

Stellentia Avenue-intersection: No further improvements required

R44-intersection: No further improvements required

iii. Erf 7586 and Erf 7592 developments

Adam Tas Road-intersection: No further improvements required

Stellentia Avenue-intersection: No further improvements required

R44-intersection: No further improvements required

Dorp Street: The road should be dualled from Adam Tas Road to the R44 as indicated in Figure 15 of the TIA

iv. Erf 7586, Erf 7592 and Erf 7588 developments

Adam Tas Road-intersection: No further improvements required

Stellentia Avenue-intersection: No further improvements required

R44-intersection: No further improvements required

Dorp Street: No further improvements required

- e. Should the "Developer" wish to discuss the possibility of proceeding with construction work parallel with the provision of the bulk services listed above, he must present a motivation and an implementation plan to the "Engineer" for his consideration and approval. The implementation plan should include items like programmes for the construction of the internal services and the building construction;
4. that should the "Developer" not take up his rights for whatever reason within two years from the date of this memo, a revised Engineering report addressing services capacities and reflecting Infrastructure amendments during the two year period, must be submitted to the Directorate: Engineering Services by the "Developer" for further comment and conditions. Should this revised Engineering report confirm that available services capacities is not sufficient to accommodate this development, then the implementation of the development must be re-planned around the availability of bulk services as rate clearance in terms of Section 31 of LUPO will not be supported by the Directorate: Engineering Services for this development if bulk services are not available upon occupation or taking up of proposed rights;
5. that the "Developer" indemnifies and keep the "Municipality" indemnified against all actions, proceedings, costs, damages, expenses, claims and demands (including claims pertaining to consequential damages by third parties and whether as a result of the damage to or

APPLICATION FOR SPECIAL DEVELOPMENT: ERVEN 7586, 7588 AND 7592 LOWER DORP STREET

Interruption of or interference with the municipalities' services or apparatus or otherwise) arising out of the establishment of the development, the provision of services to the development or the use of servitude areas or municipal property, for a period that shall commence on the date that the installation of services to the development are commenced with and shall expire after completion of the maintenance period.

6. that the "Developer" must ensure that he / she has an acceptable public liability insurance policy in place;
7. that the "Developer" approach the Western Cape Government: Transport and Public Works for their input and that the conditions as set by the Western Cape Government: Transport and Public Works be adhered to before Section 31 Clearance Certificate will be issued;
8. that the "Developer" informs the project team for the proposed development (i.e. engineers, architects, etc.) of all the relevant conditions contained in this approval;
9. that the General Conditions of Contract for Construction Works (GCC) applicable to all civil engineering services construction work related to this development, will be the SAICE 2nd Edition of 2010;
10. that the "Developer" takes cognizance and accepts the following:
 - a.) that no construction of any civil engineering services may commence before approval of internal – and external civil engineering services drawings;
 - b.) that no approval of internal – and external civil engineering services drawings will be given before land-use and or SDP approval is obtained;
 - c.) that no approval of internal – and external civil engineering services drawings will be given before the "Developer" obtains the written approval of all affected owners where the route of a proposed service crosses the property of a third party;
 - d.) that no building plans will be recommended for approval by the Directorate: Engineering Services before land-use and or SDP approval is obtained;
 - e.) that no building plans will be recommended for approval by the Directorate: Engineering Services before the approval of internal – and external civil engineering services drawings;
 - f.) that no building plans will be recommended for approval by the Directorate: Engineering Services before a Clearance Certificate in terms of Section 31 of the Land-use Planning Ordinance is issued.

APPLICATION FOR SPECIAL DEVELOPMENT: ERVEN 7586, 7588 AND 7592 LOWER DORP STREET**Site Development Plan**

11. that it is recognized that the normal Site Development Plan, submitted as part of the land-use application, is compiled during a very early stage of the development and will lack engineering detail that may result in a later change of the Site Development Plan. Any later changes will be to the cost of the "Developer";
12. that even if a Site Development Plan is approved by this letter of approval, a further fully detailed site plan be submitted for approval prior to the approval of engineering services plans and or building- and/or services plans to allow for the setting of requirements, specifications and conditions related to civil engineering services. Such Plan is to be substantially in accordance with the approved application and or subdivision plan and or precinct plan and or site plan, etc. and is to include a layout plan showing the position of all roads, road reserve widths, sidewalks, parking areas with dimensions, loading areas, access points, stacking distances at gates, refuse removal arrangements, allocation of uses, position and orientation of all buildings, the allocation of public and private open spaces, building development parameters, the required number of parking bays, stormwater detention facilities, connection points to municipal water- and sewer services, updated land-use diagram and possible servitudes;
13. that if the fully detailed Site Development Plan, as mentioned in the above item, contradicts the approved Site Development Plan, the "Developer" will be responsible for the amendment thereof and any costs associated therewith;
14. that an amended Site Development Plan be submitted for approval prior to the approval of building plans for new buildings not indicated on the Site Development Plan applicable to this application and or changes to existing buildings or re-development thereof;

Internal and Link Services

15. that it be noted that as per the Site Development Plans, the roads are reflected as private roads. Therefore all internal services on the said erven will be regarded as private services and will be maintained by the "Developer" and or HOA;
16. that the "Developer", at his/her cost, construct the internal (on-site) municipal civil services for the development, as well as any link (service between internal and available bulk municipal service) municipal services that need to be provided;

APPLICATION FOR SPECIAL DEVELOPMENT: ERVEN 7586, 7588 AND 7592 LOWER DORP STREET

17. that the "Developer", at his/her cost, construct the internal (on-site) private civil services for the development, as well as any link (service between internal and available bulk municipal service) municipal services that need to be provided;
18. that the Directorate: Engineering Services may require the "Developer" to construct internal municipal services and/or link services to a higher capacity than warranted by the project, for purposes of allowing other existing or future developments to also utilise such services. The costs of providing services to a higher capacity could be offset against the Development Contributions payable in respect of bulk civil engineering services if approved by the Directorate: Engineering Services;
19. that the detailed design and location of access points, circulation, parking, loading - and pedestrian facilities, etc., shall be generally in accordance with the approved Site Development Plan and / or Subdivision Plan applicable to this application;
20. that plans of all the internal civil services and such municipal link services as required by the Directorate: Engineering Services be prepared and signed by a Registered Engineering Professional before being submitted to the aforementioned Directorate for approval;
21. that the design and construction/alteration of all civil engineering infrastructure shall be generally in accordance with the Standard Conditions imposed by the Directorate: Engineering Services in this respect or as otherwise agreed. The Standard Conditions is available in electronic format and available on request;
22. that the construction of all civil engineering infrastructure shall be done by a registered civil engineering services construction company approved by the "Engineer";
23. that the "Developer" ensures that his/her design engineer is aware of the Stellenbosch Municipality Design Guidelines & Minimum Standards for Civil Engineering Services and that his/her design engineer will comply to the mentioned document or as otherwise agreed in writing with the Directorate: Engineering Services;
24. that engineering design drawings will only be approved once Final Notice of LUPO approval is issued;
25. that all the internal civil services (water, sewer and stormwater), be indicated on the necessary building plans for approval by the Directorate: Engineering Services;

APPLICATION FOR SPECIAL DEVELOPMENT: ERVEN 7586, 7588 AND 7592 LOWER DORP STREET

26. that all internal - and link services be inspected by the "Engineer" on request by the "Developer" or his Consulting Engineer;
27. that a practical completion certificate be issued prior to transfer of individual units or utilization of buildings;
28. that a complete set of test results of all internal - and external services (i.e. pressure tests on water - and sewer pipelines as well as densities on road structure and all relevant tests on asphalt), approved and verified by a professional registered engineer be submitted to the "Engineer" on a monthly basis;
29. that the "Developer" shall adhere to the specifications of Telkom (SA) and or any other telecommunications service provider. Copies of all correspondence with Telkom shall be handed over to the "Engineer";
30. that the "Developer" shall be responsible for the cost for any surveying and registration of servitudes regarding services on the property;
31. that the "Developer" be liable for all damages caused to existing civil and electrical services of the "Municipality" relevant to this development. It is the responsibility of the contractor and/or sub-contractor of the "Developer" to determine the location of existing civil and electrical services;
32. that all connections to the existing services be made by the "Developer" under direct supervision of the "Engineer" or as otherwise agreed and all cost will be for the account of the "Developer".
33. that the "Developer" shall install a bulk water meter conforming to the specifications of the Directorate: Engineering Services at his cost at the entrance gate of all private developments before the practical completion inspection is carried out;
34. that the developer takes cognizance of applicable tariffs by Council in respect of availability of services and minimum tariffs payable;
35. that Section 31 Clearance will only be issued if the bulk watermeter is installed, a municipal account for the said meter is activated and the consumer deposit has been paid;

APPLICATION FOR SPECIAL DEVELOPMENT: ERVEN 7586, 7588 AND 7592 LOWER DORP STREET

36. that a suitably qualified professional resident engineer be appointed to supervise the construction of all internal – and external services;
37. that the “Developer”, at his/her cost, will be responsible for the maintenance of all the internal (on-site) municipal – and private civil engineering services constructed for this development until at least 80% of the development units (i.e. houses, flats or GLA) is constructed and occupied whereafter the services will be formally handed over to the HOA, in respect of private services, and to the Municipality in respect of public services;

Servitudes

38. that the “Developer” ensures that all main services to be taken over by the Directorate: Engineering Services, all existing municipal – and or private services crossing private – and or other institutional property and any other services crossing future private land/erven are protected by a registered servitude before final Section 31 Clearance will be given or building plans are approved;
39. The width of the registered servitude must be a minimum of 3 m or twice the depth of the pipe (measured to invert of pipe), whichever is the highest value. The “Developer” will be responsible for the registration of the required servitude(s), as well as the cost thereof;
40. that the “Developer” obtains the written approval of all affected owners where the route of a proposed service crosses the property of a third party before final approval of engineering drawings be obtained.

Stormwater Management

41. that it be noted that the section of the Eersteriver to which these developments drain, is very sensitive to the impact of any additional stormwater generated by new development;
42. that the stormwater management generally be in accordance with the Engineering services reports, which indicates that detention facilities will be provided;
43. that the geometric design of the roads and/or parking areas ensure that no trapped low-points are created with regard to stormwater management. All stormwater to be routed to the nearest formalized municipal system;

APPLICATION FOR SPECIAL DEVELOPMENT: ERVEN 7586, 7588 AND 7592 LOWER DORP STREET

44. that the design engineer needs to apply his/her mind to ensure a design that will promote a sustainable urban drainage system which will reduce the impacts of stormwater on receiving aquatic environments;
45. that no disturbance to the river channel or banks be made without the prior approval in accordance with the requirements of the National Water Act;
46. that the consulting engineer, appointed by the "Developer", analyses the existing stormwater systems and determine the expected stormwater run-off for the proposed development, for both the minor and the major storm event. Should the existing municipal stormwater system not be able to accommodate the expected stormwater run-off, the difference between the pre- and post-development stormwater run-off must be accommodated on site, or the existing system must be upgraded to the required capacity at the cost of the "Developer" and to the standards and satisfaction of the Directorate: Engineering Services. The aforementioned stormwater analysis is to be submitted concurrent with the detail services plans;
47. that for larger developments, industrial developments or developments near water courses a stormwater management plan for the proposed development area, for both the minor and major storm events, be compiled and submitted for approval to the Directorate: Engineering Services.
48. that the approved management plan be implemented by the "Developer", at his/her cost, to the standards of the Directorate: Engineering Services. The management plan, which is to include an attenuation facility, is to be submitted concurrent with the detail services plans;
49. that overland stormwater escape routes be provided in the cadastral layout at all low points in the road layout, or that the vertical alignment of the road design be adjusted in order for the roads to function as overland stormwater escape routes. If this necessitates an amendment of the cadastral layout, it must be done by the "Developer", at his/her cost, to the standards of the Directorate: Engineering Services;
50. that in the case of a sectional title development, the internal stormwater layout be indicated on the necessary building plans to be submitted for approval.
51. that no overland discharge of stormwater will be allowed into a public road for erven with catchment areas of more than 1500m² and for which it is agreed that no detention facilities are

APPENDIX 2



Notation:



This drawing is the property of TV3 Architects and Town Planners (Pty) Ltd and copyright is reserved

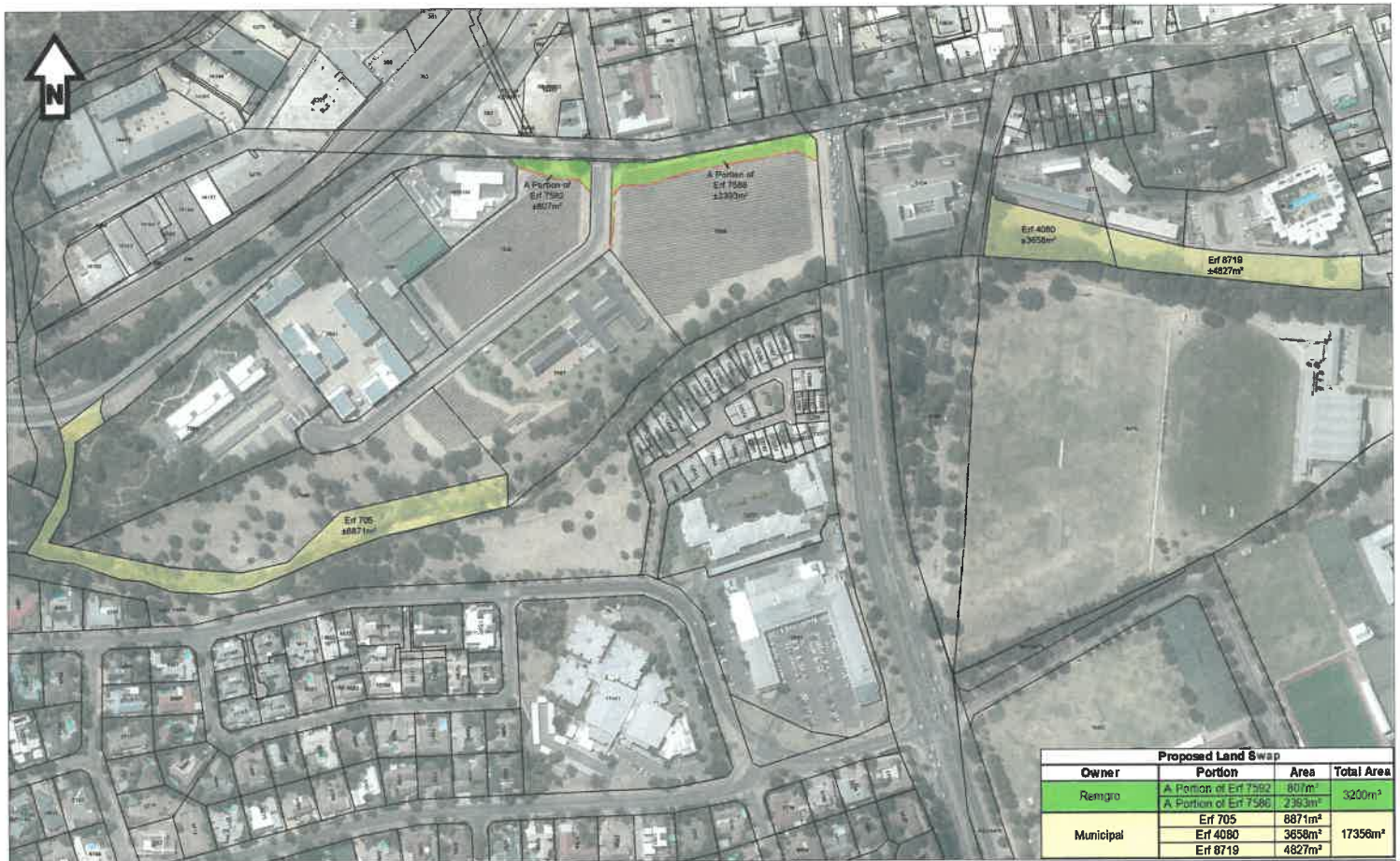
tv3
 ARCHITECTS AND TOWN PLANNERS

First Floor - La Gratitude Office Building
 97 Dorp Street - Stellenbosch 7600
 tel: (021) 861 3800
 fax: (021) 852 8025
 e-mail: stel@tv3.co.za
 web: www.tv3.co.za

Lower Dorp Street Widening, Stellenbosch

Drawn:	Checked:	Date:	Scale:
WH	JvR	08/08/2017	1:1000 (A3)
Project no.:	Revision no.:		
D2002			
Drawing:	Plan no.:		
Proposed New Road Reserve	1		

APPENDIX 3



Proposed Land Swap			
Owner	Portion	Area	Total Area
Remgro	A Portion of Erf 7562	801m ²	3200m ²
	A Portion of Erf 7586	2363m ²	
Municipal	Erf 705	8871m ²	17358m ²
	Erf 4080	3658m ²	
	Erf 8719	4827m ²	

TV3
 ARCHITECTS AND TOWN PLANNERS
 First Floor - La Gradiere Office Building
 57 Oorp Street - Stellenbosch 7600
 Tel: (021) 881 3600
 Fax: (021) 883 8905
 e-mail: enq@tv3.co.za
 web: www.tv3.co.za

Remgro Land Swap

Drawing	Plan no.
Proposed Land Swap	
Date:	Scale:
03/10/2019	NTS
Project no.:	Drawn:
D2002	WH
	Checked:
	CH

Notation:
 Cadastral information obtained from Surveys and Mapping (DRDLR).
 Aerial Photography obtained from Stellenbosch Municipality.
 Areas are calculated on an estimated middle of river and should be surveyed.

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

APPENDIX 4



ARCHITECTS AND TOWN PLANNERS
ARGITEKTE EN STADSBEPLANNERS

Our Reference: 3251-P

29 October 2019

Department: Property Management
Stellenbosch Municipality
Town House
7600 STELLENBOSCH

97 DORP STREET
FIRST FLOOR
LA GRATITUDE
OFFICE BUILDING
STELLENBOSCH 7600
TEL +27 (21) 861 3800
FAX +27 (21) 882 8025
EMAIL stel@tv3.co.za

Attention: Mr. Piet Smit

Sir

RE: REMGRO / LOWER DORP STREET, STELLENBOSCH

1. We refer to your meeting with Mr. Hein Carse (Remgro) and their planning consultants (TV3) on 4 September 2019 and 1 October 2019 to discuss the dualling of Lower Dorp Street and the acquisition of Remgro's land to accommodate said dualling.
2. In 2017 and 2018 Council approved the development of Remgro's Erven 7586, 7588 and 7592, Stellenbosch. Find attached hereto copies of the municipal letters of approval (see **Section A**).
3. According to the Directorate: Engineering Services' memo (included in the abovementioned letters of approval) these developments triggers the dualling of Lower Dorp Street from Adam Tass Road to the R44, which is required for the broader community of Stellenbosch and not only for Remgro's developments. The municipal engineers stated in condition no. 73, "*that the*

TV3 PROJECTS (PTY) LTD • REGISTRATION NO: 2006/015278/07

DIRECTORS: Theo van Kesterik | J. Swampoor | J.G. Breda | N. J. van der Merwe | M.M. Walters

*area of land required for the dualling of Dorp Street be surrendered by the developer to Stellenbosch Municipality, at his/her cost, in order for construction of the road to take place”, and in condition no. 74, “that compensation from Stellenbosch Municipality for the aforementioned land required for the dualling of Dorp Street, if any, be based on the value of the land in terms of its current zoning, i.e. Specific Business”. Find attached hereto a plan illustrating the required road reserve for the proposed dualling of Lower Dorp Street (see **Section B**).*

4. Remgro is now in the process of finalising their development proposals in order to proceed with construction of these approved developments. However, this requires the dualling of Lower Dorp Street and for Council to purchase Remgro’s land in order to accommodate the required dualling. For this reason, we request that you appoint a property valuer to determine the value of the land required for the dualling of Lower Dorp Street and to obtain your Council’s approval to purchase the land from Remgro.
5. As an alternative to Council purchasing the land from Remgro, our client is willing to engage in a land swap agreement with Council. We have identified three municipal erven (i.e. Erven 705, 4080 and 8719, Stellenbosch) that are located on the Eerste River and which borders on Remgro’s erven. These erven could be swapped for Remgro’s land (values must first be determined). Find attached hereto a possible land swap plan (see **Section C**).
6. The public erven that has been identified as land that could be swapped, is located on the Eerste River. These public erven cannot (for environmental and flood line reasons) be developed. It is currently only a maintenance and security burden for Council.
7. The benefits of such a land swap agreement, is that:
 - The land transaction will not cost the taxpayer any money;

- Undevelopable land will be exchanged for developable land (necessary for municipal traffic upgrades); and
 - The maintenance and security burden of the river erven will become Remgro's responsibility.
8. We trust the information provided will suffice in submitting our request to your Council in order for Council to proceed with the purchasing of Remgro's land (or alternatively for Council to enter into a land swap agreement) so that Lower Dorp Street can be dualled. Please feel free to contact the undersigned at 021 861 3800 or clifford@tv3.co.za if you have any queries or require any additional information.

Yours faithfully

A handwritten signature in black ink, appearing to read 'CRH', with a long horizontal flourish extending to the right.

CLIFFORD HEYS
TV3 PROJECTS (PTY) LTD

7.2.3	RETURN ITEM MOUNTAIN BREEZE CARAVAN PARK: CONSIDERATION OF PUBLIC INPUTS
-------	---

Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance and Compliance

21 January 2022

1. SUBJECT: RETURN ITEM MOUNTAIN BREEZE CARAVAN PARK: CONSIDERATION OF PUBLIC INPUTS

2. PURPOSE

The purpose of this report is two-fold:

- a) To inform Council in regard to the public inputs received after council requested the public to provide inputs as to the possible future use of Portions 528 and 529C, measuring 20.3ha in size and
- b) To consider the inputs.

3. DELEGATED AUTHORITY

Council must consider the matter.

4. EXECUTIVE SUMMARY

Stellenbosch Municipality and **Stellenbosch Caravan Park cc** (Malan) concluded a long term Lease Agreement during 1992 for a period of 30 years (1 April 1991-31 March 2021)

This Lease Agreement was later ceded to the **Mountain Breeze Caravan Park cc** (Visser). The lease Agreement expired on 31 March 2021 but was extended on a month to month basis until council was in a position to make an informed decision on the future use of the property. The lessee terminated the extension from 30 June 2021. Council then took over the day -to-day upkeep of the property, but closed it to the public.

The long term lessees that entered into lease agreements with the previous lessee has been given notice to vacate the property and break down their structures, but have not vacated the property yet and legal action will have to be instituted to remove them from the property.

At the Council meeting held on 28 July 2021, Council decided to provide an opportunity for the public to submit written inputs on the most possible future use of the facility, before deciding on a way forward.

The public notice requested inputs on/before 3 September 2021. Due to the Elections the return item is only servicing now. Various written submissions were received. In council's deliberation the inputs can be considered. Whatever future is decided on is subject to section 34 and 35 of the Asset Transfer Regulations published under the MFMA. It will entail a further public participation process indicating the specific intent for the land. The combined municipal valuation for the land is R16.77 Million and the current Zoning is business taking into account that it is situated in an area surrounded by agricultural use and the airfield.

5. RECOMMENDATION

that Council consider the written inputs received

6. DISCUSSION

6.1 Background

6.1.1 Lease Agreement

Stellenbosch Municipality and Stellenbosch Caravan Park cc (C.P Malan) concluded a long-term Lease Agreement on 18 May 1992 for the period 1 April 1991 to 31 March 2021.

This Lease Agreement, however, was later ceded to the Mountain Breeze Caravan Park cc (R.P. Visser) during 1995. During March 2021 Council approved the extension of the agreement on a month-to-month basis, whereafter the Lessee indicated that she would vacate the premises by 30 June 2021.

6.1.2 Interim management of facility

Following the termination of the agreement, Stellenbosch Municipality took over the day-to-day management of the facility (not open to the public). For this reason, four (4) staff members of the Lessee were continued for a period of 12 months.

6.1.3 Council resolution: Public inputs

On 28 July 2021 Council decided to afford the public an opportunity to submit written inputs in regard to possible future uses of the area. The submissions closed on 3 September 2021.

6.1.4 Public notice

Following the above Council resolution, an official notice was published in Die Burger and on the Municipal website, soliciting public inputs on the future use of the facility. A copy of the official notice is attached as **APPENDIX 1**.

6.2 Discussion

6.2.1 Locality and context

Mountain Breeze Caravan Park is situated on Lease Portions 528 and 529C, measuring 20.3ha in size, as indicated on Fig 1 and 2 below.

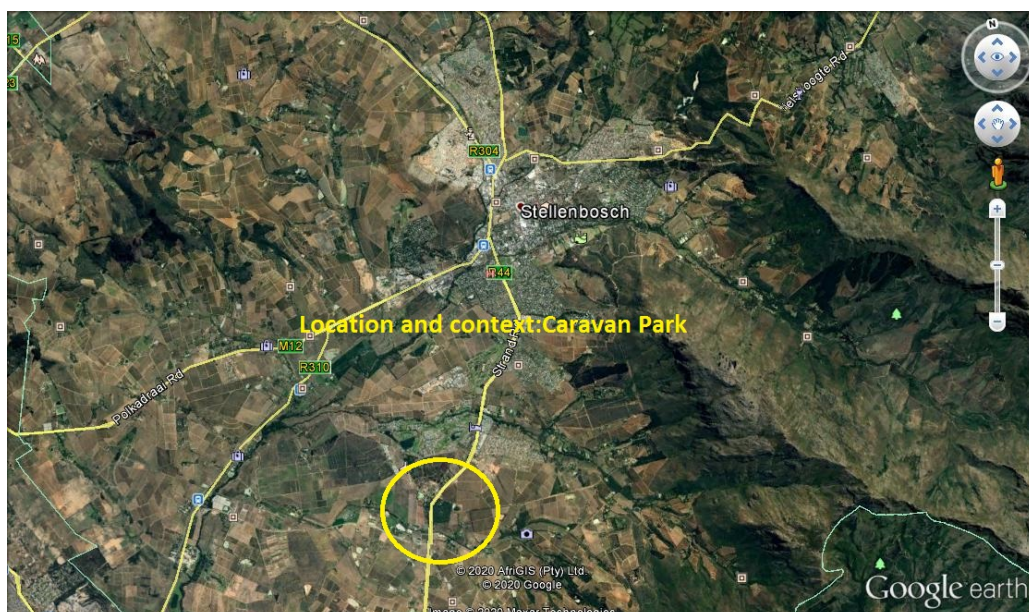


Fig 1: Location and regional context



Fig 2: Extent of property(s)

6.2.2 Ownership

The ownership of the two properties vests in Stellenbosch Municipality by virtue of Title Deeds STFH-891 and STFH6-4/1890, respectively. See Windeed records attached as **APPENDICES 2** and **3** respectively.

6.2.3 Access

Access to the property is *via* a **registered servitude** access off the R44, over a portion of Farm 1166, Stellenbosch as shown on Fig 3, below.

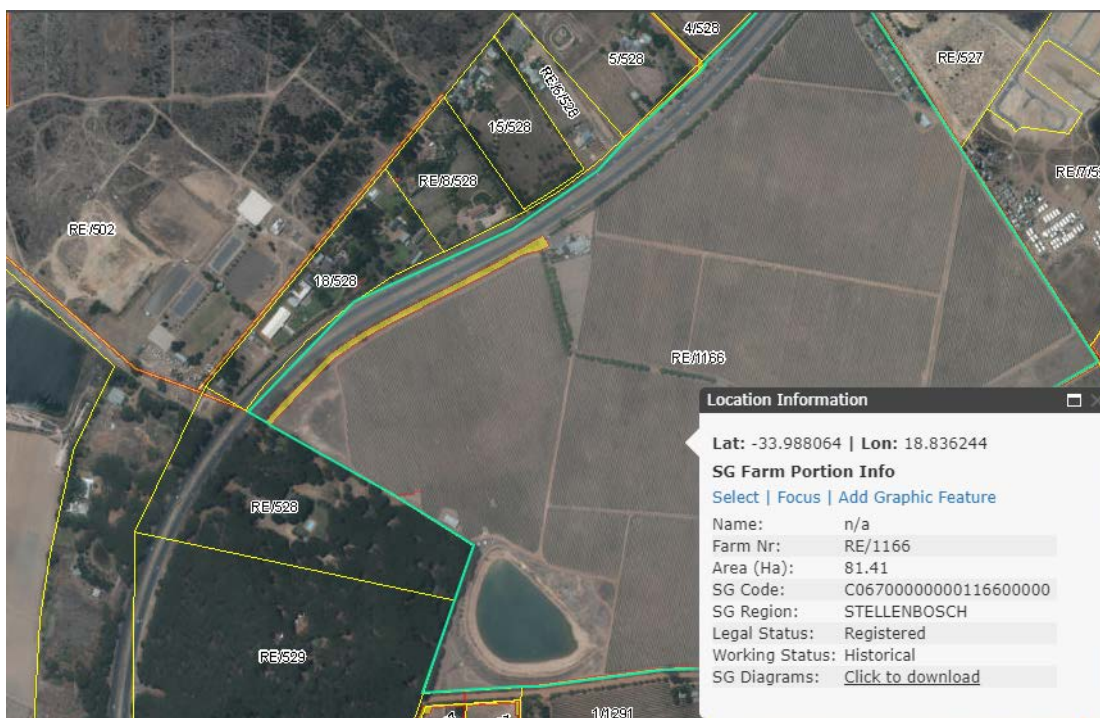


Fig 3: Access road

The servitude was registered at the Surveyor General in 1985, LG Diagram 8786/83.

6.2.4 Access to services

The property has access to irrigation water (Theewaterskloof) and is getting drinking water from a borehole situated on the neighbouring farm 1166.

Electricity is supplied by Eskom.

6.2.5 Improvements

There are various building and amenities on the site including some chalets, a swimming pool and a hall with a kitchen.

6.2.6 Legal requirements

Depending on whether Council is considering the disposal of the asset or whether to award long term rights, various sections/regulations of the Municipal Finance Act, No 56 of 2003, (MFMA), the Asset Transfer Regulations (ATR) and the Municipality's Policy on the Management of Council owned property, will apply.

6.2.7 Inputs received

Hereunder a summary of written inputs received:

1. **Sarah Jane Strydom:**
 - Replace pine forest with indigenous trees
 - Amble Side School
 - A retreat/gateway
2. **Kelly Botha & Fhatuwani Rasivhenge**
 - Boutique
 - Glamping tents
3. **Hendrik Bekker:**
 - Caravan Park in its current form
4. **Jenifer Mackintosh:**
 - Small scale farming on a lease-basis
5. **Stellenbosch Ratepayers Association:**
 - Eco-education and Adventure center for school groups along with overnight facilities
 - Cycling and hiking groups
 - Caravan park
6. **Gabi Zetler, obo Mountain Breeze Farmers (Pty) Ltd:**
 - Residential development
 - Caravan park
 - Mountain bike track
 - Agricultural
7. **Richard Gordge:**
 - Cycle trail
 - Eco education
 - Energy efficiency & renewal hub and learning centre

8. **Tiverton Family Trust:**
 - Caravan Park
9. **Trevor Strydom (Audacia Wines):**
 - Keep portion A as forest – in – perpetuity
 - Retain portion B as Caravan park
10. **SAMI:**
 - School for learning and life skills
11. **Dawid Botha:**
 - Cycling, hikers
 - Training Centre with accommodation for cyclists and hikers
12. **Carinus Lemmer:**
 - Cycling centric centre, with routes, tracks, bicycle shop, training accommodation
- 13 **Brian Burgess (on behalf of Mr.Zetler,the neighbouring land owner):***
 - Interested in buying the property

*Although Mr. Burgess's inputs were received before the period of advertising, the Municipal Manager has requested that his inputs be included in the item. He brought them to the attention of the Municipal Manager recently. His initial inputs were sent to the incorrect email address and was therefore not received.

Copies of the various inputs are available for viewing at the properties section, but is not attached as it contains personal information we may not publish in terms of POPAI and some are marked as confidential.

From the above it is clear that the majority of inputs are:

- a) In favour of a caravan park; or
- b) In favour of a Cycle/hiking park with associated infrastructure

6.2.6.1 Disposal of fix properties

6.2.6.1.1 Municipal Finance Management Act (MFMA)

In terms of the Section 14 of the MFMA,

“A municipality may not transfer ownership as a result of a sale or other transaction or otherwise permanently dispose of a capital asset needed to provide the minimum level of basic municipal services.

(2) A municipality may transfer ownership or otherwise dispose of a capital asset other than one contemplated in subsection (1), but only after the municipal council, in a meeting open to the public—

(a) has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services; and

(b) has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset.

(3) A decision by a municipal council that a specific capital asset is not needed to provide the minimum level of basic municipal services, may not be reversed by the municipality after that asset has been sold, transferred or otherwise disposed of.

(4) Municipal council may delegate to the accounting officer of the municipality its power to make the determinations referred to in subsection (2)(a) and (b) in respect of movable capital assets below a value determined by the council.

(5) Any transfer of ownership of a capital asset in terms of subsection (2) or (4) must be fair, equitable, transparent, competitive and consistent with the supply chain management policy which the municipality must have and maintain in terms of section 111”.*

*For the purpose hereof, the Policy on the Management of Council-owned property is deemed to be the Supply Chain Management Policy, insofar as it relates to Disposal Management. See par. 6.2.6.1.3, below.

6.2.6.1.2 Asset Transfer Regulations (ATR)

In terms of Regulation 5 of the ATR

“(1) A municipality may transfer or dispose of a non-exempted capital asset only after—

(a) the accounting officer has in terms of regulation 6 conducted a public participation process to facilitate the determinations a municipal council must make in terms of section 14(2)(a) and (b) of the Act; and

(b) the municipal council—

(i) has made the determinations required by section 14(2)(a) and (b) and

(ii) has as a consequence of those determinations approved in principle that the capital asset may be transferred or disposed of.

(2) Sub regulation (1)(a) must be complied with only if the capital asset proposed to be transferred or disposed of is a high value capital asset” (i.e. in excess of R50M)”.

6.2.6.1.3 Policy on the Management of Council owned property

In terms of paragraph 7.2.3 (general principles pertaining to the disposal of immovable property), of the policy;

“Before alienating Immovable property or rights in Immovable property the Municipality shall be satisfied that alienation is the appropriate methodology and that reasonable economic, environmental and social return cannot be derived whilst ownership of the Immovable property or Property rights is retained by the Municipality”.

Further in terms of paragraph 8 of the policy:

*“ 8.1 Before an Immovable property is declared as surplus, and earmarked for disposal or the awarding of rights, it **must first be assessed for its most appropriate use.***

*8.2 The most appropriate use for a surplus property is one which achieves an **optimum balance between the following three key elements of sustainable development:***

(a) the protection of ecological processes and natural systems;

(b) the optimum financial return to and economic development of the municipal area; and

(c) the enhancement of the cultural, economic, physical and social wellbeing of people and communities.

8.3 The three elements of sustainability will apply to all surplus Immovable Properties, however their significance and the relationships between them will vary for individual Immovable Properties.

8.4 In determining the most appropriate use of surplus properties, regard should be given to:

(a) Spatial development framework(s);

(b) Regional plans;

(c) Sectoral studies/plans;

(d) Government policies;

- (e) *Relevant legislation; and*
- (f) *The views of interested and affected parties.*

8.5 *Where appropriate, opportunities should be provided for community involvement in the assessment process”.*

Further, subsequent to determining the most appropriate use of a property and after the Municipality has decided that the Immovable property could be disposed of, or that rights may be awarded, the method of disposal or method of awarding rights should be determined”.

In terms of paragraph 9.1 the Municipality may use any of the following methods, depending on the circumstances pertaining the specific Immovable property:

“The type of a formal tender may vary, depending on the nature of the transaction:

- i) ***Outright tender** may be appropriate where the Immovable property ownership is not complex, and the Municipality is seeking obligations to be placed on the successful tenderer which are clear and capable of specification in advance.*
- ii) ***Qualified tenders/call for proposals** will be appropriate where the Immovable property ownership position is complex or the development proposals for the Immovable property are insufficiently identified or otherwise incapable of detailed specification at the pre-tender stage.*
- iii) ***Call for proposals on a build-operate transfer (B.O.T) basis** will be used if a developer is required to undertake the construction, including the financing, of a facility on Municipal-owned land, and the operation and maintenance thereof. The developer operates the facility over a fixed term during which it is allowed to charge facility users appropriate fees, rentals and charges not exceeding those proposed in its bid or as negotiated and incorporated in the contract, to enable the developer to recover its investment and operating and maintenance expenses in the project. The developer transfers the facility to the municipality at the end of the fixed term. The nature of the formal tender process is that a legally binding relationship is formed between the parties when the Municipality accepts a tender in writing. It is essential therefore, that every aspect of the disposal is specified in the tender documents. The tender documents could include a contract for sale or lease which could be completed with the tenderer’s details, the tender price and be signed by the tenderer. A binding legal agreement is created upon the acceptance in writing of a tender by the Municipality.*

Such a process may, depending on the nature of the transaction, include a two-stage or two-envelope bidding process (proposal call) in terms of which only those bidders that meet the pre-qualification criteria specified in the first stage are entitled to participate in the second stage”.

6.2.6.2 Granting of rights to use, Control or Manage a Capital asset

6.2.6.2.1 Asset Transfer Regulations (ATR)

In terms of Regulation 34, a municipality may grant a right to use, control or manage a capital asset only after:

- “1)a) *The accounting officer has, in terms of Regulation 35, concluded a public participation process regarding the proposed granting of the right; and*

- b) *The municipal Council has approved in principle that the right may be granted.*
- 2) *Sub-regulation (1)(a) must be complied with only if:*
 - a) *the capital asset in respect of which the proposed right is to be granted has a value in excess of R10m; and*
 - b) *a long-term right is proposed”.*

***Please note** that, for the purpose of this report, it will be assumed that the property falls within this category, i.e. value in excess of R10M, as the current Municipal valuation value the properties at R25M.

“3) a) ***Only a Municipal Council may authorise the public participation process referred to in sub-regulation (a)***

b) *a request to the Municipal Council for the authorisation of a public participation process **must be accompanied by an Information Statement***, stating:*

- i) *the reason for the proposal to grant a long term right to use, control or manage the relevant capital asset;*
- ii) *any expected benefit to the municipality that may result from the granting of the right;*
- iii) *any expected proceeds to be received by the municipality from the granting of the right; and*
- iv) *any expected gain or loss that will be realised or incurred by the municipality arising from the granting of the right”.*

NOTE: *At this stage it is not clear whether Council is going to dispose of the property or whether Council is considering the awarding of Long term rights. **Only after Council had decided on a way forward, an Information Statement will be prepared and submitted with the return-item.**

In terms of Regulation 35, “*if a Municipal Council has in terms of Regulation 34(3)(a) authorised the Accounting Officer to conduct a public participation process ... the Accounting Officer must, at least 30 days before the meeting of the Municipal Council at which the decision referred to in Sub-regulation (1)(b) is to be considered (i.e. in principle decision)*

a) *In accordance with Section 21A of the Municipal Systems Act:*

- i) *Make public the proposal to grant the relevant right together with the Information Statement referred to in Reg 34(3)(b); and*
- ii) *invite the local community and interested persons to submit to the municipality comments or representations in respect of the proposed granting of the right; and*

b) *solicit the views and recommendations of National Treasury or the relevant Provincial Treasury on the matter”*

In terms of Regulation 36, “the Municipal Council must, when considering the approval of any such right, take into account:

- a) whether such asset may be required for the municipality’s own use during the period for which such right is to be granted;
- b) the extent to which any compensation to be received will result in a significant economic or financial benefit to the municipality;
- c) the risks and rewards associated with such right to use; and
- d) the interest of the local community”

In terms of Regulation 40, “an approval in principle in terms of Regulation 34(1) (b) that a right to use, control or manage a capital asset may be granted, may be given subject to any conditions, including conditions specifying: -

- a) The type of right that may be granted, the period for which it is to be granted and the way in which it is to be granted;
- b) The minimum compensation to be paid for the right, and
- c) A framework within which direct negotiations for the granting of the right must be conducted if applicable”

In terms of Regulation 41, “if an approval in principle has been given in terms of regulation 34 (1)(b), the municipality may grant the right only in accordance with the **disposal management system*** of the municipality, irrespective of:-

- a) the value of the asset; or
- b) the period for which the right is granted; or
- c) whether the right is to be granted to a private sector party or organ of state”.

*The Policy on the Management of Council-owned property is regarded as the Municipality’s Disposal Management System.

6.2.6.2.2 Policy on the Management of Council owned property

In terms of section 21 the public competitive methods of disposal are describe:

- i) Formal tender
- ii) Auction
- iii) Closed bid.

6.3 Financial Implications

The combined municipal valuation for the land is R16.77 Million and the current Zoning is business taking into account that it is situated in an area surrounded by agricultural use and the airfield. A valuer is in the process of being appointed to provide a market related value.

6.4 Legal Implications

The recommendations in this report comply with the Council’s policies and applicable legislation.

6.5 Staff Implications

This report has no additional staff implications to the Municipality.

6.6 Previous / Relevant Council Resolutions

On 28 July 2021 Council approved the public notice to afford the public an opportunity to submit written inputs in regard to possible future uses of the area. The submissions closed on 3 September 2021.

6.7 Risk Implications

The risks are addressed through the item.

6.8 Comments from Senior Management

The item was not circulated for comments at this stage.

ANNEXURES:

Annexure 1: Public Notice

Annexure 2: Windeed records

Annexure 3: Windeed records

FOR FURTHER DETAILS CONTACT:

NAME	Piet Smit
POSITION	Manager: Property Management
DIRECTORATE	Corporate Services
CONTACT NUMBERS	021-8088189
E-MAIL ADDRESS	Piet.smit@ Stellenbosch.gov.za
REPORT DATE	2022 – 01 - 18

APPENDIX 2

Printed: 2020/05/18 10:40

Deeds Office Property

windeed
A LexisNexis® Product

FARM 528, 528, 0 (REMAINING EXTENT) (CAPE TOWN)



GENERAL INFORMATION

Deeds Office CAPE TOWN
Date Requested 2020/05/18 10:40
Information Source DEEDS OFFICE
Reference -

PROPERTY INFORMATION

Property Type FARM
Farm Name FARM 528
Farm Number 528
Portion Number 0 (REMAINING EXTENT)
Local Authority STELLENBOSCH MUN
Registration Division STELLENBOSCH RD
Province WESTERN CAPE
Diagram Deed ST FH 6-6/1891
Extent 4.8639H
Previous Description -
LPI Code C0670000000052800000

OWNER INFORMATION

Owner 1 of 1

Company Type LOCAL AUTHORITY
Name MUN STELLENBOSCH
Registration Number -
Title Deed ST FH 6-6/1891
Registration Date 1891/06/29
Purchase Price (R) -
Purchase Date -
Share -
Microfilm Reference -
Multiple Properties NO
Multiple Owners NO

ENDORSEMENTS (4)

#	Document	Institution	Amount (R)	Microfilm
1	EX758/1965-ST FH 6-6	/1891	UNKNOWN	
2	K401/1992S	-	UNKNOWN	1992 0430 0843
3	FARM ST 528	-	UNKNOWN	1985 0072 0648
4	PTNS ST RD 528/1-8,1	5	UNKNOWN	

HISTORIC DOCUMENTS

No documents to display

DISCLAIMER

This report contains information gathered from our suppliers and we do not make any representations about the accuracy of the data displayed nor do we accept responsibility for inaccurate data. WinDeed will not be liable for any damage caused by reliance on this report. This report is subject to the terms and conditions of the [WinDeed End User Licence Agreement \(EULA\)](#).

APPENDIX 3

Deeds Office Property

FARM 529, 529, 0 (REMAINING EXTENT) (CAPE TOWN)

GENERAL INFORMATION

Deeds Office	CAPE TOWN
Date Requested	2020/05/18 10:45
Information Source	DEEDS OFFICE
Reference	-



PROPERTY INFORMATION

Property Type	FARM
Farm Name	FARM 529
Farm Number	529
Portion Number	0 (REMAINING EXTENT)
Local Authority	STELLENBOSCH MUN
Registration Division	STELLENBOSCH RD
Province	WESTERN CAPE
Diagram Deed	STF6-4/1890
Extent	86.7292H
Previous Description	-
LPI Code	C06700000000052900000

OWNER INFORMATION

Owner 1 of 2

Company Type	LOCAL AUTHORITY
Name	MUN STELLENBOSCH
Registration Number	
Title Deed	ST FH 6-4/1890
Registration Date	1890/12/12
Purchase Price (R)	SECT 16
Purchase Date	-
Share	
Microfilm Reference	2006 0406 0383
Multiple Properties	NO
Multiple Owners	NO

Owner 2 of 2

Company Type	LOCAL AUTHORITY
Name	MUN STELLENBOSCH
Registration Number	
Title Deed	T101559/2005
Registration Date	-
Purchase Price (R)	TRANSFER BY ENDO
Purchase Date	-
Share	
Microfilm Reference	2006 0406 0391
Multiple Properties	NO
Multiple Owners	NO

ENDORSEMENTS (10)

#	Document	Institution	Amount (R)	Microfilm
1	EX758/1965-ST FH 6-4	/1890	UNKNOWN	
2	K1262/2005S	-	UNKNOWN	2006 0406 0395
3	K325/2018S	-	UNKNOWN	
4	K401/1992S	-	UNKNOWN	1992 0430 0843
5	VA1405/1986-6-4/1890	STF	UNKNOWN	
6	VA2447/2018	MUN STELLENBOSCH	UNKNOWN	
7	VA544/1989-STF6-4/18	90	UNKNOWN	
8	VA8545/2005	MUN STELLENBOSCH	UNKNOWN	2006 0406 0376
9	FARM ST 529	-	UNKNOWN	1985 0072 0660
10	PTN'S ST RD 529/1-2	-	UNKNOWN	

HISTORIC DOCUMENTS (1)

#	Document	Owner	Amount (R)	Microfilm
1	ST FH 6-4/1890	MUN STELLENBOSCH	UNKNOWN	2006 0406 0383

DISCLAIMER

This report contains information gathered from our suppliers and we do not make any representations about the accuracy of the data displayed nor do we accept responsibility for inaccurate data. WinDeed will not be liable for any damage caused by reliance on this report. This report is subject to the terms and conditions of the [WinDeed End User Licence Agreement \(EULA\)](#).

7.3	FINANCIAL SERVICES: (PC: CLLR P JOHNSON)
-----	---

NONE

7.4	HUMAN SETTLEMENTS: (PC: CLLR J FASSER)
-----	---

NONE

7.5	INFRASTRUCTURE SERVICES : (PC : CLLR Z DALLING (MS))
------------	---

7.5.1	THE ORGANIC WASTE DIVERSION PLAN FOR STELLENBOSCH MUNICIPALITY
--------------	---

Collaborator No: 721413
IDP KPA Ref No: Good Governance and Compliance
Meeting Date: 21 January 2022

1. SUBJECT: THE ORGANIC WASTE DIVERSION PLAN FOR STELLENBOSCH MUNICIPALITY

2. PURPOSE

to obtain Council's approval to circulate the draft Organic Waste Diversion Plan (OWDP) for public comment (**APPENDIX 1**).

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

The Department of Environmental Affairs and Development Planning (DEA&DP) took a policy decision to implement a 50% restriction on organic waste being disposed to landfill by 2022 and a full prohibition of organic waste disposed to landfill by 2027. The Western Cape Integrated Waste Management Plan (IWMP) (2017- 2022) puts an obligation on municipalities to divert 50% of organic waste streams away from landfill sites by 2022 and a complete ban on organic waste disposed at landfill sites by 2027.

DEA&DP subsequently amended the conditions of authorisations (Permits/Licences) for Waste Disposal Facilities (WDFs) in the Western Cape to include diversion of organic waste. To enable this diversion the Municipality has compiled an OWDP to reach these organic diversion targets. This OWDP will form part of the approved IWMP.

The OWDP has been internally reviewed and requires public comment to be finalised.

5. RECOMMENDATIONS

- (a) that Council accept the draft OWDP and approve that the draft OWDP be circulated for public comment;
- (b) that the draft OWDP be submitted to D:EA&DP (Department of Environmental Affairs & Development Planning) for comment, and
- (c) that relevant comments be incorporated into the document for it to become final.

6. DISCUSSION / CONTENTS

6.1 Background

JG Afrika were appointed to compile an Organic Waste Diversion Plan (OWDP) for the Stellenbosch Municipality. Organic waste currently makes up approximately 30% of the waste stream in the Western Cape and should be regarded as a resource that has intrinsic economic value if separated properly and used either for compost, nutrient extraction or

as an energy source. In addition, diverting organic waste from landfills will save landfill airspace and reduce the greenhouse gas emissions from landfills.

The Department of Environmental Affairs and Development Planning (DEA&DP) took a policy decision to implement a 50% restriction on organic waste being disposed to landfill by 2022 and a full prohibition of organic waste disposed to landfill by 2027. The Western Cape Integrated Waste Management Plan (IWMP) (2017- 2022) puts an obligation on municipalities to divert 50% of organic waste streams away from landfill sites by 2022 and a complete ban on organic waste disposed at landfill sites by 2027.

DEA&DP subsequently amended the conditions of authorisations (Permits/Licences) for Waste Disposal Facilities (WDFs) in the Western Cape during 2017/2018 to insert up to date conditions in all licences for all waste facilities that receive waste for disposal.

This condition requires a 50% reduction in the amount of organic waste that is disposed of to WDFs by 2022, followed by a complete ban of organics to WDFs by the year 2027.

DEA&DP state that the information within the OWDP is required to provide a status quo of current organic waste sources, and volumes disposed of and current rates and procedures for the diversion of organic waste from landfill. The OWDP is also required to set annual targets and identify procedures from 2018 that will be implemented to meet these targets for the diversion of organic waste from municipal landfill.

6.2 Financial Implications

The Municipality's Waste Management Department estimates the cost of implementation to be in the region of R 14 million for year 1 and then the cost increases by inflation.

6.3 Legal Implications

None

6.4 Staff Implications

Technical staff will be required for the implementation and monitoring of the OWDP.

6.5 Previous / Relevant Council Resolutions:

None

6.6 Risk implications

None

ANNEXURE

APPENDIX 1: Draft Organic Waste Diversion Plan

FOR FURTHER DETAILS CONTACT:

NAME	Deon Louw
POSITION	<i>DIRECTOR: INFRASTRUCTURE SERVICES</i>
DIRECTORATE	<i>INFRASTRUCTURE SERVICES</i>
CONTACT NUMBERS	<i>021 -808 8213</i>
E-MAIL ADDRESS	<i>Deon.louw@ Stellenbosch.gov.za</i>
REPORT DATE	<i>9 December 2021</i>

APPENDIX 1



STELLENBOSCH MUNICIPALITY ORGANIC WASTE DIVERSION PLAN

NOVEMBER 2021

FINAL



STELLENBOSCH
STELLENBOSCH • PNIEL • FRANSCHHOEK
MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

Prepared by:

JG AFRIKA (PTY) LTD

Cape Town

14 Central Square, Pinelands


7405

Telephone: +27 21 530 1800

Email: edwardsb@jgafrika.com

Project Manager: Bonté Edwards

VERIFICATION PAGE	Qual-frm-026
	Rev 14

TITLE: STELLENBOSCH MUNICIPALITY ORGANIC WASTE DIVERSION PLAN				
JG AFRIKA REF. NO. 5556	DATE: 12/11/2021	REPORT STATUS <i>FINAL</i>		
CARRIED OUT BY: JG AFRIKA (PTY) LTD Cape Town P O Box 38561 PINELANDS 7430 Tel: +27 21 530 1800 e-mail: edwardsb@jgafrika.com		COMMISSIONED BY: STELLENBOSCH MUNICIPALITY 1 Plein Street Stellenbosch 7600 Tel: +27 21 808 8224/ 8228 e-mail: Clayton.Hendricks@stellenbosch.gov.za		
AUTHOR Bonte Edwards and Boipelo Madonsela		CLIENT CONTACT PERSON Mr Clayton Hendricks		
SYNOPSIS The project entails the development of an organic waste diversion plan for the Stellenbosch Municipality				
KEY WORDS: Waste characterisation, Stellenbosch Municipality, Organic Waste, diversion.				
© COPYRIGHT: JG Afrika (Pty) Ltd.				
QUALITY VERIFICATION				
This report has been prepared under the controls established by a quality management system that meets the requirements of ISO 9001: 2015 which has been independently certified by DEKRA Certification.				
Verification	Capacity	Name	Signature	Date
By Author	Associate	B Edwards	<i>B Edwards</i>	12/11/2021
Checked by:	Senior Environmental Scientist	T Heydenrych	<i>T Heydenrych</i>	12/11/2021
Authorised by:	Associate	B Edwards	<i>B Edwards</i>	12/11/2021

CONTENTS

ABBREVIATIONS & DEFINITIONS	II
1 INTRODUCTION AND BACKGROUND	1
2 WHAT IS ORGANIC WASTE?	1
3 MOTIVATION FOR ORGANIC WASTE DIVERSION	2
4 STATUS QUO	2
4.1 Brief overview of waste management services and infrastructure.....	3
4.2 Current Organic Waste Diversion practices.....	5
4.3 Stellenbosch Municipality’s Waste Characterisation Studies.....	5
5 LITERATURE AND LEGISLATIVE REVIEW	5
5.1 Legislative review.....	5
5.2 Literature Review.....	10
5.3 Motivation for Separation at Source and Waste Diversion.....	12
5.4 International Case Studies and Examples of Organic Waste Diversion.....	14
5.5 Examples of South African organic waste diversion programmes	17
5.6 Organic Waste Treatment Options.....	20
5.7 Organic waste separation at source	23
5.8 Examples of Organic Waste Pre-Treatment Technology.....	29
5.9 Lessons learnt and pitfalls to be avoided	30
6 STELLENBOSCH MUNICIPALITY’S ORGANIC WASTE TONNAGES.....	32
6.1 Organic Waste Tonnages	32
6.2 Organic Waste Diversion Limitations.....	33
6.3 Conclusion and Recommendations	33
7 ORGANIC WASTE DIVERSION PLAN	34
7.1 Separation at source roll out Strategy for a phased 3-bag separation at source programme	34
7.2 Green/Garden Waste.....	36
7.3 Treatment of the Organic Waste	36
7.4 Off-take for Organic waste	37
7.5 Tariff update	37
7.6 Training, Education and Awareness Campaign.....	37
7.7 Monitoring and Measuring.....	37
7.8 Summary of Expected Outcomes	38
7.9 Waste Diversion Targets.....	38
7.10 Implementation Plan	41
7.11 Indicative costs	44
8 STAKEHOLDER ENGAGEMENT.....	46
9 REVIEW OF THE ORGANIC WASTE DIVERSION PLAN AND IMPLEMENTATION PLAN	46
10 REFERENCES.....	48
ANNEXURE A: ORGANIC WASTE DIVERSION CORRESPONDENCE	
ANNEXURE B: ORGANIC WASTE PERCENTAGE OF WASTE IN EXISTING TWO-BAG AREAS	

TABLES

Table 1: Waste Characterisation Data consolidated into recyclable, organic and non-recyclable streams.....	7
Table 2: Key interventions and actions of the three strategic pillars of the NWMS.....	7
Table 3: Summary of the five goals and associated objectives of the NOWCS.....	8
Table 4: Summary of the opportunities, drivers and enablers for organic waste beneficiation as per the GreenCape Market Intelligence Report (2020 p.33 - 34).....	11
Table 5: Organic Waste Treatment Technology Comparison	22
Table 6: Waste volumes required to pursue specific technology options.....	23
Table 7: Advantages and disadvantages of bringing schemes and kerbside collection schemes.....	27
Table 8: Waste disposed to landfill and green waste diverted from 2018 to 2020.....	32
Table 9: Green and organic waste tonnages calculated using the waste characterisation data.....	32
Table 10: Estimated waste tonnages for the period 2022 to 2027 with estimated diversion tonnage targets	38
Table 11: Summary table of the Implementation plan with proposed timeframes	41
Table 12: Approximate costs for interventions.....	44
Table 13: Approximate costs for implementation of the OWDP	44

FIGURES

Figure 1: Consolidated Waste Characterisation Data showing the categories for all areas	6
Figure 2: Waste Characterisation Data with data consolidated into recyclable, organic and non-recyclable waste streams.....	1
Figure 3: Spatial distribution of SM organic waste	2
Figure 4: Stellenbosch University Waste Characterisation	3
Figure 5: Stellenbosch University Waste Characterisation (%) by facility type.....	4
Figure 6: One-dimensional vs multi-dimensional approach to municipal waste management	13
Figure 7: Pedicabs used for waste collection on Tacloban.	16
Figure 8: Feed the Soil Organic Waste Tool Kit and project pictogram	19
Figure 9: The Compost Kitchen's Doggy Doo Doo bins	20
Figure 10: Image of how the Biobin works.....	29
Figure 11: The Heron IVC.....	30
Figure 12: Estimated waste generation and organic waste diversion targets.	39

ABBREVIATIONS & DEFINITIONS

AD	Anaerobic Digestion
AISWM	Advanced Integrated Solid Waste Management
CBD	Central Business District
CCT	City of Cape Town
DALRRD	Department of Agriculture, Land Reform and Rural Development
DEA&DP	Department of Environmental Affairs and Development Planning
DFFE	Department of Forestry, Fisheries and the Environment
EA	Environmental Authorisation
EPR	Extended Producer Responsibility
EPWP	Expanded Public Works Programme
GHG	Greenhouse Gas
GN	Government Notice
IVC	In-vessel composting
ISWM	Integrated Solid Waste Management
IWMP	Integrated Waste Management Plan
LFG	Landfill Gas
MBT	Mechanical Biological Treatment
MRF	Materials Recovery Facility
MSA	Municipal Systems Act
MSW	Municipal Solid Waste
NEMA	National Environmental Management Act (No. 107 of 1998)
NEMWA	National Environmental Management: Waste Act (No. 59 of 2008)
NOWCS	National Organic Waste Composting Strategy
NWMS	National Waste Management Strategy
ORASA	Organic Recycling Association of South Africa
ORTS	Organic Refuse Transfer Station
OWDP	Organic Waste Diversion Plan
OZCF	Oranjezicht City Farm
RFQ	Request for Quotation
RTS	Refuse Transfer Station
SAWIS	South African Waste Information System
SDG	Sustainable Development Goals
SM	Stellenbosch Municipality
SU	Stellenbosch University
UK	United Kingdom
UN	United Nations
WAAI	Wellington Association Against the Incinerator
WDF	Waste Disposal Facility
WFD	Waste Framework Directive
WM	Witzenberg Municipality
WMO	Waste Management Officer
ZTL	Zero To Landfill

1 INTRODUCTION AND BACKGROUND

JG Afrika were appointed to compile an Organic Waste Diversion Plan (OWDP) for the Stellenbosch Municipality (SM).

Organic waste currently makes up approximately 30% of the waste stream in the Western Cape and should be regarded as a resource that has intrinsic economic value if separated properly and used either for compost, nutrient extraction or as an energy source. In addition, diverting organic waste from landfills will save landfill airspace and reduce the greenhouse gas emissions from landfills.

The Department of Environmental Affairs and Development Planning (DEA&DP) took a policy decision to implement a 50% restriction on organic waste being disposed to landfill by 2022 and a full prohibition of organic waste disposed to landfill by 2027. The Western Cape Integrated Waste Management Plan (IWMP) (2017- 2022) puts an obligation on municipalities to divert 50% of organic waste streams away from landfill sites by 2022 and a complete ban on organic waste disposed at landfill sites by 2027.

DEA&DP subsequently amended the conditions of authorisations (Permits/Licences) for Waste Disposal Facilities (WDFs) in the Western Cape during 2017/2018 to insert up to date conditions in all licences for all waste facilities that receive waste for disposal. This condition requires a 50% reduction in the amount of organic waste that is disposed of to WDFs by 2022, followed by a complete ban of organics to WDFs by the year 2027.

DEA&DP required an OWDP to have been submitted by SM by 12 December 2018, and annually thereafter for the Devon Valley WDF in SM.

The Department extended the submission date to 31 March 2021, as requested by SM. JG Afrika were appointed in April 2021. The Department included the requirement that budget must be made available within the 2021 financial year to implement the OWDP, to accomplish the **50% diversion goal by 2022**.

DEA&DP state that the information within the OWDP is required to provide a status quo of current organic waste sources, and volumes disposed of and current rates and procedures for the diversion of organic waste from landfill. The OWDP is also required to set annual targets and identify procedures from 2018 that will be implemented to meet these targets for the diversion of organic waste from municipal WDF, to reach a 50% diversion by the year 2022, and 100% diversion of organic waste by 2027. Please see **Annexure A** for an extract of the organic waste diversion requirement in the Devon Valley WDF licence and letter addressed to SM, as well as the extension letter from DEA&DP.

2 WHAT IS ORGANIC WASTE?

Organic Waste is generally defined as garden waste/greens, food waste and wood waste.

The SM By-law relating to Integrated Waste Management provides the following definition for garden waste:

- organic waste, including but not limited to, soil, grass cuttings, leaves and branches; and
- any biodegradable material, which emanates from gardening, landscaping, or other types of activities at residential, business, or industrial properties; but
- excludes waste products of animal origin.

The Norms and Standards for Organic Waste Composting provide the following definitions:

- Organic waste: means waste of biological origin which can be broken down, in a reasonable amount of time, into its base compounds by micro-organisms and other living things.
- Organics: means both processed and unprocessed compostable organic waste.

National Environmental Management: Waste Act (Act No. 59 of 2008) (NEMWA): GNR 625, National Waste Information Regulations provide waste categories in order to regulate the collection and reporting of waste data and information to the South African Waste Information System (SAWIS).

The following table provides the categories/types of organic waste that should be reported to the SAWIS, under General Waste (Level 1).

Level 1 –General Waste			
Level 2 - Major Waste Type		Level 3 – Specific Waste Type	
GW20	Organic waste	01	Garden waste
		02	Food waste

Note that amendments to the National Waste Information Regulations have been proposed which include 03 – Wood Waste under Organic waste, however, these changes have not been promulgated.

For the purpose of this Plan, “organic waste” is regarded as waste which is produced by all waste generators served by municipal collection services for general municipal waste. The main categories of organic waste would include:

- **Food waste:** mix of cooked and raw leftovers after the preparation and consumption of human food originating from households/residential areas as well as from commercial activities, such as restaurants, canteens, bars, etc.
- **Greens or garden waste:** waste coming from maintaining private residential areas/gardens (households) as well as from Municipal public areas, such as parks, playgrounds, verges etc.
- **Industrial waste:** the mixture of different types of residues of raw vegetables/food waste and woody materials such as packaging. This can include organic waste streams from agro-industries, such as food and animal feed processing or the processing of agricultural products for other purposes.

3 MOTIVATION FOR ORGANIC WASTE DIVERSION

The benefits of organic waste diversion are discussed in detail as part of the Literature Review, however the following are the overarching benefits of diverting organic waste from landfill:

- Reduced cost of landfill disposal.
- Landfill air space savings.
- Reduction in greenhouse gas emissions.
- Reduced possibility of environmental pollution from landfill management i.e., leachate generation and improved air quality impacts.
- Long term/future avoided costs and savings as a result of saved landfill airspace.
- Positive impact as a result of recovering a valuable resource (organics) and processing these to produce beneficial soil amendments (i.e., compost) or used for electricity generation (i.e., biogas)
- Practical application of a circular economy strategy to waste management which keeps organic materials in circulation at their highest value.

4 STATUS QUO

The status quo of organic waste management systems and related infrastructure in SM is presented in this section. It should be noted that this information focuses specifically on organic waste and aims to supplement the more general and overarching Status Quo information provided in the SM IWMP.

4.1 Brief overview of waste management services and infrastructure

The SM IWMP, dated September 2020, was reviewed, and used to obtain the following summary information and overview of waste management infrastructure.

SM operate one landfill site in Devon Valley, however, since August 2019 the Municipality have made use of the Vissershok Private Landfill (Vissershok Waste Management Facility (Pty) Ltd) in the City of Cape Town (CCT) which is operated by Enviroserv and Averda, as Devon Valley has reached capacity and while approval for a new cell is underway.

General waste from the Stellenbosch municipal area is therefore transported to the Klapmuts Refuse Transfer Station (RTS), where it is transferred into skips and taken to Vissershok by truck.

SM provides approximately 38 500 households with solid waste management services as follows:

- 28 751 collection points spread across the 22 wards of the Municipality.
- This is approximately 20 000 wheelie bins and 4 000 standard refuse bags as of 2019.
- The Municipality utilises 11 refuse collection trucks, operated by more than 60 crew members in a 30-hour working week.
- 100% of urban households receive kerb side collection once per week.
- All the urban and informal areas of SM have access to at least a basic refuse removal service.
- Some refuse removal services exist in the rural areas and farming communities.
- All rural areas have access to drop-off facilities.

The Municipality provides a two-bag collection system in middle to high income areas where black bags and clear bags (containing recyclables) are collected once a week. Households are required to separate and sort waste at source into two streams, namely general landfill waste (black bags) and recyclable waste (clear bags). The recyclables were previously transported to a mini materials recovery facility (MRF) situated adjacent to the Devon Valley landfill site, however from August 2019 to 31 March 2021, these were taken directly to the Kraaifontein MRF in the CCT for sorting.

The following areas are currently included in the two-bag collection programme:

- | | |
|--|------------------------------------|
| - Uniepark, Karindal, Aanhou Wen, Rozendal | - Dorp/Stasie street |
| - Mostertsdrift | - Franschhoek |
| - Simonswyk | - Idas Valley, Lindida, Arbeidslus |
| - Universiteits Oord | - Raithby |
| - Technopark | - Agape Retirement Village |
| - Die Boord, Fairways, Die Wingerd, Harringtons Place | - Blaauwklippen Road |
| - Paradyskloof, Schuilplaats, Lieberheim, Anesta, Eden, La Pastorale | - Jamestown |
| - Brandwacht | - Cloetesville |
| - Dalsig, Bo-Dalsig | - Brandwacht-aan-rivier |
| - Krigeville | - Parmalat |
| - Onder Papegaaiberg, Devon Vallei, Devon Park, Kleinvallei | - Jonkershoek |
| - La Colline/Die Rand | - Welgevonden |
| - Die Laan | |

The recently constructed MRF adjacent to the landfill started operations on 1 April 2021. Clear bags collected in the Municipality are taken to this new facility for sorting and recycling. The MRF has the capacity to process 450 tons of incoming material per month and can employ up to 40 people.¹ Currently 19 people are employed at the MRF and 8 people are collecting recyclables. The Municipality plans to expand the separation at source programme to include more households in the initiative. Recyclable material that is

¹ <https://stellenbosch.gov.za/2021/03/25/stellenbosch-launches-new-waste-material-recovery-facility/>

accepted includes paper, newspapers, magazines, cardboard, glass, plastic bottles and containers, food tins, cooldrink tins, juice boxes and milk containers.

The Municipality also opened a public drop-off, located at the MRF in April 2021. Residents may bring clean recyclable materials to the facility during operating hours and are also allowed to bring garage waste for free disposal in vehicles with a maximum carry capacity of 1.5 tons. This is to allow residents to dispose of their waste responsibly.

The Municipality currently diverts organic waste from landfill by means of chipping and composting garden waste that is received at the landfill site. Garden waste is dropped off by residents and businesses at the landfill. This has continued on site despite the closure of the landfill site. Chipping takes place at the landfill site under a private contract (tender), that will end on 30 June 2022, at the Devon Valley Landfill Site. Franschhoek residents may drop their garden waste off at the Franschhoek drop off facility, and Klapmuts residents at the Klapmuts RTS.

SM does not currently have a dedicated garden waste collection service, or collection drop-off points, only the drop off facilities. SM has however implemented a tariff for green waste collection, which commenced in July 2021.

The SM currently only has one fully operational licensed RTS at Klapmuts with one mini public drop off located in Franschhoek. The IWMP states that the Klapmuts drop-off does not require licensing due to its size/thresholds and therefore falls under the Norms and Standards. The Klapmuts RTS is currently operating at full capacity, however this is only since the closure of the Devon Valley landfill site.

The IWMP states that there is a need for the development of a larger transfer station in the Franschhoek area. The SM recently underwent a Section 78(3) process as required by the Municipal Systems Act (MSA) in order for the Municipality to outsource municipal waste management functions to private parties. The process has been approved by Council and the approval allows for all municipal waste management services to be outsourced to private companies, with the exception of waste collection, transportation as well as fleet and storage management, which will stay a Municipal function.

The Municipality is planning the construction of an organic waste RTS (ORTS) at the Devon Valley MRF to collect and divert pre and mixed organic waste. The Basic Assessment process has been completed and an Environmental Authorisation (EA) was issued on 28 April 2021. Construction is expected to commence in the 2022/23 Financial Year.

The ORTS is expected to consist of a facility building of approximately 1 200m² in area with the capacity to store one day's waste and will comprise of:

- a container handling/skip handling area;
- a tipping hall/drop-off area and area for future conveyer/compaction loading hall and system;
- ablution facilities;
- mess/kitchen facilities;
- site offices;
- pure-organic waste storage and transfer station;
- organic mixed waste storage and transfer station; and
- space for an additional transfer bay.

The SM are currently undertaking a Landfill Gas (LFG) Feasibility Study for Devon Valley LFS to understand the amount of gas being generated and if investment into the capture of the gas is feasible, this is expected to be completed by the end of 2021.

4.2 Current Organic Waste Diversion practices

4.2.1 *Green waste chipping*

Green (garden) waste is accepted at the Devon Valley Landfill Site under a contract with Landfill Consult. Green waste is chipped on site and taken to a licensed composting facility by Landfill Consult. The municipality keeps a record of the incoming volumes of green waste, as well as chipped material leaving the site.

4.2.2 *Stellenbosch Municipality home composting trial*

Stellenbosch Municipality has a tender in place since 1 July 2021 for the procurement of household compost bins for a home composting trial. The home composting bins will be provided to selected residents in Franschhoek, where the volume and weight of the waste / compost generated by each trial participant will be monitored by the SM.

4.2.3 *Organic waste management at Stellenbosch University*

Stellenbosch University (SU) has implemented a campus-wide three-bin system aimed at separating organic, recyclable and non-recyclable waste.

Garden waste from the University is taken to a composting facility run by a service provider on land owned by SU. The windrows at the facility are turned monthly and compost takes 3-4 months to be ready.

Food waste from kitchens and cafeterias is disposed of in waste food containers/bins and is collected in the food containers. This is collected by SU's waste service provider as part of their contract and was being taken to a waste-to-nutrient plant located in Philippi, Cape Town.

The University was also trialling a Bio-bin (forced aeration in-vessel composting pre-treatment process) on campus prior to the Covid-19 Pandemic.

The University is also considering either of the following for food/organic waste generated on campus:

1. Food waste, including compostable packaging to be taken to a compost facility for composting.
2. The SU waste service provider to transport organic waste generated at the University to an Anaerobic Digester (AD) facility located in Elgin.

In addition to the three-bin system, the SU has implemented a strategy to complement their organic waste strategy and ensure that packaging sold and used on campus that is associated with food served or sold is compostable.

4.3 Stellenbosch Municipality's Waste Characterisation Studies

SM conducted waste characterization studies in 2012 and 2017 to determine the composition of waste being disposed of to landfill within the Municipal area.

The consolidated data provides an overall broad characterisation of the waste sampled (by weight) for all the areas sampled within SM and is presented in **Figure 1**. The following should be noted with regards to the categories illustrated:

- Packaging/Recycling is a broad category where data has been combined to include glass, metal, plastic, paper and board, Tetrapak and multilayer.
- Organic waste and garden waste have been kept as separate items.
- Household Hazardous Waste (HHW) included batteries, fluorescent bulbs, cleaning chemicals, medical waste, nappies and sanitary products.

The report indicated that by diverting recyclables, i.e. plastic, paper and cardboard, glass and metal waste streams along with organic and garden waste, waste being disposed of to landfill can be drastically reduced by at least 50% and potentially up to 80% in certain areas. However, this would depend on the level of contamination and quality of recyclables and would probably require the implementation of a three-bag system for separation at household level of recyclable, non-recyclable and organic waste. Certain areas could also be provided with a targeted garden waste collection system.

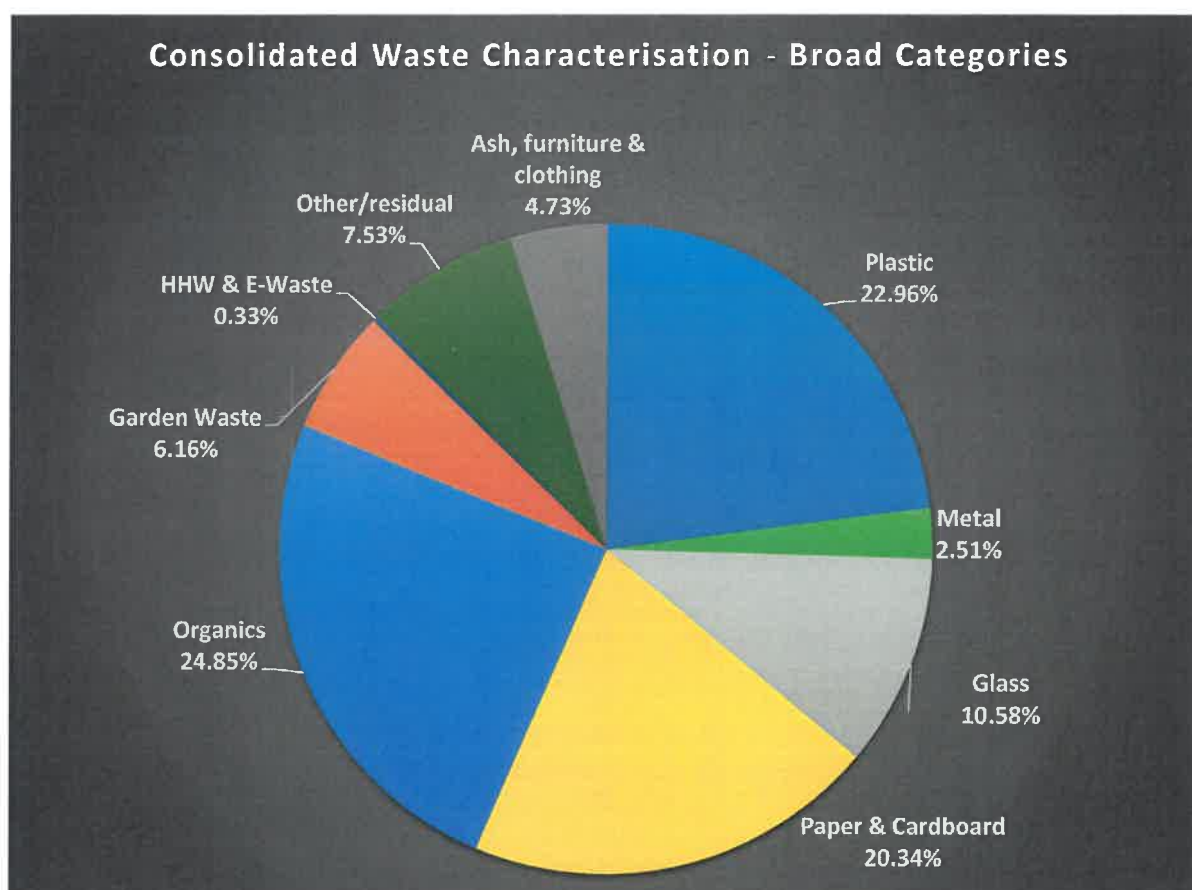


Figure 1: Consolidated Waste Characterisation Data showing the categories for all areas

Figure 2 provides broader categories which have been consolidated as follows, with the aim of providing a simpler visual comparison of the diversion potential per area:

- **Recyclable** (glass, metal, plastic, paper & cardboard);
- **Organic** (household organic & garden waste); and
- **Non-recyclable** (residual, other and HHW).

The orange section of the bar chart indicates the non-recyclable component of waste which cannot readily be diverted from landfill. This data has also been presented in tabulated format in Table 1. This has not been compared to income level due to the wide range of income levels per area.

Table 1: Waste Characterisation Data consolidated into recyclable, organic and non-recyclable streams

Area Name	Ward No	Recyclable % ²	Organic % ³	Non-recyclable % ⁴
Franschhoek (incl Groendal)	1	58.5	31.6	9.9
Langrug	2	46.2	2.2	51.6
Wemmershoek and La Motte	3	60.2	22.5	17.2
Kylemore and Farms	4	54.4	31.3	14.3
Pniel	4	56.6	31.5	11.9
Idas Valley	5	56.6	31.6	11.7
Jonkershoek	5	69.3	17.3	13.4
Uniepark and Mostertsdrift	7	59.5	32.9	7.6
Simonswyk	7	43.6	47.1	9.2
Uniepark	7	37.8	55.1	7.2
Mostertsdrift	7	46.7	41.4	11.9
Noordwal and Die Laan	8	58.6	35.5	5.9
Stellenbosch CBD	9	60.5	26.6	12.9
La Colline	10	57.2	34.8	8.0
Onder Papegaaiberg	11	66.6	22.2	11.2
Devon Valley	11	75.8	18.7	5.5
Plankenbrug	12	63.9	23.0	13.0
Kayamandi	12, 13, 14, 15	52.7	32.0	15.3
Cloeteville Industrial	16	52.7	35.4	12.0
Cloeteville	16	51.9	34.5	13.6
Welgevonden	17	62.9	27.1	10.0
Klapmuts	18	55.9	19.6	24.4
Koelenhof	19	57.7	32.7	9.6
Raithby	20	60.1	25.3	14.6
Technopark	21	64.9	33.8	1.2
Paradyskloof	21	50.1	37.1	12.8
Jamestown	21	56.7	36.2	7.1
Die Boord	22	52.0	40.3	7.7
Brandwacht	22	46.9	46.6	6.5

What is notable is that the ward of Langrug appears to generate a much lower percentage of organic waste compared to other wards and areas of similar demographics. One of the factors that may account for this is that Langrug has been part of the Genius of Space project, which has focussed on sustainability in the area amongst other issues.

² glass, metal, plastic, paper & cardboard

³ household organic & garden waste

⁴ residual, other & HHW

Waste Characterisation Data comparing recyclable, organic and non-recyclable

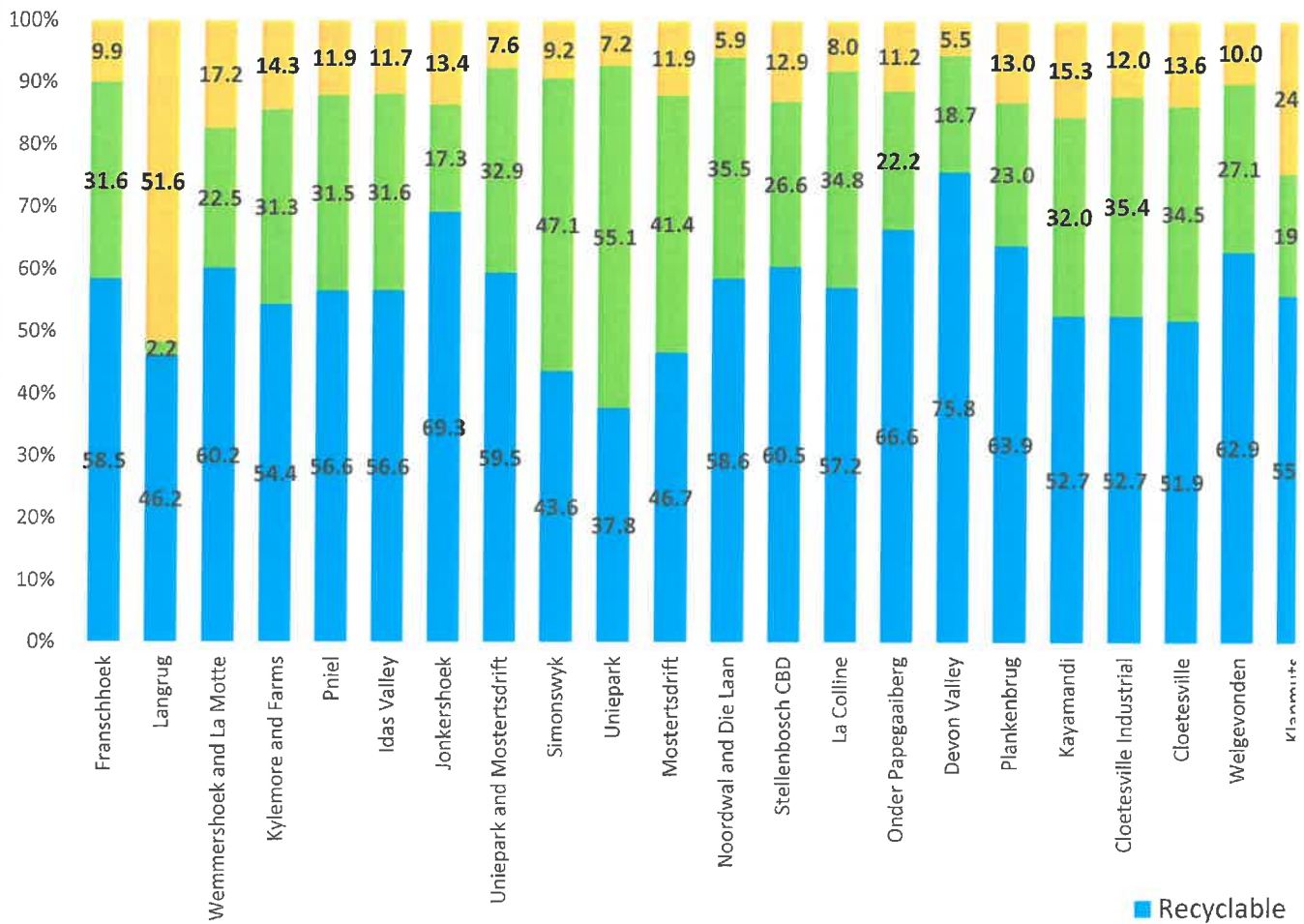


Figure 2: Waste Characterisation Data with data consolidated into recyclable, organic and non-recyclable waste streams

Table 1 Table 1. The recyclable and non-recyclable waste fractions are combined and represented as ‘Other’ on the map. **Figure 3** illustrates that the largest proportions of the organic waste within SM are generated in Central Stellenbosch, Kylemore and Pniel, Franschhoek and Koelenhof, while the organic waste fraction generated in Langrug is the least.

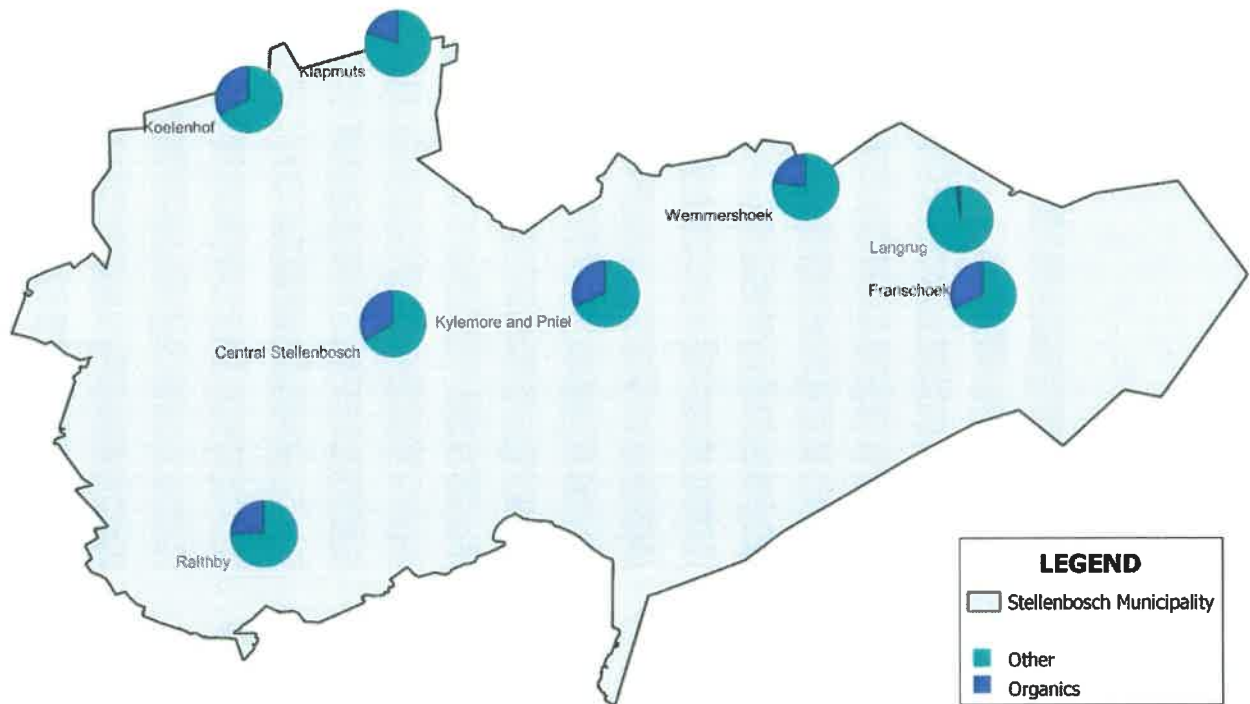


Figure 3: Spatial distribution of SM organic waste⁵

4.3.1 Waste Characterisation Findings from Stellenbosch University

The University was included separately from the rest of the municipality. The characterisation sorted waste data into different categories to the characterisation undertaken for the Municipal waste stream, this data is therefore represented separately, see **Figure 4**.

The characterisation does not appear to represent the entire University’s buildings but is likely to provide a good indication of the character of the waste. **Figure 5** provides an indication of the waste characterisation per building facility i.e., Men’s and Ladies Residences, the faculty buildings and the Neelsie⁶. The Neelsie and Ladies Residences appear to generate the most organic waste.

It is recommended that the SM engage with the SU to understand the potential for collaboration on waste minimisation and waste diversion efforts.

⁵ Central Stellenbosch includes the following areas: Welgevonden, Cloetsville, Kayamandi, Plankenberg, Onder Papegaaiberg, Die Boord, Brandwacht, Devon Valley, Paradyskloof, Techno Park, Jonkershoek, Mostertsdrift, Uniepark, Idas Valley, Simonswyk, Jamestown.

⁶ The Neelsie is the main and largest cafeteria area on campus.

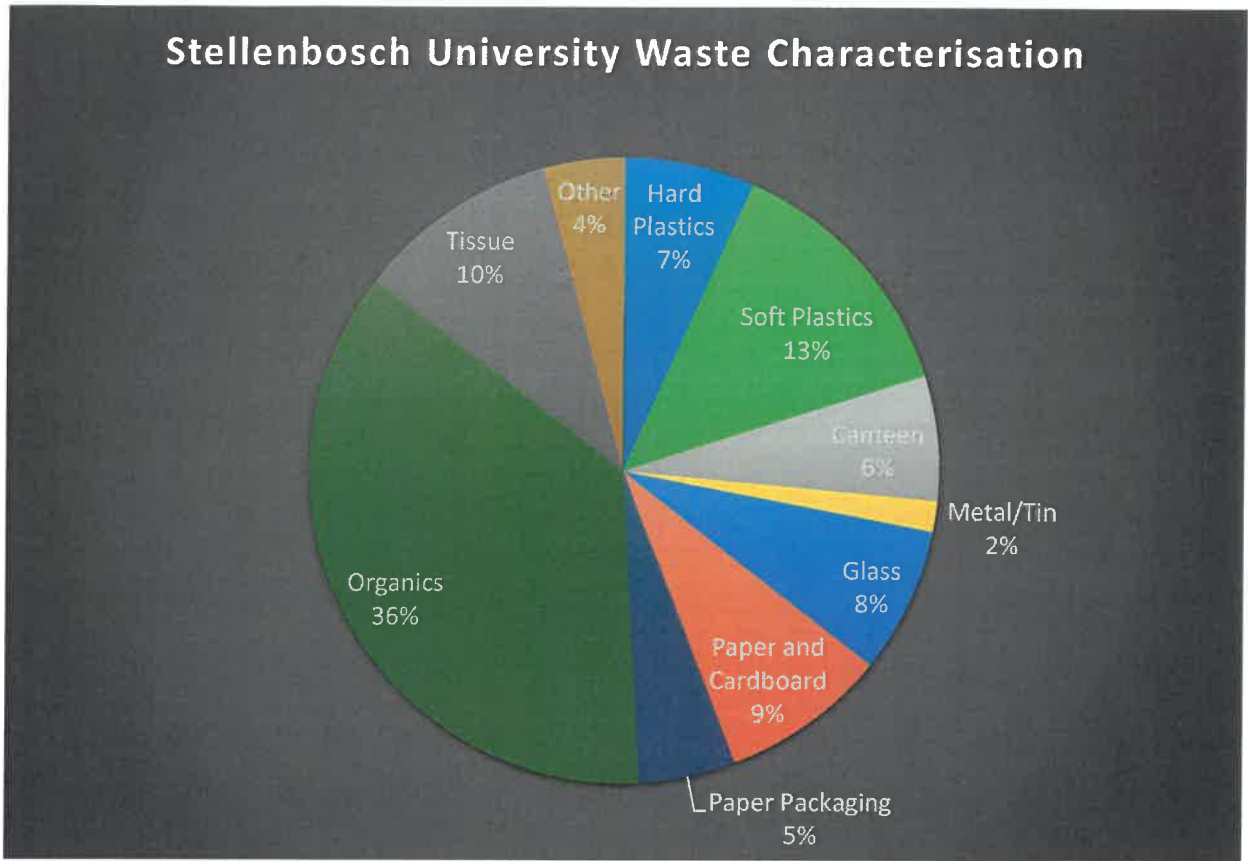
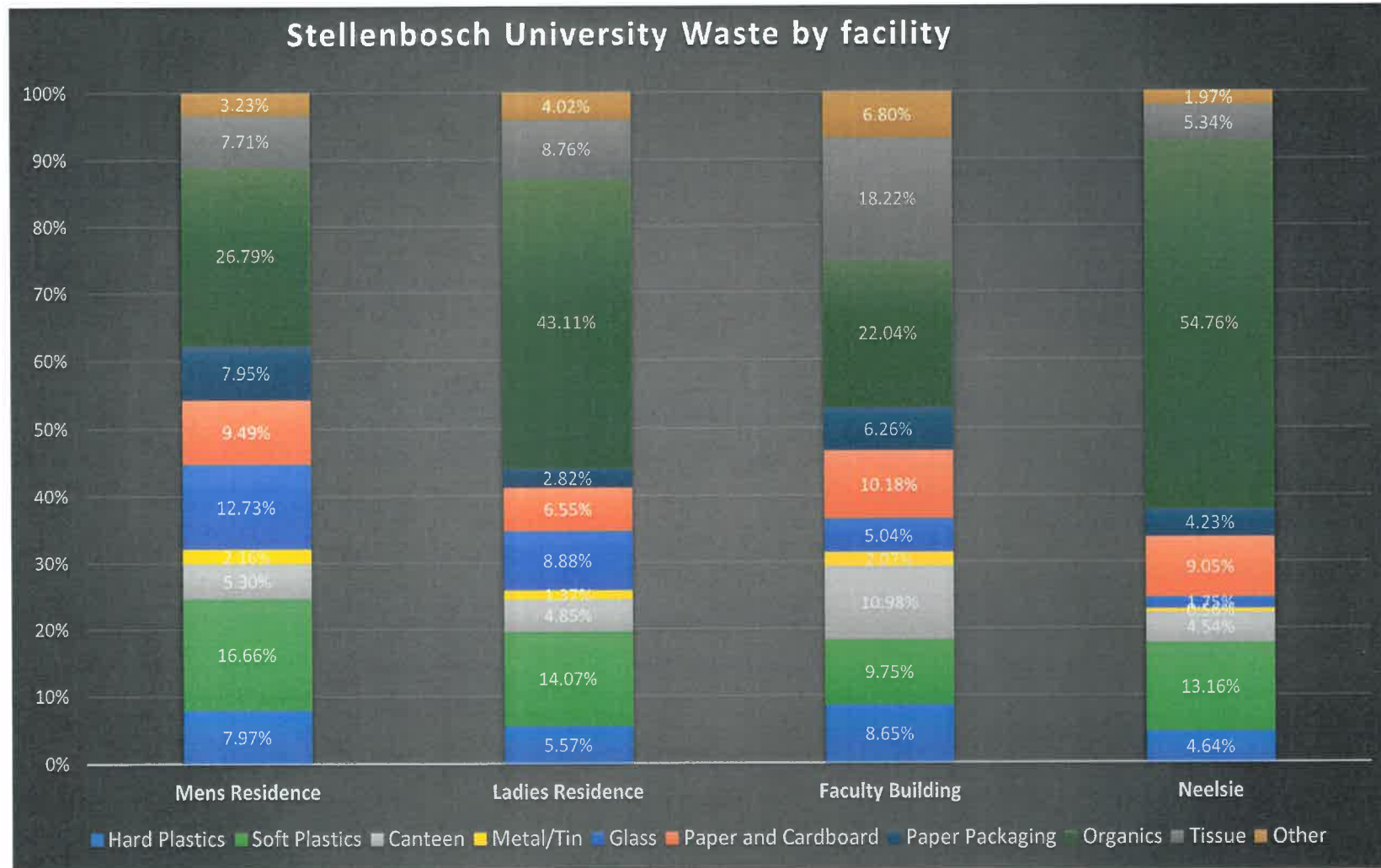


Figure 4: Stellenbosch University Waste Characterisation

Figure 5: Stellenbosch University Waste Characterisation (%) by facility type



4.3.2 SM Waste Characterisation Report Conclusion

The following conclusion was provided by the SM Waste Characterisation Report.

The graphical representation of the waste characterisation data indicates the following:

- As there is a variation in waste character per area, the solutions to divert waste from landfill do not have to be a “one size fits all” solution or approach and that different solutions in different areas may be more appropriate.
- A multi-pronged approach will be required to effectively divert and remove the recyclable, organic and garden waste fractions in different areas from landfill.
- As a minimum, a three-bag household separation at source programme should be implemented for:
 - organics (excluding garden waste),
 - recyclables/packaging, and
 - general waste.
- A system for diversion of garden waste should be considered, either separate household bin and collection or potentially provision of composting bins, where appropriate.
- It is recommended that the Municipality engage with the University and offer input into waste minimisation and waste diversion efforts.
- It is also recommended that the Municipality engage with existing collectors and recyclers to understand that challenges and collaboratively come up with potential solutions to bring about greater diversion of waste from landfill.

It is recommended that a collaborative approach is undertaken in order to allow the growth of the recycling industry, the Municipality could work with businesses in the area to support development of a recycling industry and secondary markets and potentially for a collective approach to organic waste management.

5 LITERATURE AND LEGISLATIVE REVIEW

This section presents current legislation that is applicable to organic waste management, and a literature review.

5.1 Legislative review

The Western Cape Government Department of Environmental Affairs and Development Planning (DEA&DP) has taken a policy decision to institute a 50% restriction on organic waste being disposed to landfill by 2022 and a full (100%) prohibition of organic waste disposed to landfill by 2027.

This is due to the following⁷:

- A large proportion of organic waste within the waste stream. Approximately 30% of the waste stream in the Western Cape is made up of organic waste. Therefore, it recognised that the large volumes of organic waste are taking up scarce landfill space.
- The negative environmental, social, and economic impacts of disposal of organic waste to landfill. For instance, the disposal of organic waste to landfill results in the increased generation of leachate, which has the potential to contaminate groundwater. Leachate requires expensive landfill containment barriers to mitigate against surface and groundwater contamination.
- The anaerobic decomposition of organic waste disposed of to landfill results in the generation of methane gas, which is a greenhouse gas (GHG). Methane is a potent GHG, with approximately 25

⁷ DEA&DP letter to the Organics Recycling Association of South Africa. RE: Diversion targets for organic waste in the Western Cape (2018).

times the global warming potential of carbon dioxide (CO₂), making landfills a significant contributor to GHG emissions⁸.

- Organic waste disposal to landfill is also associated with health risks such as smells and vectors.

The diversion of organic waste from landfill would assist with⁹:

- Extension of the lifespan of landfill sites within the Western Cape.
- Financial savings associated with infrastructure elements for leachate and landfill gas (LFG) management.
- Reduction in methane gas generation, which will assist with meeting the national GHG reduction targets and obligations.
- Converting organic waste into beneficial products will contribute towards the green economy and therefore helping to create direct and indirect employment opportunities.

National Norms and Standards for Disposal of Waste to Landfill (GN 636 of 2013)

The National Norms and Standards for Disposal of Waste to Landfill (GN 636 of 2013) require a 25% reduction of garden waste to landfill by 2018 and a 50% diversion by 2023.

National Medium Term Strategic Framework (2019 – 2024)

The National Medium Term Strategic Framework requires a 50% diversion of waste from landfill sites. The interventions identified to meet the targets include the implementation of waste management programmes across all spheres of government and the private sector.

National Waste Management Strategy 2020 (GN 44116 of 2021)

The National Waste Management Strategy 2020 (NWMS) gives effect to the DFFE's national mandate for waste management, which is derived from Section 24 of the National Constitution. The NWMS therefore provides a coherent framework and strategy for the implementation of the Waste Act and outlines government's policy and strategic approach to waste management within the South African government's context and agenda of socio-economic development that is "equitable, inclusive, sustainable and environmentally sound".

The NWMS 2020 also responds to the National Development Plan: Vision 2030 directive of "implementing a waste management system through the rapid expansion of recycling infrastructure and encouraging the composting of organic domestic waste to bolster economic activity in poor urban communities" and to the need to "cut down on solid waste disposal".

Metropolitan (Metro), district and local municipalities are critical to the implementation of the NWMS as they are responsible for the planning and delivery of waste collection and disposal services and infrastructure. As part of the implementation of the NWMS 2020, local government needs to shift the focus of waste collection services to enable and promote diversion of waste from landfills through reuse, recycling, and recovery.

The State of Waste Report (2018) shows that organic waste contributes to more than 50% of the total of general waste disposed in South Africa and has a comparative recycling rate of 49%. Based on these statistics, the NWMS recognises that the organic waste stream should be prioritised for waste prevention and diversion from landfill.

⁸ Environmental Canada, Technical Document on Municipal Solid Waste Organics Processing.

⁹ DEA&DP letter to the Organics Recycling Association of South Africa. RE: Diversion targets for organic waste in the Western Cape (2018).

The organic waste priorities of the NWMS are further supported by the fact that the South African government is signatory to the United Nations Sustainable Development Goals (SDG). SDG 12.3 seeks to halve per capita global food waste at the retail and consumer level, including the reduction food losses along production and supply chains, as well as post-harvest losses by 2030. This goal forms the basis of a number of key agreements being discussed in South Africa, as well as internal targets for large and multinational brands.

The NWMS is premised on three pillars which will see a future South Africa with zero waste in landfills; cleaner communities, well managed and financially stable waste services, and a culture of zero tolerance of pollution, litter and illegal dumping. The Government priorities will be achieved through three (3) supporting pillars, namely Waste Minimisation; Effective and Sustainable Waste Services; Compliance, Enforcement and Awareness.

Table 2 presents the key interventions and actions, specific to organic waste management within municipalities, which are linked to each strategic pillar of the NWMS.

Table 2: Key interventions and actions of the three strategic pillars of the NWMS

Key Intervention/s	Actions/Outcomes
PILLAR 1: WASTE MINIMISATION	
Divert organic waste from landfill through composting and energy recovery	<p>The long term expected outcome is "Zero Waste going to Landfill".</p> <ul style="list-style-type: none"> 40% of waste from diverted from landfill within 5 years; 55% within 10 years; and at least 70% within 15 years leading to Zero Waste going to landfill. <p>Include and implement organic waste technologies in local government IWMPs.</p>
PILLAR 2: EFFECTIVE AND SUSTAINABLE WASTE SERVICES	
Separate waste at source	<p>Integration of waste pickers into the waste management system.</p> <p>Public online and annually updated guidelines, case studies and planning tools on separation at source for municipal managers.</p> <p>National Awareness campaign on recycling and waste management.</p>
Effective integrated waste management planning	<p>Development and implementation of 5 -year provincial and municipal IWMPs.</p> <p>Improve collection, reporting and dissemination of information on SAWIS.</p> <p>Building capacity in integrated waste management planning and provide revised IWMP guidelines.</p> <p>Municipalities include provisions for recycling drop-off/by back/storage centres in their IWMPs, supported by fiscal mechanisms/ Extended Producer Responsibility (EPR)¹⁰ schemes.</p>
PILLAR 3: COMPLIANCE ENFORCEMENT AND AWARENESS	
Ensure municipal landfill sites and waste management facilities comply with licensing requirements	Develop financial mechanisms to enforce compliance to license conditions.

National Organic Waste Composting Strategy (2013)

The Final National Organic Waste Composting Strategy (NOWCS) Report was published by the DEA (now DFFE) in 2013, with the aim to promote the diversion of organic waste from landfill through organic waste composting for soil beneficiation and other uses through composting.

¹⁰ The EPR Regulations define EPR as follows: "extended producer responsibility" means that a producer's responsibility for an identified product is extended to the post-consumer stage of an identified product's life cycle.

The NOWCS is based on five goals which seek to drive viable and sustainable change in response to legislation change, responsible waste handling and enhancing the use of organics in a circular system. The five goals and associated objectives are detailed in the NOWCS, including actions to be undertaken in order to realise each of these goals. Table 3 provides a summary of the five goals and associated objectives of the NOWCS.

Table 3: Summary of the five goals and associated objectives of the NOWCS

Goals	Objectives
1. Review legal and regulatory requirements.	The objective of Goal 1 is to identify legislation and regulations that require modification in order to facilitate the legal registration of composting activities and facilities.
2. Understand and facilitate feedstock sources and opportunities.	Improving the monitoring of organic waste generation, disposal, and treatment, as well as identifying both feedstock and product market opportunities.
3. Provide the necessary support structure and functions to implementing composting.	The objective of Goal 3 is to consider necessary support structures and functions that would assist in the creation of opportunities, promoted and facilitated by legal enabling frameworks, and financial support and incentivisation. Governmental synergies with the private sector and regionalisation are also identified as necessary aspects requiring consideration.
4. Undertake education, skills transfer and awareness.	Enhancing public awareness and education campaigns and programmes regarding certain waste types is required in order to assist with not only separation at source, but diversion of organic waste from landfill, by means of potential home composting in urban / residential areas, as well as possible communal composting within the informal, lower-income areas.
5. Incorporate composting into municipal planning, responsibilities and create roles for the private sector.	This goal is about adapting the existing municipal structures to suit roles and responsibilities, including the use of IWMPs and Integrated Development Plans and identification of private involvement, where necessary. <u>Waste Management Officers will play a key role in planning and achieving the objectives of the NOWCS.</u>

National Norms and Standards for Organic Waste Composting (GN 44762 of 2021)

On 25 June 2021, the Minister of Forestry, Fisheries and the Environment promulgated the **National Norms and Standards for Organic Waste Composting** under the NEMWA. An objective of the Norms and Standards is that organic waste composting will no longer require a waste management licence under NEMWA.

The Norms and Standards seek to provide a national uniform approach relating to controlling the composting of organic waste at any facility that falls within the threshold, thereby ensuring that best practice is always followed. The Norms and Standards are applicable to compostable organic waste and to organic composting facilities with the capacity to process in excess of 10 tonnes per day.

National Norms and Standards for the treatment of Organic Waste (GN 44340 of 2021)

On 29 March 2021, the Minister of Forestry, Fisheries and the Environment published the **Draft National Norms and Standards for the Treatment of Organic Waste** under the NEMWA for comment. The Norms and Standards were released for a 30-day commenting period on 29 March 2021, which was subsequently extended. These had not been promulgated at the time of writing this plan.

The objective of the Norms and Standards will be to control the processing of organic waste material at any facility that falls within the prescribed thresholds in order to avoid, prevent or minimise potential negative impacts on the biophysical environment.

The Norms and Standards are applicable to the following activities:

1. Recycling of organic waste at a facility that has an operational area in excess of 500m²;

2. Recovery of organic waste including the refining, utilisation or co-processing of organic waste in excess of 10 tons but less than 100 tons per day;
3. Construction and operation of any organic waste treatment facility that has the capacity to process in excess of 10 ton but less than 100 tons of organic waste material per day;
4. Construction of any organic waste facility where the capacity of the facility is able to process in excess of 10 tonnes but less than 100 tonnes of organic material per day;
5. Construction and operation of any organic waste facility processing animal matter not intended for human consumption for installation handling in excess of 1 ton of raw material per day; and
6. Construction and operation of any organic waste facility using applied heat (thermal treatment) in the treatment of general waste exceeding 10kg per day.

Western Cape Provincial Integrated Waste Management Plan (IWMP) (2017 – 2022)

Objective 3 of Goal 3 (Effective and efficient utilisation of resources) of the IWMP is to increase waste diversion through reuse, recovery and recycling. **The targets set to achieve this objective for the organic waste stream are: 50% diversion of organic waste by 2022 and 100% diversion rate by 2027.**

Stellenbosch Municipality: By-law relating to Integrated Waste Management (2021)

In order to give effect to the right contained in Section 24 of the National Constitution, 1996 and to regulate the avoidance, minimisation, generation, collection, cleaning and disposal of waste, Stellenbosch Municipality: Directorate Infrastructure Service drafted the By-law Relating to Integrated Waste Management, which was subsequently published by Provincial Gazette No. 8441 dated 4 June 2021.

The By-law makes the following provisions in relation to organic waste management:

Separation at source

1. A waste generator must:
 - a. Separate waste with the aim to:
 - i. Minimise its impacts on the environment; and
 - ii. Store the recyclable waste separately from non-recyclable waste.

Garden waste

1. Garden waste generated at properties being used mainly for residential purposes may be:
 - a. Composted on the property;
 - b. Stored in a compost heap or suitable bags as per the Municipality's requirements; and
 - c. Kept on the property until collection or taken to a licenced waste disposal facility.
2. The Municipality may, from time to time:
 - a. Stipulate maximum quantities of garden waste to be collected in respect for rural and urban areas; and
 - b. Impose conditions regarding the disposal of garden waste over a specified mass, and for this purpose call upon a waste generator of garden waste to present a weighbridge ticket as proof of proper disposal of such garden waste.

Organic waste

1. The occupant of premises on which organic waste is generated:
 - a. May compost the waste on the premises, provided that the composting does not cause a nuisance or harm to human health or damage the environment;
 - b. But not composted, must ensure that the waste is collected and treated or disposed of within a reasonable period after its generation.
2. The Municipal Manager may issue a directive to:
 - a. An organic waste generator to:
 - i. Develop an integrated refuse management plan indicating measures to minimise and recover such waste; and

- ii. Transport the waste to designated facilities for treatment or disposal; and
 - b. A transporter of garden waste or a person providing garden maintenance services to transport any garden waste to a facility designated by the Municipality for disposal.
3. The Municipality or an accredited services provider may:
- a. Upon written request of the occupant of premises on which organic waste is generated; and on payment of a tariff as per the Municipality's Tariff-By-Law and Tariff Policy, deliver an appropriate receptacle for the purposes of storing organic waste, in addition to any receptacle already provided by the Municipality for general waste.

5.2 Literature Review

The benefits of diverting organic waste from landfill are well documented and include the following in addition to saving landfill airspace:¹¹:

- Organic matter is an essential component of soils and plays a fundamental role in soil conservation, crop production, and fertility maintenance. Treated organic waste can be transformed into valuable products such as compost, soil amendment, and fertilizer. These products can be applied to various commercial activities such as agriculture, landscaping, horticulture, erosion control, topsoil replacement etc.
- The production of compost and other products emanating from the treatment of organic waste could help to reduce the demand and use of chemical fertilisers.
- Compost can also be used for reforestation, wetland restoration and habitat revitalisation to reverse the impacts of urbanisation / industrialisation.
- The anaerobic decomposition of organic waste (i.e. in landfill) results in the generation of methane gas. As an alternative, if decomposition takes place separately in an Anaerobic Digester (AD), the gas can be collected and transformed into energy. This can be valuable in an energy scarce country like South Africa, where mainly fossil fuels are relied on for electricity generation.
- Plays a key role in circular economy thinking.

The following section presents the opportunities, drivers/enablers, and risks/barriers to organic waste diversion from landfill as presented in the GreenCape Market Waste Market Intelligence Report ¹².

Opportunities

In 2019, the Western Cape Province generated approximately 533 745 tonnes of MSW organics, and approximately 326 935 tonnes of commercial and industrial organics in 2019. Combined, the market value of MSW and commercial and industrial organics is estimated between R86 million and R162 million.

The Cape Winelands District Municipality, of which Stellenbosch Municipality is a part of, is estimated to generate ~67 900 tons of MSW organics by 2023.

Drivers

- Due to the opportunities related to organic waste, new and changing national and provincial legislation and regulations are set to unlock a number of key waste streams such as organics. Changes in legislation such as the above-mentioned Western Cape organic waste restrictions and the National Norms and Standards for Composting and Organic Waste Treatment will help to simplify requirements and procedures for alternative waste treatment technologies and activities; as well as unlock funds and feedstocks for, among others, the private sector.

¹¹ Environmental Canada, Technical Document on Municipal Solid Waste Organics Processing

¹² GreenCape Market Waste Market Intelligence Report (2020 p.16 – 19; p.38 – p.43)

- The initiatives identified by the national government's fast results delivery programme, Operation Phakisa¹³, also aims to increase access to feedstock and stimulate growth in market demand. Operation Phakisa resulted in 20 initiatives aimed at job creation potential, potential GDP contribution, and waste diversion potential as calculated in 2017.
- The rising management costs of landfill operations are resulting in an increase in the price of landfilling in the Western Cape. This increases demand from waste generators for alternative waste treatment solutions, which in turn improves the business case for solutions.
- Most of the Western Cape province, including Stellenbosch Municipality, is experiencing a landfill airspace crisis.

Risks

- It is difficult to extract value from municipal solid waste (MSW) due to its complex nature of being a mix of general household articles, which include general and hazardous waste, all of which come in various quantities and ratios, and all of which can be substantially contaminated.
- In order to realise the benefits of producing good quality compost and successful waste to energy, an important aspect of organic waste diversion is ensuring that the organic feedstock/input is of good quality and is not contaminated.
- Organics contaminated by non-organic waste streams such as glass, metal, plastic etc, compromises the quality and value of organic waste treatment by-products and end products.
- Separation at source is therefore an important aspect of overcoming the hurdle of contamination of organic waste. However, it is noted that for the most part South Africa, in general does not have a culture of separating waste at source. The risk of low participation rates in separation at source programmes can also make extracting value difficult and costly.
- Although Municipal waste management by-laws, such the Stellenbosch Municipality By-Law Relating to Integrated Waste Management (2021), require mandatory separation at source, municipalities do not always have the capacity to enforce this.

Table 4 presents a summary of the opportunities, drivers, enablers and risks related to organic waste beneficiation in South Africa.

Table 4: Summary of the opportunities, drivers and enablers for organic waste beneficiation as per the GreenCape Market Intelligence Report (2020 p.33 - 34)

Opportunities	Drivers	Enablers	Barrier/Risk	Macro-Environment
Value-add to cleaner / pre-processed organics Stellenbosch local municipality	<ul style="list-style-type: none"> • Organic waste 2027 landfill restrictions • Decreasing municipal landfill airspace • Increasing cost of landfilling • Market demand for clean dry recyclable feedstocks 	<ul style="list-style-type: none"> • Easing of composting regulations • Increasing cost of electricity 	<ul style="list-style-type: none"> • Inadequate source separation • Composting registration regulations • Difficult procurement / tender process • Sensitive / lack of market for by-products • Lack of electricity grid feed-in 	<ul style="list-style-type: none"> • Operation Phakisa focus on organic waste • Greenhouse gas reduction commitments / ambitions • Consumer awareness of food waste and its impact on the environment

¹³ The Department of Environmental Affairs together with the Department of Planning, Monitoring and Evaluation initiated a Chemicals and Waste Phakisa programme from 24 July to 24 August 2017. Chemicals and Waste Phakisa was aimed at engaging on opportunities that call lead to reduction of impact on the environment, while growing the GDP contribution and creating jobs.

Other drivers to be considered are as follows:

The 'Circular Economy' sees waste as a resource as follows:

- Organics are materials which can be reclaimed and reused or recycled as secondary raw materials for new products i.e. compost.
- Organic waste converted to compost is a source of soil nutrients.

Legislative and infrastructural drivers:

- The zero-meat production waste to landfill by 2023 Operation Phakisa initiative, which will focus on driving the diversion of the meat production waste to value-add solutions.
- The 50% household organic separation at source by 2023 Operation Phakisa initiative will focus on enforcing separation at source requirements on municipalities.
- As previously mentioned, since August 2019 the SM have made use of the Vissershok Private Landfill (Vissershok Waste Management Facility (Pty) Ltd) in Cape Town owing to loss of airspace at the Stellenbosch Municipal Landfill Site. The loss of landfill airspace, in conjunction with provincial policy directives, is a driving factor for SM to diversify their waste management models.

Financial drivers:

- Availability and cost of landfill
 - Reducing waste results in avoided costs/savings in landfill cost.
 - Future avoided costs which are the long-term savings that are realised when the life of an existing landfill is extended or a new landfill can be designed and constructed on a smaller scale or with a longer lifespan.
- Cost of transport of waste to a landfill site outside the municipality's boundaries.

Barriers:

- Green and garden waste collection and processing is most effective when combined with bylaws prohibiting this waste to be mixed or disposed of with normal household waste.
- Composting garden and green waste is easier to control and produces a cleaner more uniform product with fewer contaminants, and the final product can be certified as organic compost. Compost derived from general mixed waste can be more difficult to control.
- Costs associated with waste transport are high.
- There is a perception that the diversion of waste from landfill should be cheaper than a landfill gate fee as this does not take into account the life-cycle costs of a landfill site.
- Treatment or processing of organics results in by-products and end products that require disposal or further management e.g. digestate from AD is not regarded as a revenue generating by-product from AD operations but usually attracts a "disposal" cost although it can be used as a soil enhancer and composting requires the sale of the final product.
- Compost needs to meet certain quality requirements to be registered with the Department of Agriculture, Land Reform and Rural Development (DALRRD) in terms of the Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies Act (No. 972 of 2017).
- AD as an energy generation solution for municipalities can be complicated by the requirement in terms of the Constitution that Municipalities are obliged by to buy electricity from the most reliable and inexpensive source.

5.3 Motivation for Separation at Source and Waste Diversion

Municipal solid waste management in South Africa is typically one dimensional, with waste being collected and disposed of at landfills, as illustrated in **Figure 6**. Municipalities have however been encouraged to adopt an integrated multi-dimensional approach to their waste management by applying the principles of the waste management hierarchy, as shown in **Figure 6** along with the desirability. As waste is not being separated at

source in most municipalities it results in a reduced market value as the extracted recyclable and organics from a mixed municipal waste stream are highly contaminated.

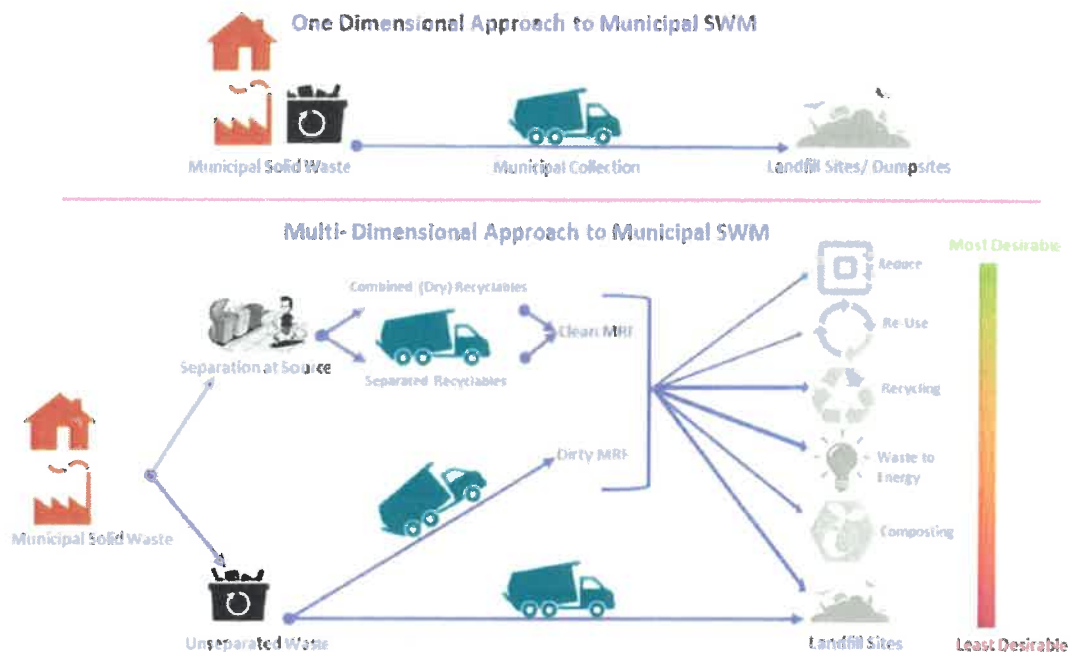


Figure 6: One-dimensional vs multi-dimensional approach to municipal waste management¹⁴

The South African government in partnership with the German Development Cooperation embarked upon the implementation of an advanced integrated solid waste management (AISWM) Programme for the Republic of South Africa. AISWM is a term used to describe integrated solid waste management (ISWM) making use of systems and technologies, within a framework of policies, legislation and practices, that reduce dependency on landfill for disposal of waste. The Programme defines AISWM as “the coherent and sustainable application of approaches and solutions that have the effect of reducing the amount of waste that needs to be landfilled.”

AISWM aims to advance waste management practices up the hierarchy away from landfill and towards creating energy, recycling, composting, reuse and reduction. This does not necessarily require the use of sophisticated and expensive technology; but a blend of management systems and multi-dimensional use of appropriate technologies that succeed in sustainably diverting waste away from landfill.

AISWM is generally more expensive than landfilling when only considering the financial costs. However, when considering the wider economic costs and benefits from a societal standpoint and the long terms cost savings, advanced treatment options become more favourable than landfilling.

When comparing financial performance, costs and revenues of one-dimensional systems against multi-dimensional systems it can only be undertaken with a view of the long-term economic implications. It is however important to note that in order for multi-dimensional and AISWM systems to be effective, separation at source is a key component.

¹⁴ Source: Knowledge Product 4: Financial Implications of Advanced Waste Treatment. https://www.dffe.gov.za/sites/default/files/reports/advancedwastetreatment_chapter1.pdf

5.4 International Case Studies and Examples of Organic Waste Diversion

This section provides a brief summary and overview of various and selected international organic waste diversion strategies and drivers. The Report, *Bio-waste generation in the EU: Current capture levels and future potential*, published in 2020 and commissioned by the Bio-based Industries Consortium (BIC) provides more specific details in terms of collection rates and tonnages as well as systems in each EU Member State, the UK and Norway.

5.4.1 European Union Directives

According to the Directive 1999/31/EC on landfill of waste, Member States must reduce the amount of biodegradable municipal waste going to landfill

- to 75 % of the total amount of biodegradable municipal waste generated in 1995 by 2006;
- to 50 % of 1995 levels by 2009; and
- to 35 % of 1995 levels by 2016.

European Directive (EU) 2018/851, commonly known as the New Waste Framework Directive (WFD), included in the 'Circular Economy Package', mandates the introduction of separate collection of bio-waste as of 1 Jan 2024. Updating art. 22 of the WFD, it stipulates an obligation at the EU level to implement bio-waste collection.

5.4.2 United Nations' Sustainable Development Goal 12.3

The United Nations (UN) Sustainable Development Goal (SDG) 12 seeks to "ensure sustainable consumption and production patterns." The third target under this goal (Target 12.3) calls for cutting in half per capita global food waste at the retail and consumer level, and reducing food losses along production and supply chains (including post-harvest losses) by 2030.

5.4.3 Milan¹⁵

The City of Milan, Italy started a door-to-door collection of organic waste in 2012. By June of 2014, the program reached 100% citywide participation and has one of the highest organic waste collection rates in Europe and has surpassed the European Union target of diverting 50% of food waste by 2020.

The high participation rates by citizens is said to be one of the main reasons for the rapid success of this programme. The residents of Milan were already accustomed to waste separation at household level and therefore there was little resistance to the organic waste separation programme.

The municipality provides a countertop caddy, compostable bags and a 120 litre wheelie bins on loan to its citizens for free, for kerbside for collection twice a week from households and daily from businesses (e.g. bars and restaurants).

The bags are made of biodegradable, compostable plastic which are waterproof, hygienic, breathable and can be processed by composting and anaerobic digestion plants. The use of compostable bags has been said to be crucial to the success of separate organic waste collection system. Novamont provided the bags to AMSA (the Milanese environmental services company) who manages the city's waste collection. AMSA gave each resident of Milan (and ten surrounding municipalities) a starter kit with 25 bags for free. In addition, Novamont supported AMSA and Milan with information outreach campaigns aimed at encouraging consumers to use their compostable grocery bags to collect organic waste at home.

¹⁵ https://pocacito.eu/sites/default/files/FoodWasteRecycling_Milan.pdf

5.4.4 *Sweden*

In Sweden approximately 73 % of municipalities offer some form of collection system for food waste and in most municipalities, it is voluntary for households to source separate food waste. Most of the food waste is treated by means of anaerobic digestion.

5.4.5 *Sao Paulo, Brazil*

São Paulo's strategy for organic waste diversion, including collection treatment and recycling and their challenges for São Paulo. It builds on an assessment of São Paulo's waste management by the City Assistance Project under the Climate and Clean Air Coalition Municipal Solid Waste Initiative, and a 2014-2033 Action Plan for organic waste in line with the city's goals for integrated solid waste management.

The Action Plan sets out a target to divert 70% of organic waste from landfill by:

- Reducing it at source (for instance through home composting).
- Separate collection from large producers and households.
- Treatment of separated organic waste using composting and anaerobic digestion.
- Pre-treatment of residual waste through mechanical biological treatment (MBT).

This strategy sets out the roadmap to achieve the goals and targets. It begins by outlining the relevant targets and inputs relating to waste production, collection, treatment, composting and climate policy. The strategy is broken into four components:

- **Separate collection and transport of organic waste.** This sets out the advantages of separate collection compared to mechanical sorting, in terms of contamination and impurities, and how São Paulo can begin and optimise organic waste collection.
- **Treatment and recycling of organic waste.** This explains the different treatment options and strategy for gradually increasing treatment capacity.
- **Communication on organic waste.** This recommends that an annual budget and permanent working is created for communication activities.
- **Economic instruments.** This looks at approaches for incentivising diversion and treatment through landfill disposal fees, and local revenue raising options such as a household waste fee.

5.4.6 *The Courtauld Commitment 2030*

The Courtauld Commitment 2030 is a voluntary agreement that enables collaborative action across the entire food chain in the United Kingdom (UK) to deliver farm-to-fork reductions in food waste, greenhouse gas (GHG) emissions and water stress that will help the UK food and drink sector achieve global environmental goals.

The target for Food Waste is to deliver against UN SDG Goal 12.3 with a 50% per capita reduction in food waste by 2030 vs the UK 2007 baseline (which includes manufacture, retail, hospitality and food service, and household).

The Commitment include a target for GHG emission reduction to deliver a 50% absolute reduction in GHG emissions associated with food and drink consumed in the UK by 2030 (against a 2015 baseline).

5.4.7 *Pacific Coast Collaborative*

The Pacific Coast of North America West Coast Voluntary Agreement is an ambitious public-private partnership that aims to reduce food waste in the region across the supply chain. The aims of the voluntary agreement are to reduce food waste in the region by at least 50% by 2030.

5.4.8 *Tacloban, Philippines*

Tacloban, a large city in the Philippines has a population of 242,089 (2015) and a waste generation rate of 175 tonnes per day. The city has a decentralised collection system for household waste in 64 *barangays* or communities.

The diversion rate for 64 *barangays* rose from 10 per cent in 2017, to 55 per cent by the end of 2018. This was possible due to the joint collaboration between city authorities with Mother Earth Foundation (MEF) and took on a multi-pronged approach, using policy instruments; information, education and communication campaign, as well as enforcement mechanisms for the city.

In October 2016, the city launched phase 1 of the Ecological Solid Waste Management (ESWM) Programme for the city. This was followed by the ordinance on Integrated Ecological Solid Waste Management in 2017; which mandates residents to segregate waste at source and sets out *barangay*-specific mechanics of waste collection, segregation, and Materials Recovery Facilities (MRFs). It also authorises *barangays* to levy user fees to cover the costs of collection and MRF operations.

The City distributed 52 pedicabs (bicycles with a sidecar attached) and plastic drums and provided cash assistance to *barangays* to help with the initial set-up and construction of their MRFs. Committees monitored whether households were sorting their waste properly while newly trained environmental police enforced the ordinances. *Barangay tanods* (village officials) vigilantly patrolled their areas of jurisdiction and had the power to fine residents who refused to sort their waste.

By 2019, the City recovered 384 tonnes of organic waste and 23 tonnes of recyclables annually from 64 *barangays* as a result of implementing the decentralised collection model. The compliance rate of waste segregation by households in participating *barangays* also rose to 63%.



Figure 7: Pedicabs used for waste collection on Tacloban.

5.4.9 UN-Habitat Waste Wise Cities

The UN-Habitat “Waste Wise Cities” programme was launched to address the increasing global waste management crisis. It allows cities to deal with their waste management issues in their context, while also learning from the experience of other cities. UN-Habitat invites cities to become Waste Wise by promoting and incorporating the following 12 key principles in their solid waste management strategy:

- Assess quantity and type of waste generated - Assess quantity and type of waste generated by residents, establishments and businesses.
- Improve collection and transportation of waste. - Improve collection and transportation of waste.
- Ensure environmentally safe disposal of waste.
- Promote the 5 Rs –Rethink, Reduce, Reuse, Recycle and Refuse the use of single-use items, to derive maximum value from waste.
- Empower and work with all waste stakeholders and work with civil society, NGOs, private and informal sectors.
- Establish better working conditions for waste workers, whether in formal or informal employment.
- Implement innovative technological alternatives, while carefully evaluating and implementing innovative technological alternatives, e.g. waste-to-energy schemes, and learn from other cities.

- Make long-term urban strategic plans considering waste, for urbanisation, which fully consider solid waste generation and treatment.
- Design incentives promoting a circular economy, considering financial and other incentives, promoting a transition to a more circular economy and reducing waste.
- Encourage “Rethinking on waste” through public education and awareness efforts to change public attitudes towards waste.
- Regularly review progress on Municipal Solid Waste Management in the city and provide achievements and success stories annually on the Waste Wise Cities website.
- Strive towards achieving the Sustainable Development Goals, as well as the goals of the Paris Agreement and the New Urban Agenda.

UN-Habitat will support cities that want to become Waste Wise in the following action areas:

- Waste Data & Monitoring (e.g. feedback on available data, support in collection of data with Waste Wise Cities Tool)
- Knowledge & Good Practices Sharing (e.g. Newsletter, City-to-city Partnerships, Waste Wise Academy)
- Advocacy & Education (e.g. educational toolkit, awareness raising material)
- Project Finance & Bankability Support (e.g. for drafting project proposals, marketplace)

Any city that is committed to its key principles can join. A city official or representative is required to submit a “letter of intent” addressed to the Executive Director of UN-Habitat (WasteWiseCities@un.org). A sample letter is provided on the website (<https://unhabitat.org/waste-wise-cities>).

The programme provides a tool, the Waste Wise Cities Tool (WaCT) which provides guidance through 7 steps to collect data on municipal solid waste (MSW) generated, collected, and managed in controlled facilities. The tool also provides household survey guide for total MSW generation, a questionnaire to identify the MSW recovery chain and criteria to check the environmental control level of waste management facilities in a city.

5.5 Examples of South African organic waste diversion programmes

5.5.1 *Witzenberg Zero Waste to Landfill Pilot project*

JG Afrika and Circular-Vision were approached by the Wellington Association Against the Incinerator (WAAI) to assist in the undertaking of a Zero Waste Pilot to Landfill Strategy Pilot Project in Tulbagh, Witzenberg Municipality (WM).

Households in Tulbagh were selected by the WM to participate in the pilot project which entailed household at-source separation of waste into the four categories of food waste, garden waste, recyclables and landfill waste. The Zero Waste Pilot Project ran from 2 October 2019 to 4 December 2019. The aim of the pilot project was to test the at-source separation and collection method for food, garden and recyclable waste for future replication within the Municipality.

Participating households were requested to separate their waste according to the following:

- Educational leaflets on how to separate waste at source
- Clear Bag for recyclables
- Compostable bags with a countertop caddy for food waste
- Green Bag for garden clippings (in accordance with the existing system in WM)
- Black bag for other waste (to be landfilled / dumped) (in accordance with the existing system in WM)

Once weighed, the bags were collected with the compostable and garden waste and taken to a compost facility, the recyclables were taken to an existing recycler, operating from the landfill site and black bags were disposed of at the landfill.

The following are the project learnings related to participation and separation of waste:

- Initially participation levels were low as residents were not showing interest in the pilot. Participation increased as the pilot progressed. Residents were more enthusiastic about the recycling aspect than the organic/food waste component.
- Some residents did not separate waste into different colour bags as per the pilot project instructions and information provided. Continuous education and awareness is critical in ensuring that separation at source is undertaken correctly.
- Several residents stated that they were already composting food waste at home and therefore only put recyclable bags out for collection. Home composting should be encouraged by municipalities as the first choice and solution to diverting organic waste from landfill.

It should be noted that this project won a special mention at the “The AfriSam Innovation Award for Sustainable Construction” at the 2021 Construction World Best Projects competition and was placed third 3 at the IMESA/CESA Excellence Awards.

5.5.2 *City of Cape Town organic waste drop-off pilot project*

The current food waste diversion project operating from four CCT drop-off sites and four additional pop-up sites that have been created in various Central Business Districts (CBD) in Cape Town, including the City Centre, Claremont, Durbanville and Somerset West.

The food waste that is collected at the sites is taken to a CCT solid waste facility where it is weighed and composted.

How the trial works:

- Participants are issued with a 5L bucket (with an explanatory leaflet), which they take home to fill with their food waste, temporarily storing it in the fridge.
- When the bucket is full, they are then required to return it to their designated site at which they received the bucket.
- The bucket will be decanted, cleaned and reissued to the participant.
- The project duration is 15 February 2021 until the 30 June 2021.
- The trial is limited to 200 residential participants per site and is taking place at the eight sites identified below.
- The CCT drop-offs are established sites, already visited by residents to drop off recyclables, garden waste or garage waste and the CBD sites were chosen as convenient drop-off points for residents working in or frequenting these areas.

Acceptable organic waste to be put into buckets:

- Fruit and vegetable scraps and peels
- Egg shells, egg trays and tea bags
- All food scraps such as starch (rice, pasta, pap), sauce, meat, bones
- Paper plates and serviettes
- Compostable food containers

5.5.3 *City of Cape Town home composting (green genie) project*

In April 2016, the CCT embarked on a phased initiative to provide free home composting containers to residents. In the first phase of the programme the CCT issued more than 5 000 free home composting containers. The second phase, from February 2017 to June 2017, ensured that around 5 100 more residents received a free composting container. The CCT has rolled out home composters to over 22 000 households.

5.5.4 *Oranjezicht City Farm organic waste drop-off initiative*

The OZCF provides an easily accessible eco-system where households and local business can bring their kitchen waste, layered with Bokashi (available for purchase from the Farm), to the Farm to be used as fertiliser for the soil. Bokashi composting uses a selected group of micro-organisms to anaerobically ferment organic waste. The OZCF provides its customers the option to purchase Bokashi bran produced by the OZCF. To recover costs associated with brand manufacturing, OZCF charges R110 per 1kg bag. Each bag lasts a family of four a month.

Initially the service of receiving food waste was offered for free. However, to recover labour costs associated with composting, the OZCF introduced a clip card payment system. Each clip of a ten-clip-card equates to a single 20L bucket of food waste. Households are charged R100 per clip card (R10 per clip/bucket) whilst businesses are charged R200 per clip card (R20 per clip/bucket).

The Oranjezicht City Farm (OZCF) receives an estimated 100 buckets per week of food waste. At 15 to 20kgs per bucket, this equates to roughly 1.5 – 2 tonnes week or 78-100 tonnes per annum. The OZCF generates between 11.7 – 15 tonnes of nutrient rich compost per year at its onsite composting operation. This compost is subsequently bagged and sold to its community members at R30/10kg. These funds are fed back into the operation of the garden.

5.5.5 *The Ladles of Love Feed The Soil Sustainability programme*

The Ladles of Love Feed The Soil Sustainability programme was launched on 16 October 2021, and is partnering with ZTL (Zero To Landfill) Organics to help develop urban farming in Cape Town while diverting organic waste. ZTL are experts in and passionate about recycling organic waste and will assist by turning the waste from suburban households into nutrient-rich compost. This organic compost will then be delivered to a network of urban farmers around Cape Town.



Figure 8: Feed the Soil Organic Waste Tool Kit and project pictogram

Residents purchase a Feed The Soil Organic Waste Tool Kit for R200 which will include:

- 1 x 5 litre Organic Waste Bin
- 1 x 25 litre Storage Bin
- 1 x bag of Sawdust
- 1 x bag of Bokashi

The bucket is then taken to a drop off and swapped for a clean bucket on a weekly basis. ZTL collect full buckets from the drop-off and take the organic waste for composting. Initially the drop-off point is planned to be a pop-up exchange which is planned to become a more permanent location/facility with an adjoining veggie shop to be added. There is a weekly cost of R25 for this service which is payable by card or SnapScan.

5.5.6 The Compost Kitchen

The Compost Kitchen charge R190/month to collect organic kitchen waste on a weekly basis. Each client is provided with an organic waste bin and the waste is treated by means of a vermicomposting process. The household receives 2kg of high quality vermicompost back on a monthly basis.

The compost kitchen provide training and sell various organic and food waste composting products/solutions, such as the Doggy Doo Doo bin.

The Doggy Doo Doo bin is a safe, neat, hygienic and sustainable way to dispose of pet waste and consists of a box which is buried in the ground and open to the soil at the bottom. Pet waste is dropped inside, and a microorganism treatment, which is used in the Waste Water Treatment industry, is added to break down the waste naturally along with composting earthworms which help to break down the waste.



Figure 9: The Compost Kitchen's Doggy Doo Doo bins

5.6 Organic Waste Treatment Options

In broad terms, the technology options for the treatment of municipal organic waste include the following types of processes:

- Composting
- Anaerobic Digestion (AD)
- Mechanical Biological Treatment (MBT)

It is important to note these technologies are generally regarded as intermediate processes and markets are required for the end-products. This section provides brief high-level summary of these options.

5.6.1 Composting

There are a number of different composting technologies that are used for organic waste treatment:

- Open Windrow Composting - takes place in the open air in large, elongated, uniform prism shaped 'piles' of organic waste known as windrows. The waste feedstock is usually mechanically shredded or chipped and placed into windrows on an impermeable surface. Water is added, depending on the moisture content of the waste. Windrows are turned regularly, either with a loader or by a specialist windrow turner machine or can be turned by hand, several times during the compost process, which takes approximately twelve to sixteen weeks.
- In-vessel composting - In-vessel composting (IVC) is an accelerated composting process in an enclosed and controlled environment. Waste is screened and oversize items removed, then waste is shredded or chipped to increase the surface area and reduce the average material size. The composting process can take place in a building (bays, beds) or in composting vessels (tunnels, drums, towers).

Composting can take place on a small scale, and in a localised manner at household level for example or on an industrial or agricultural scale. It can also take place as a static or dynamic systems where dynamic refers to the periodic mixing or turning as the main way of aerating the compost where systems which rely on forced or passive ventilation of the piles are known as static systems.

Composting is regarded as a promising technology (i.e. relatively inexpensive, accessible with market demand and labour intensive) that can be implemented in the short-term at municipal level and is regarded as comparative to the cost of landfill¹⁶.

5.6.2 Anaerobic digestion

Anaerobic digestion (AD) is a biological process that takes place in an anaerobic environment (without oxygen) and produces a gas which is mainly composed of methane and carbon dioxide, otherwise known as biogas. The broad ranges of organic feedstock have resulted in different AD technologies with the main distinction in the process types to deal with dry matter content of the substrate, temperature profile of the fermentation process, Loading system for the substrate (continuous vs batch), the number of reactors and type of reactor (i.e. vertical vs horizontal with different mixing technologies).

The cost for AD is above the full cost of landfill, but where there is a secure and stable local demand for the outputs, the business case over the long term may be viable.

5.6.3 Mechanical Biological Treatment

Mechanical biological treatment (MBT) combines mechanical treatment with a biological treatment method (i.e. open windrow composting, materials recycling facilities, anaerobic digestion and in-vessel composting). An MBT plant would contain a mechanical section focusing on the "dry" fractions (sorting, homogenizing, shredding, pressing, etc.) and a biological section focusing on the fraction containing and richer in organic matter, aiming at reducing and stabilising the putrescible organic fraction. It is usually supported by a combination of pre-treatment and sorting techniques at the beginning of the process, and a selection of emissions control and quality control techniques at the end of the process. Typical mechanical treatments will include a range of sorting technologies, from simple sieve / trommel separation techniques to more advanced positive selection techniques like near infrared segregation.

MBT is generally used for mixed municipal waste and not separated organics.

¹⁶ https://www.dffe.gov.za/sites/default/files/reports/advancedwastetreatment_chapter8.pdf

There are various options for the each of these aspects and these will depend on the source of the waste (household vs business/commercial), the quality and the volumes (i.e. economies of scale) as well as whether there are off-take opportunities.

5.6.4 Technology Comparison

Table 5 provides a high-level summary and comparison of the various technologies listing a summary of the advantages, disadvantages and risk that SM will need to consider when selecting possible solutions.

Table 5: Organic Waste Treatment Technology Comparison

Treatment/Technology	Advantages	Disadvantages and/or Risks for SM
Home composting	<ul style="list-style-type: none"> No collection or separation costs or considerations for the municipality Sufficient for treatment of food waste Cost of providing a compost bin to a resident is considerably less than regular collections Good option to include in an overall waste diversion strategy 	<ul style="list-style-type: none"> Limited to willing households and households with gardens or space to use their own compost Cannot ensure 0% organic waste in waste stream Costs associated with provision of a composting bin Perception that it attracts pests and odours May be problematic for animal waste products Diversion rate not as easy to measure externally
Open-windrow composting of garden waste	<ul style="list-style-type: none"> Relatively low capital waste treatment process Produces a saleable product Not technology intensive Can be scaled up easily and quickly provided the land/space is available Norms and Standards apply to composting and therefore a waste management licence may not be required 	<ul style="list-style-type: none"> Requires chipping of garden waste. Food waste needs to be carefully managed and mixed with garden waste so that it does not present a health risk, cause odour and cannot be scavenged or attract pests. Weather conditions can impact duration of process Collection infrastructure must be designed to accommodate waste types to be collected/received Bio aerosols can be created by turning of compost, and some odour issues can arise High use of water Stricter controls and better management required when including food waste and not only garden waste
In-Vessel Composting Plant	<ul style="list-style-type: none"> Faster process than open windrows, resulting in product stabilisation / sanitation in 3 to 4 days Relatively small footprint allows entire process to take place in a controlled environment (inside a building) Maintain a rapid decomposition process year-round regardless of external ambient conditions 	<ul style="list-style-type: none"> Requires a curing process Requires active management to ensure a good mix of materials is processed, Potential for odour issues High use of water More capital intensive in terms of equipment than open windrow systems
Small scale anaerobic digestion facility (gas to electricity).	<ul style="list-style-type: none"> AD has potential for treating a variety of organic waste streams Greenhouse gas and harmful gases are captured for use AD has the potential for energy production 	<ul style="list-style-type: none"> Capital intensive Requires on-going management Requires an intensive monitoring and control over conditions to maintain the digestion process Can be sensitive to imbalances in feedstock (e.g. high quantities of food versus garden waste or vice versa) Produces digestate as a by-product Health and safety issues can arise at AD plants Significant odour issues

Treatment/Technology	Advantages	Disadvantages and/or Risks for SM
Mechanical biological treatment	<ul style="list-style-type: none"> Does not require implementation of separation at source Reduces volume of waste landfilled Can be used to remove hazardous contaminants and prevent them from reaching landfill due to sorting of prior to treatment 	<ul style="list-style-type: none"> Quality is often insufficient for the digestate to be used as soil enhancer Potential for odour issues A variety of occupational health and safety issues Dry recyclables separated out during the process will be of poor quality Demand fixed tonnages of waste Large volume of tailings and contamination of recyclables compared to separation at source systems
Note -this is not an ideal process to divert organics from landfill		

The DFFE Alternative Waste Treatment Guide provides a table (Table 6)¹⁷ which gives an indication of waste volumes needed in order to pursue specific technology options with the organic waste treatment options discussed in this report highlighted in red.

Table 6: Waste volumes required to pursue specific technology options

Volumes: tonnes per annum	Short term			Medium term			Long term				
	Open Windrow Composting	Clean MRF	Dirty MRF	Incineration	Aerobic Digestion	In-Vessel Composting	Mechanical Biological Treatment	Gasification	Plasma Gasification	Pyrolysis	Mechanical Heat Treatment
to 10 000	X	X	X	X	X	X	X	X	X	X	X
10 000 to 50 000	X	X	X	X	X	X	X	X	X	X	X
50 000 to 70 000	X	X	X	X	X	X	X	X	X	X	X
70 000 to 90 000	X	X	X	X	X	X	X	X	X	X	X
90 000 to 130 000	X	X	X	X	X	X	X	X	X	X	X
130 000 to 170 000	X	X	X	X	X	X	X	X	X	X	X
170 000 to 190 000	X	X	X	X	X	X	X	X	X	X	X
190 000 to 230 000	X	X	X	X	X	X	X	X	X	X	X
230 000 to 290 000	X	X	X	X	X	X	X	X	X	X	X
290 000 to 490 000	X	X	X	X	X	X	X	X	X	X	X
Inputs	A	B	C	D	A	D	E	D	F	D	G

Key: X Yes X Maybe X No

5.7 Organic waste separation at source

In addition to the type of technology for organic waste treatment or processing, the diversion system/strategy will require a number of other components/aspects that the SM need to consider, these are:

1. Access to the organic waste i.e. separating it from the general waste stream.
2. Collection and transport of organic waste, this would include containers/bags, etc., as well as frequency.
3. Possible pre-treatment technologies/options
4. Markets for by and end-products.

As discussed in the Waste Roadmap, various separation at source systems are used internationally, these vary as follows:

¹⁷ <http://awtguide.environment.gov.za/content/technologies-required-waste-volumes>

- The number of fractions being separated and this ranges from simple 2-bin (dry recyclables and residual waste) to 3-bin system (dry recyclables, organics and residuals) to more sophisticated and complex systems with multiple separate fractions (such as separate containers for paper, glass, metal, plastics, organics and residual waste)
- The type of collection system being used i.e. multiple vehicles, split-compartment vehicles, or integration of the informal sector (using trolleys or bicycles);
- The type of sorting and treatment facilities used to deal with the various separated fractions.

The Waste Roadmap also notes that in a number of European countries, the focus of S@S systems is on organic waste, rather than on dry recyclables (European Bioplastics, 2016). The argument for this approach is three-fold:

- Organic waste tends to make up a large proportion of total waste generation and therefore the diversion of organic waste is critical to achieving overall targets for diversion of waste from landfill.
- The bulk of the waste sector's contribution to climate change arises from the decomposition of organic waste at landfill.
- The waste (including recyclables) remaining after organic waste has been separated is cleaner and less contaminated, facilitating recovery and recycling. Separation of organic waste at source is therefore essential to enable a 'win-win-win' solution.

The ideal approach to divert organic waste from landfill would be a three-bag household separation at source programme for organics (excluding garden waste), packaging and general waste which should be aimed at minimising the packaging included with the organic waste and reducing the amount of organic waste in the general and residual waste stream.

The advantages of separate collection of organics compared to mechanical sorting is that the quality of feedstock is not compromised in terms of impurities and contamination. Quality "feedstock" is required for producing products to be marketed and used¹⁸. Poor quality feedstock i.e. contaminated feedstock makes it more expensive to process the material, due to the increased need for sorting and the increase in the amount of rejects generated.

Household separation of food waste should be convenient and manageable. This can be achieved by equipping households with a small kitchen-caddy and a set of compostable bags to be used as a liner.

The small bin size helps to prevent the delivery of impurities (e.g. bottles, cans). The use of the bags makes it possible to collect even meat and fish scraps along with vegetables and fruit residues, avoiding nuisance generally related to delivery of "loose" material inside the bin.

In addition, it prevents pest attraction (insects) and production of leachate, whilst keeping the bins as clean as possible. A minimum set of bags for the kitchen-caddies should be provided to each household, at least in the starting phase of the new collection scheme. This will support the participation of households in the source separation of all organic kitchen waste. Newspaper and paper bags may also be used to collect food waste. Wheeled bins (240 litres) can be used where the type of dwelling is mainly of flats in multi-storey buildings.

See **Plate 1 – Plate 6** for examples of organic waste separation receptacles and customer guidelines.

¹⁸ Ricci et al. Technical guidance on the operation of organic waste treatment plants (2016)

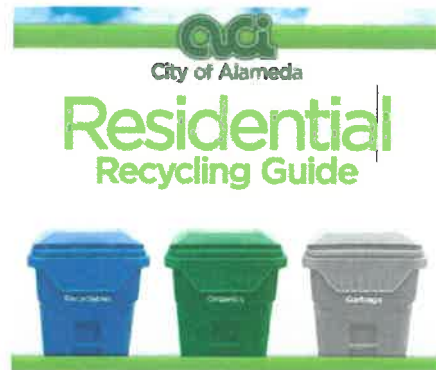
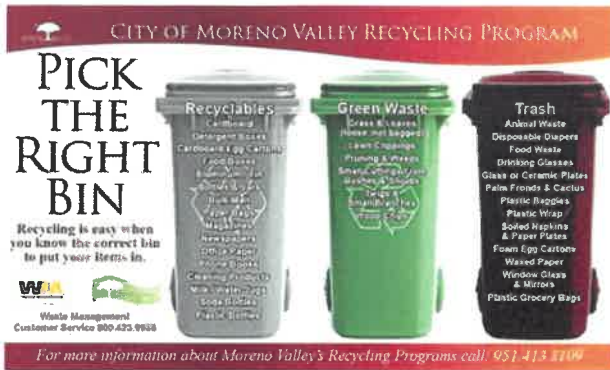


Plate 1: Examples of 3-bin household collection programmes



Plate 2: Examples of countertop organic waste collection bins with compostable bag liners



1

Place your food waste in the BAG TO EARTH® Food Waste Bag.



2

Seal the bag to keep it odor-free.



3

Place the full BAG TO EARTH® Food Waste Bag in your municipal bin.

Plate 3: Municipal organic fraction household collection guideline



Plate 4: Examples of organic fraction collection bags

How to separate your waste at home

WITZENBERG
WAAK
JOIN US ON OUR JOURNEY TO ZERO WASTE IN WITZENBERG



FOOD WASTE

Compostable bag provided

- ✓ Leftover food
- ✓ Food preparation waste
- ✓ Vegetables and fruits
- ✓ Tea bags and coffee grounds
- ✓ Dairy products
- ✓ Bones and meat, fish, egg, etc.
- ✓ Paper towel and tissues
- ✓ Bread, cake, rice and pasta
- ✗ No nappies, cigarette butts, sugar sachets, wet wipes, plastic food wrap e.g. cucumber sleeves and bread bag
- ✗ No plastic, metal or glass

- Please use the compostable bag provided or a paper bag – no other plastic please
- Compostable bags with organic waste to be placed on top of the garden waste inside the green bags on the scheduled day for collection
- This bag will be collected by the Municipality with the garden waste and taken to a compost facility



GARDEN WASTE

Green bag

- ✓ Garden waste e.g. leaves, small cut branches and wood
- ✓ Weeds, small plant cuttings, grass
- ✓ Dog and cat poo (wrapped in newspaper or in a paper bag)
- ✗ No bricks, stones, plastic plant pots, plastic, metal, glass or cigarette butts
- ✗ No large branches or tree stumps

- Garden waste to be placed in green bags provided by the Municipality
- This bag will be collected by the Municipality with the food waste, on the scheduled day for collection and taken to a compost facility



RECYCLABLES

Clear bag

- ✓ Clean plastic, paper, glass and metals
- ✓ Plastic containers
- ✓ Glass bottles
- ✓ Dry paper / Cartons / Cardboard
- ✓ Metal cans
- ✓ Plastic bags
- ✓ Tetrapak cartons / Plastic cups
- ✓ Food packets
- ✓ Styrofoam / Polystyrene
- ✗ No nappies, cigarette butts, tissues, garden waste, food waste or pet waste

- Recyclables to be placed in a clear plastic bag provided by the municipality
- Please remember clean recycling is important for those who have to sort it – remove all food
- Please ensure the recyclables are dry
- The Municipality will collect the recyclables and transport it to the recycling service providers



OTHER WASTE

Black bag

- ✓ Nappies
- ✓ Sanitary products
- ✓ Toothpaste tubes
- ✓ Other tubes
- ✓ Cigarette butts etc.
- ✗ No food waste, garden waste or recyclable plastic, paper, glass or metals

- These are materials and products which cannot be re-used, recycled or composted and will be sent to the landfill
- The Municipality will collect the waste as usual and dispose of it at the Tullaghl Landfill Site

Plate 5: Example of brochure used to provide residents with separation at source guidelines (WAAI, 2019)



Plate 6: Example of organic waste countertop caddy used with compostable bags as liners (WAAI, 2019)

5.7.1 Collection systems¹⁹

Waste collection systems are an important aspect of achieving waste diversion. The following are collection schemes which can be utilised:

5.7.1.1 Drop-offs or bringing schemes

The waste-producers (i.e. families and others) deliver the organic waste to communal containers located in public areas spaces or to an ORTS.

Bringing schemes usually use bigger containers available for a large number of waste producers. Garden waste drop-off sites can be located at other existing municipal facilities.

Bringing schemes might work well for complexes and estates and as a phased approach to allow participation for residents from areas which do not have kerbside collection.

Drop-off facilities should be monitored to ensure that they remain in compliance with the Norms and Standards in terms of NEM:WA.

5.7.1.2 Kerbside collection (or door-to-door) schemes

The waste-producers place their organic waste on their kerb where the collection is provided according to a fixed calendar.

Door-to-door schemes may require a specialised container/bin and usually adapt the volume of each bin or container to the production volumes for each specific waste producers (i.e. household vs business vs hospitality establishment). Depending on the container/bin being used, these schemes may allow for a basic quality inspection before the collection and transportation to the recycling facilities.

As food waste is highly putrescible and has a high moisture content, specific collection tools must be provided to the households to ensure that the system is clean, convenient and user-friendly. Once households feel comfortable with a system, the overall participation is enhanced.

A combination of a bringing scheme/drop-off and kerbside collection may be beneficial, as both options have their advantages and disadvantages as summarised in **Table 7**.

Table 7: Advantages and disadvantages of bringing schemes and kerbside collection schemes

	Advantages	Disadvantages
Drop-off	<ul style="list-style-type: none"> Least costly alternative as it does not require collection resources such as vehicles, collection staff etc. Provides for optimised collection and transport -Suitable for oversize materials Suitable to combine with the collection and temporary storage of other separately collected materials, like green waste, recyclables; household hazardous waste, bulky waste, etc) 	<ul style="list-style-type: none"> Potential for low diversion rate due to low participation due to potential distance to residents Not as convenient as kerbside collection schemes and may therefore result in low participation rates.
Kerbside collection	<ul style="list-style-type: none"> Suitable for green waste and food waste. Facilitates higher participation rates as it is more convenient. 	<ul style="list-style-type: none"> Substantially higher cost than maintaining and operating a network of drop-off sites. Costly to acquire non-compactor trucks for organic waste collection.

¹⁹ Ricci et al. Strategy for organic waste diversion – collection, treatment, recycling and their challenges and opportunities for the City of Sao Paulo (2016)

	Advantages	Disadvantages
	<ul style="list-style-type: none"> • Collection services could be sub-contracted to avoid the purchase of collection vehicles and paying of collection staff etc. • Convenient for households. • May result in higher participation rate. • May result in less contamination and therefore higher value recyclable stream. • If organics are separated at source, the cleaner recyclable fraction could be collected every-two weeks. 	<ul style="list-style-type: none"> • Frequency of collection may need to change / increase according to seasonality. • Difficult to verify the quality of the waste collected. • Public concern due to perception that it will attract nuisances/pests and be a health risk to the neighbourhood. • Health risk if salvaging of organic waste takes place. • Garden waste should be placed in a reusable container (e.g. drum) or in a bag (compostable). • Necessitates weekly scheduled collection service.

5.7.2 Collection infrastructure²⁰

Collection vehicles for food waste

Food waste is a moist and low volume material with a bulk density (0,45 to 0,65 kg/l) that enables the use of much simpler vehicles such as trucks with skips / containers, since there is no need for a compaction mechanism.

Standard compactors used to collect mixed MSW are normally not water-tight and hence are likely to leach if loaded with food waste. The separate collection of food waste necessitates for an appropriate fleet of vehicles to perform separate collection of food waste correctly. These vehicles need to be water-tight to avoid leaching during collection and transport.

Collection vehicles for garden waste

Green waste is bulky and rich in structure due to bush and tree cuttings and thus has a very low bulk density (0,15 to 0,25 kg/l). For efficient collection, it is suggested to make use of compacting vehicles or bush and tree cuttings to be shredded directly at the site of collection and then transported with container vehicles.

5.7.2.1 Frequency of collection

The different types of organic waste have different properties and therefore require the adoption of different management, including collection frequency.

Food waste is highly putrescible and has a high moisture content; hence fermentation processes, when stored in a bin, starts rapidly. This requires the adoption of specific frequencies in order to ensure the system performs as cleanly, conveniently as possible in a user-friendly manner.

Green waste has a lower moisture content, a lower density due to large amounts of wood or bulky, or dry organics, and hence does not require such intensive collection patterns as food waste because it does not smell, does not lead to rapid production of leachate and it does not attract flies and other worms.

According to experiences in hot and humid climate, that can be found in Mediterranean countries such as Italy, Spain or others similar to Stellenbosch, the following frequencies are recommended for food waste collection²¹:

- Kerbside collection for households should have a minimum of one to two collections per week.

²⁰ Ricci et al. Strategy for organic waste diversion – collection, treatment, recycling and their challenges and opportunities for the City of Sao Paulo (2016)

²¹ Ricci et al. Technical guidance on the operation of organic waste treatment plants (2016 p.27)

- Kerbside collection for commercial activities should have a minimum three collections per week or more.

5.8 Examples of Organic Waste Pre-Treatment Technology

Pre-treatment methods or systems for organic waste can be used to stabilise organic waste during temporary storage as well as to reduce the volume prior to transport. Organic waste can consist of up to 60% moisture.

Some mechanical pre-treatments may also include actions such as:

- Bag opening or de-packaging of waste – emptying of organic waste from collection containers as well as de-packaging condemned or expired food waste.
- Shredding of waste – garden waste as well as items such as compostable paper cups, bagasse food containers, egg boxes.

These would take place at the processing or treatment facility or newly constructed ORTS.

Examples of biological pre-treatment technologies are provided below. These systems that could be placed at shopping malls or large buildings/complexes where large volumes of organic waste are generated and the bin could reduce collection frequency as well as volumes to be transported. These systems are modular and could also be placed at drop-off points or the ORTS to reduce volumes prior to transport to the selected treatment facility.

5.8.1 *Biobin*

The Biobin is a compost vessel that is used for organics recycling. It is a patented technology which provides an aeration system which initiates the composting process and reduces odours, bacteria and other pathogens.

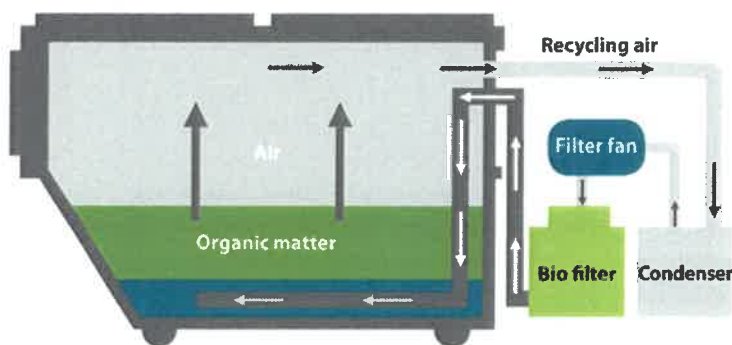


Figure 10: Image of how the Biobin works.

5.8.2 *The Heron In-Vessel Composter*

The Heron IVC took over three years to develop and is produced in South Africa. It is capable of processing over 1 000kg of food waste per day and is targeted at industrial food manufactures, large malls and produce markets. The Heron IVC employs mechanical aeration to ensure the food waste receives adequate oxygen and the mechanical system also mixes the waste as it composts and moves through the vessel.



Figure 11: The Heron IVC

The Heron IVC has been tested at Tshwane Fresh Produce market on a trial basis and the project was independently assessed by GCS Environmental Engineers (Pty) Ltd²². During the test the Heron IVC processed an average of 826kg of food and waste cardboard per day. GCS's analysis indicated that on a larger roll out, the economic benefit accruing to the Tshwane Municipality of R271 000 excluding CO₂e saving and potential compost sales. The compost produced was tested by the Agricultural Research Council and indicated high potential for the compost produced.

The GreenCape 2021 Waste Market Intelligence Report states that Canal Walk shopping centre has installed a 40 tonnes per month Heron IVC composter at its newly constructed waste recovery yard and that in-vessel composters are gaining traction for onsite treatment for large facilities. Largely to reduce the organic waste volume and transport logistics.

5.9 Lessons learnt and pitfalls to be avoided

Municipalities in South Africa regularly receive offers from waste treatment technology suppliers and it is crucial that appropriate due diligence is undertaken on any alternative waste management system and technologies prior to making a decision to implement. Deciding which approach fits the particular situation, and what the best method is to divert organic waste from landfill, requires a holistic approach and study to guide the waste diversion decision. The following are some general lessons that have been learnt and pitfalls that can be avoided²³ by undertaking holistic analysis and an informed approach to the whole waste management system:

- Failure to properly understand the waste flows – quality and quantity
- Failure to recognise that the waste is variable and will change significantly over time
- Failure to match waste feedstock (including variability) with technology
- Failure to select technology that is proven - and therefore 'bankable'
- Failure to understand the character of the process outputs
- Failure to have established, sustainable and commercially viable markets for all process outputs
- Failure to recognise that market demands can, and will change over time

²² <https://greenhome.co.za/blog/industrial-composting/>

²³ The Role of Anaerobic Digestion Technology in Treating Organic Waste – UK Experience Presentation to GreenCape Networking event, 23rd August 2016. Andrew Street Director, SLR Consulting

Other key factors that are critical lessons to be understood for a successful system according to the research undertaken by the JG Afrika project team and documented in the Market Study are²⁴:

- **Source separation is key:** physical availability of feedstock is rarely an issue for a facility, however, access to feedstock could be prevented by lack of participation, contractual arrangements or inability to reach agreement about gate fees and quality requirements. Therefore, the key issue is achieving clean and accessible material streams through source separation.
- **Awareness raising in the communities:** General public awareness and their willingness to cooperate are key factors for a successful separation at source strategy.
- **Feedstock is a local issue and needs to be checked for each facility:** The transport cost for organic material is high (as it is for all waste material) and imposes a financial limitation on the feasible distance for transport to a treatment facility of roughly 40 to 60 kms. To be economically feasible, compost or compost-like outputs from organic waste treatment processes should only be transported an equal distance from generation point. Therefore, not only feedstock availability must be considered but a local market for final products needs to be confirmed locally for each facility. This applies to municipalities who need to consider the distance between towns in the municipal area, and where treatment or collection facilities should be located.
- **Competition for feedstock must be considered:** As treatment facilities grow in number it is likely that competition between the different treatment options may arise. Awareness of these market forces must be kept in mind in ongoing planning and management of facilities to ensure feedstock security.
- **Contracts must be screened for potential conflict of interest:** projects implemented in joint venture arrangements, which include feedstock providers and off-takers may not lead to the desired outcomes if the main interests could jeopardise the viability of a treatment facility and diversion from landfill targets.
- **Foster relationships in the value chains:** fostering good relationships between feedstock providers and off-takers of outputs is central to the ongoing success of organic waste treatment, especially as a result of the limitations imposed by the costs of transport for feedstock, by and end-products as well as digestate for example.
- **Consistency and variability of feedstock supply and composition must be considered:** for example, green/garden waste generation follows seasonal trends as does organic waste generated by the hospitality industry, particularly in towns such as Stellenbosch with a distinct tourism season.
- **Contamination/quality of feedstock must be considered:** Quality “feedstock” is required for producing products to be marketed and used²⁵. Poor quality feedstock i.e. contaminated feedstock makes it more expensive to process the material, due to the increased need for sorting and the increase in the amount of rejects generated. The better quality and leaner the feedstock the better the quality of the end product will be.

The *Bio-waste generation in the EU Report, 2020* states that all separate collection systems aim to maximise collection of materials but practically will never achieve or reflect 100% of the targeted material as it depends on:

- **Errors/confusion in behaviour of households and waste producers:** this should be continuously targeted with information and communication, building on and expanding knowledge by providing feedback to inform participants what materials are most often wrongly sorted (e.g. bones or shells, meat, food still attached to packaging, dog faeces).

²⁴ Waste Management Flagship Programme. Development of a Funding Proposal to the GCF for the MSW Programme including, a Feasibility Study, ESIA, GIA and Detailed Designs for the Target Municipalities. Market Research Study. June 2020. JG Afrika Project Team.

²⁵ Ricci et al. Technical guidance on the operation of organic waste treatment plants (2016)

- **Collection scheme timing:** some households may be on holiday or temporary residents and cannot wait until the next collection round. This can be addressed by actions such as providing and communicating effectively about drop-off sites etc.
- **Adoption of practices such as home composting:** Although this will still result in the targets being met but cannot be measured by a Municipality, a more sensible goal would be to define a targeted 'operational potential' in line with best practices, based on existing data and studies. It is estimated that this could be set at approximately 85% of the theoretical potential. This kitchen waste cannot be taken care of completely through home composting schemes, especially in urban areas, which is why we set the 85% collection target

The basic assumption is that if households generate garden waste, at least some of it can be managed in their own gardens by home composting, which should be encouraged by specific campaigns. Meanwhile,

6 STELLENBOSCH MUNICIPALITY'S ORGANIC WASTE TONNAGES

6.1 Organic Waste Tonnages

The SM is currently diverting a large proportion of organic waste in the form of the garden waste (greens) which is chipped on site at Devon Valley Landfill Site and removed for composting. This is provided in **Table 8** along with the waste being generated and disposed of to Landfill (excluding construction waste/builder's rubble) from 2018 to 2020. Although overall waste tonnages have dropped the green waste have remained reasonably consistent over these three years.

Table 8: Waste disposed to landfill and green waste diverted from 2018 to 2020

	2018	2019	2020
Waste disposed to Landfill (excl builder's rubble) (tonnes)	78 964	56 426	47 767
Green Waste diverted (tonnes)	5 571	5 272	6 937

Note: The accuracy of the green waste diverted is dependent on the accuracy of the information provided by SM and there are a number of months where the garden waste tonnages were extremely high and have been questioned. In 2020, the SM switched to the use of weighbridge data rather than manually captured data which could account for discrepancies.

Based on the Waste Characterisation, the fraction of organic waste produced at household and business (excluding industrial waste) is 24% for organic/food waste and 6% for garden waste. This waste is being disposed of to landfill and is where organic waste diversion opportunities lie for Stellenbosch Municipality. **Table 9** provides the green and organic waste tonnages calculated using the percentages from the waste characterisation data for 2018 to 2020.

Table 9: Green and organic waste tonnages calculated using the waste characterisation data.

	2018	2019	2020
Waste disposed to Landfill (excl builder's rubble) (tonnes)	78 964	56 426	47 767
Estimated Organic Waste tonnes (based on 24%)	18 951	13 542	11 654
Green Waste tonnes (based on 6%)	4 738	3 386	2 866
Total Organic waste (30%)	23 689	16 928	14 330
Existing Organic Waste Diversion %	24%	31%	48%

The Devon Valley Landfill Site's waste management licence requires a 50% reduction in the amount of organic waste that is disposed of to municipal WDFs by 2022, followed by a complete ban of organics to WDFs by the year 2027.

6.2 Organic Waste Diversion Limitations

It should be noted that a 100% organic waste diversion target is practically not possible to meet and the residual fraction may always contain some organic waste. SM will endeavour to make organic waste diversion opportunities available to all residents in the municipal area.

It should be noted that the Devon Valley landfill site is currently not operational and only expected to begin accepting waste in a new cell during the course of 2024. As SM dispose of their municipal waste at a private landfill site and not a municipal facility, it is unclear how the targets can be applied or enforced, however SM endeavour to take the necessary steps to meet the diversion targets in the spirit of the requirements and are working towards meeting the targets when disposal commences at the municipal landfill site once again.

6.3 Conclusion and Recommendations

Based on the calculated tonnages of organic waste produced per annum (**Table 9**) compared against the information presented in

Table 6 it appears that the most feasible organic waste diversion and treatment strategy is open windrow composting. However various investigations and studies will be required to confirm the best approach and these are recommended and detailed in the organic waste diversion Implementation Plan to confirm this.

Consideration of the inclusion of food waste with garden waste for composting will need to be taken into account when selecting a treatment technology. The outsourcing of organic waste treatment is therefore recommended while the Municipality put the systems to support treatment in place i.e., separation at source, collection mechanisms etc.

The Organic Waste Diversion Implementation Plan provides a phased approach until 2027 to fully understand the existing system with various feasibility studies and plans to be developed in parallel. This will allow SM to plan a system on a step-by-step basis that aims to meet the set diversion targets.

7 ORGANIC WASTE DIVERSION PLAN

It is recommended that the SM pursue a multi-pronged approach to organic waste diversion which favours and encourages separation at source, identifies a treatment option and creates an enabling environment. Certain activities will need to run in parallel as a number of studies are required to inform decision-making and planning before the final Organic Waste Diversion System is put in place. The recommended approach is detailed in this section.

7.1 Separation at source roll out Strategy for a phased 3-bag separation at source programme

7.1.1 Separation at Source Strategy

The phased implementation of a three- bag separation system in selected households/areas, with continued roll out of the programme until 2027 to include all residential areas.

The Strategy should include a pipeline plan with the plan of which areas to follow on from the existing two bag collection areas and rolling out to a set plan of new areas on an annual basis (see **Annexure B** which indicates the Organic Waste percentage of waste in the two-bag system areas, providing an indication of diversion that can be achieved). It is recommended that the three-bag collection system is piloted in the existing two-bag collection areas to inform pipeline planning.

The Strategy needs to take into consideration the different needs of residential vs business/commercial customers as well as how the logistics and volumes collected will impact on the collection, transport and treatment required. The identification of Organic Waste Drop-off areas/points to service areas not included in 3-bag system to be included in the strategy. These should be developed on a small scale and below any legislative triggers for a WML and should be in compliance with the Norms and Standards.

The establishment of drop-offs can also be undertaken in a phased approach:

- Allow food waste to be collected at existing drop-offs.
 - Collection receptacles to be made available at drop-offs.
 - Contractor collecting from households and businesses to collect from drop-offs on a daily basis.
- Establish additional new drop-off areas on an ongoing basis.
- Drop-offs may include pre-treatment facilities, if appropriate as per the feasibility studies.

Residential Areas

In residential areas where kerbside collection will take place, the following is recommended:

- Black bag (landfill waste) – weekly
- Clear bag (recyclables) – every 2nd week
- Food waste container & green waste bag– weekly (to be collected separately)

A food waste container accompanying bags should be provided at organic waste drop-offs with a replacement bag being provided with each drop-off.

Ultimately, all residential areas to be covered by either participating in a three-bin/bag collection system or have easy and close access to a drop-off facility by June 2027. Participation should not be voluntary, it should be mandatory, however, the tariff should be less than black bag collection to incentivise participation.

Residents to be signed up with a visit from Municipality and accompanying explanatory brochure. The Municipality to provide ongoing support and communication as part of the Communication and Awareness strategy.

In addition to the three-bag system, the provision of home composting bins to all households willing to participate should be rolled out based on lessons learnt from current pilot project.

Commercial/Business Areas

All commercial and business areas should be required to participate as follows:

- Black bag (landfill waste) – daily or every 3 days
- Clear bag (recyclables) – weekly or every 3 days
- Food waste – daily or every 3 days

Commercial/Business Areas producing large volumes of organic waste should be identified and targeted as the first step in initiating separation at source in these areas. All business and commercial areas to be participating in a three-bag system with all areas covered to commence from 1 July 2026 with ongoing maintenance of existing systems.

In some Commercial/Business Areas, e.g., malls and the university, pre-treatment facilities may be considered. This will be informed by the feasibility study. These may also be considered for use as drop-off areas for residents, depending on the outcome of the study.

SM should consider alignment with other programmes in the municipal areas, such as the reuse strategy, 3-bin system and zero waste to landfill targets being implemented by SU for roll-out in the municipal commercial and business areas. These discussions and investigations should take place as part of developing the strategy.

7.1.2 Implement Mandatory Separation at Source

Included in the Separation at Source Strategy should be the steps needed to implement mandatory separation at source in terms of the by-law. The Strategy should include communication and awareness raising to obtain buy-in and incentivised cooperation rather than enforcement. This should also include the mandatory separation of green/garden waste.

7.1.3 Collection

A feasibility study for collection fleet upgrade / diversification / replacement should be undertaken should waste collection be undertaken by SM. The outcomes of the feasibility study should feed into the three-bag household collection plan. Consideration should be given to whether food waste and garden waste can or should be collected with the same vehicle or trip or if these should remain separate. The decision around bags, caddies and drums vs bags for food vs garden waste will also need to be a consideration.

It should be noted that once separation at source commences, this will need to include kerbside collection at participating households and businesses, etc., and removal for treatment. The following should be noted:

- Once the ORTS becomes operational²⁶ the off-take contract may shift to the collection from the ORTS.
- For collection from the organic waste transfer station as an initial step in the phased 3-bag separation at source programme.
- This could ultimately be undertaken by the SM or an external party/contractor and would be informed by the various feasibility studies that will be conducted.

These waste collection/transportation options to be guided by the Fleet Upgrade Feasibility Study to be undertaken in parallel to the Separation at Source Strategy as these are interlinked.

²⁶ In terms of the ORTS construction, an Environmental Authorisation (EA) was issued on 28 April 2021 and construction is planned to commence in July 2022 with completion in 2023.

The aim would be to collect organic waste and transport to the ORTS in the long term, although the feasibility of this from areas such as Franschhoek will need to be determined and included in the study. As part of the initial phase, SM to appoint collection service providers for food waste to transport to their own RTS facility or who can take it directly to a treatment facility. This contract should end on 31 June 2023 and updated/renewed to allow food waste to be taken to ORTS (when construction is completed). The collection contract could allow for the inclusion of the removal of the organic waste for treatment, however this would be informed by the feasibility studies.

7.2 Green/Garden Waste

SM should implement and encourage/incentivise separation of green (garden) waste along with enforcement of the by-law as a last resort. Aspects for consideration include:

- Communication and awareness for residents.
- Monitor and evaluate uptake amongst residents.
- Target areas where volumes are more significant than individual residents e.g., complexes, estates.
- Roll out to continue into all residential areas.
- Implement by-law and enforce mandatory garden waste separation.

SM to continue with green waste chipping as per the current system, as it is successful and runs well on an outsourced basis. However:

- Increase scope to include chipping in Franschhoek and at the Klapmuts RTS.
- Aim to divert the remaining 6% of garden waste that is disposed of with municipal waste (as per the Waste Characterisation) to separate all garden waste from waste being disposed of to landfill.

7.3 Treatment of the Organic Waste

It is recommended that SM undertake a Waste Characterisation Study to update existing information and feed into feasibility studies. The Request for Quotation (RFQ) for a Waste Characterisation study should be advertised to update the 2017 data/information. The Waste Characterisation Study should focus specifically on organic waste fraction as well as calorific values. (It is, however, also recommended to include the characterisation into specific recyclable fractions to provide additional information for MRF operations).

SM is currently undertaking a Feasibility Study for Landfill Gas Capture and generation of electricity. It is therefore recommended that this study is followed by a Feasibility Study for the construction of an AD to treat organic waste and generate biogas as follows:

- If the LFG feasibility determines LFG capture is a feasible option.
 - Supplementing the LFG being captured with biogas to generate electricity if LFG feasibility determines LFG capture is feasible.
- Alternatively, if the LFG feasibility determines LFG capture is not a feasible option -
 - a feasibility study could be undertaken to determine if AD is feasible for only treating municipal organic waste.
 - Identification of other AD facilities in the municipal area that have capacity/willingness to accept municipal food waste and determine what the contractual arrangements would be to foster this as an option which should be included in the study.
 - Identification of other organic waste treatment facilities within the SM should be identified with capacity to accept municipal organic waste i.e., leveraging existing infrastructure. This may require a public-private partnership agreement which should be included in the study.
 - Alternative off-take or treatment options could be investigated.
 - Consider pre-treatment of organics at organic waste transfer station.
 - Consider partnering and providing pre-treatment facilities or infrastructure for organics at various facilities/areas not within close proximity to the ORTS or where the volumes would justify it e.g. malls, university, schools, etc.

- Potential to combine organic waste with other waste types in the municipal area, leveraging existing treatment infrastructure.
- To be determined by the outcome of feasibility studies and decision of treatment options.

The final destination/treatment for organic waste to be determined by 30 June 2023 and budget made available to proceed with selected option from 1 July 2023 (construction of ORTS should be nearing completion).

7.4 Off-take for Organic waste

A phased approach to the off-take and treatment of organic waste will be required as follows:

- Identify an off-take for food waste:
 - External contractor that collects to remove for treatment at a licenced facility (if applicable).
 - External contractor with expanded collection footprint to remove for treatment at a licenced facility (if applicable).
 - External contractor to collect with temporary storage at the ORTS.
 - Final destination to be determined by outcome of feasibility studies and decision for treatment.

7.5 Tariff update

- Incentivise commercial/business organic waste separation, provide bags or bins and collect daily or 3 days per week as a minimum, in business areas, CBD areas including the University with enforcement of the by-law as a last resort.
- Update the municipal tariffs with a Separation at Source tariff that is lower than the black bag collection tariff as a financial incentive to participants.
 - Combined Tariff for three-bag collection to be less than black bag collection for residential and commercial/businesses.
 - Include separate tariff for food waste only collection for businesses.

7.6 Training, Education and Awareness Campaign

SM will need to develop a training system for collection crews and waste staff with regard to the collection of organics and changes to the existing system. This should be ongoing as the various phases are implemented. Feedback from staff should also be included in decision making and evaluating the roll-out.

In terms of Education and Awareness, as SM introduces changes to municipal areas this should be accompanied by the development of a general communication and awareness campaign as well as specific targeted campaigns for areas where programmes will commence. This should include:

- Direct communication to residents and businesses in Separation-at-Source areas.
- Education and awareness around home composting bin roll-out.
- Ongoing communication and awareness to be undertaken.

The education and awareness plan to be updated as roll out continues according to feedback from participants, staff and any changes resulting from studies etc.

7.7 Monitoring and Measuring

SM should develop and implement an improved monitoring and measuring system for all waste data and interrogate information on a regular basis. The system will need to include all waste as well as organic waste that is:

- Collected
- Home composted as part of Municipal trials/projects
- Treated

This data is critical as it will allow SM to communicate progress against targets to DEA&DP. The development of an online system or mobile app to allow participation should be investigated, with an incentive built in for residents/business to report their data.

This information can also be used to report on the municipal carbon footprint.

7.8 Summary of Expected Outcomes

The outcome of the implementation of the Organic Waste Diversion Plan is expected to include:

- Organic Waste Drop-off sites;
- Three bag separation at source in all residential areas within the Stellenbosch Municipal area;
- Organic Waste separation and collection for all business and commercial areas;
- Partnership with Stellenbosch University to ensure the waste management systems are aligned;
- Transport system to collect organic waste and transport to the ORTS;
- A long term off-take solution for organic waste;
- Improved waste data capturing and reporting; and
- Communication and awareness strategy focussed on Separation at Source and organic waste.

7.9 Waste Diversion Targets

The estimated waste tonnages that will be produced in the Municipality have been calculated from 2022 (the first year with a target of 50% diversion which needs to be met) using an annual 2.2% increase in tonnages based on a 2.2% population growth rate and is presented in **Table 10**. The tonnages to be diverted have been calculated using the waste characterisation percentages for organic and green waste.

Table 10: Estimated waste tonnages for the period 2022 to 2027 with estimated diversion tonnage targets

	Estimated Tonnages					
	2022	2023	2024	2025	2026	2027
Waste generated for disposal to Landfill (excl builder's rubble) (tonnes)	57 667	58 936	60 233	61 558	62 912	64 296
Estimated Organic Waste tonnages (24%) (tonnes)	13840	14145	14456	14774	15099	15431
Estimated Green Waste tonnages (6%) (tonnes)	3460	3536	3614	3693	3775	3858
TOTAL Organic waste (30% of waste generated) (tonnes)	17 300	17 681	18 070	18 467	18 874	19 289
Target (% diversion of organic waste)	50%	60%	70%	80%	90%	100%
Diversion Target (tonnes) per year	8 650	10 608	12 649	14 774	16 986	19 289

Assumptions:

- The tonnages provided by SM are accurate and without error.
- 2.2% population growth rate has been used and applied to 2019's annual waste disposed to Landfill (as per the IWMP). 2019 is regarded as a better representation of typical waste volumes generated due to the Covid-19 Pandemic in 2020.
- Waste disposed of to landfill has been estimated using an average of 2018-2020 tonnages to obtain tonnages for 2022.
- Subsequent total tonnages have been calculated using the same average less the volume of organic waste diverted the previous year, with a 2.2 % growth rate.
- Waste character remains the same i.e.
 - Estimated Organic Waste volume (24%) of waste disposed of to landfill.
 - Green Waste (6%) of Waste disposed of to landfill.

- Recyclables diversion from landfill is expected to increase from 5 November 2021 with the implementation of the EPR Regulations.
- Achievable interim targets for 2023 to 2026 and are not legislated.
- Targets of 50% organic waste diversion for Western Cape municipalities by 2022 and 100% organic waste diversion by 2027 are legislated.

The information provided in Table 10 is graphically illustrated in Figure 12.

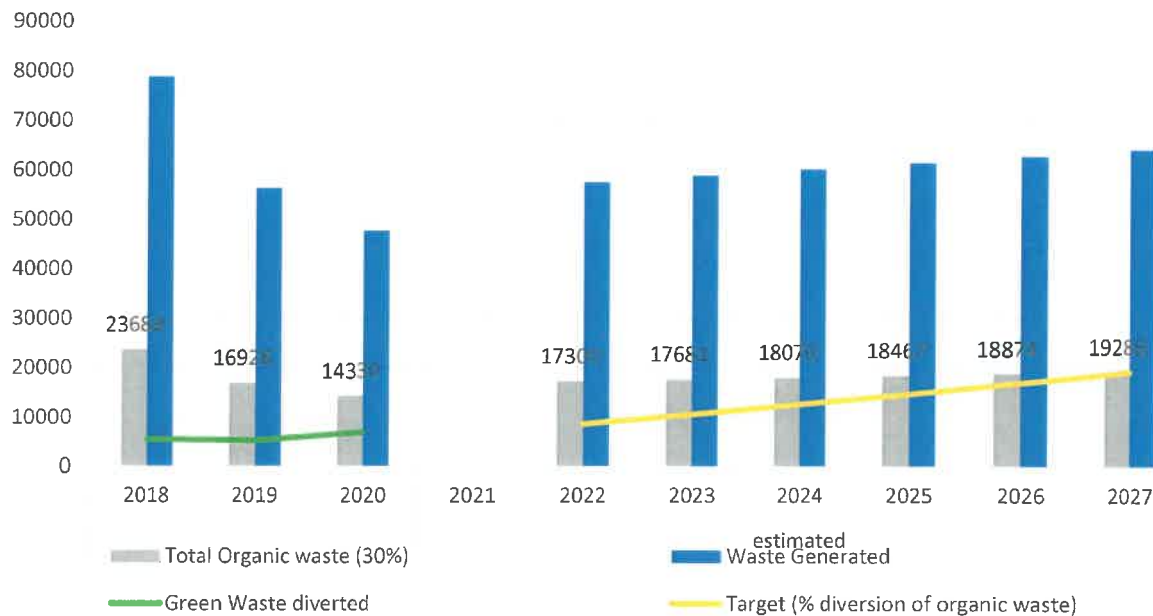


Figure 12: Estimated waste generation and organic waste diversion targets.

The estimated tonnages indicate that the SM need to maintain their current diversion of organic (green) waste volumes of 2020 to meet their 2022 target of 50%, however, it is important to note that this is just an estimate and may change depending on the actual volume of waste disposed of to landfill.

Planning for waste diversion will need to take place in 2021 and 2022 as well as implementation of diversion measures by the end of 2022 to ensure increased diversion percentages are reached by 2023. The steps to be taken to ensure waste diversion targets are met are set out in the Implementation Plan.

The timeframes of the Implementation Plan have been set in 6-month intervals and aligned with the municipal financial year and are set out as follows:

- **Phase 1:** 2021/22 Financial Year
 - Jan 2022 – June 2022
- **Phase 2:** 2022/23 Financial Year
 - a - July 2022 – Dec 2022
 - b – Jan 2023 – June 2023
- **Phase 3:** 2023/24 Financial Year
 - a - July 2023 – Dec 2023
 - b – Jan 2024 – June 2024
- **Phase 4:** 2024/25 Financial Year
 - a - July 2024 – Dec 2024
 - b – Jan 2025 – June 2025

- **Phase 5: 2025/26 Financial Year**
 - a - July 2025 – Dec 2025
 - b – Jan 2026 – June 2026
- **Phase 6: 2026/27 Financial Year**
 - a - July 2026 – Dec 2026
 - b – Jan 2027 – June 2027

7.10 Implementation Plan

Table 11 provides a summary of the proposed implementation plan with the associated timeframes.

Table 11: Summary table of the Implementation plan with proposed timeframes

Aspect	Actions	Timeframe										
		Jan 2022 – June 2022	July 2022 - Dec 2022	Jan 2023 - June 2023	July 2023 - Dec 2023	Jan 2024 - June 2024	July 2024 - Dec 2024	Jan 2025 - June 2025	July 2025 - Dec 2025	Jan 2026 - June 2026	July 2026 - Dec 2026	Jan 2027 - June 2027
		Phase 1	Phase 2 a	Phase 2 b	Phase 3 a	Phase 3 b	Phase 4 a	Phase 4 b	Phase 5 a	Phase 5 b	Phase 6 a	Phase 6 b
1. Separation at Source Strategy												
Develop Strategy:	Pipeline plan for areas to follow on from the existing two bag collection areas, with roll out to new areas on an annual basis	x	x									
Implement Strategy:	<u>Residential Areas:</u>			x								
	Start in existing Two Bag Areas			x								
	Continue to expand into other areas as per plan				x	x	x	x	x	x	x	x
	Identify & establish Organic Waste Drop-off Areas				x		x		x		x	
	Home Composting Bins Roll-out		x		x		x		x		x	
	Mandatory Garden Waste separation implemented				x							
	Additional Garden Waste drop-off areas				x		x		x		x	
	<u>Commercial/Business Areas</u>											
	Identify target areas = large volume producers	x										
	Implement 3-bag system or separate organic waste		x		x		x		x		x	
	Identify possible Collection points & areas for Pre-treatment technology placement e.g. Malls, University				x				x			
Mandatory Separation at Source:	Communication Awareness campaigns		x	x	x	x	x	x	x	x	x	x
	Tie in with Communication Strategy			x	x	x	x	x	x	x	x	x
Collection Fleet Feasibility Study:	Outcomes to feed into the Separation at Source Strategy	x	x									

Aspect	Actions	Timeframe										
		Jan 2022 – June 2022	July 2022 - Dec 2022	Jan 2023 - June 2023	July 2023 - Dec 2023	Jan 2024 - June 2024	July 2024 - Dec 2024	Jan 2025 - June 2025	July 2025 - Dec 2025	Jan 2026 - June 2026	July 2026 - Dec 2026	Jan 2027 - June 2027
		Phase 1	Phase 2 a	Phase 2 b	Phase 3 a	Phase 3 b	Phase 4 a	Phase 4 b	Phase 5 a	Phase 5 b	Phase 6 a	Phase 6 b
2.Treatment of the Organic Waste												
	Feasibility Study for Landfill Gas Capture (completed)	x										
	Waste Characterisation (to inform all studies)	x										
<i>If LFG is feasible</i>	Feasibility Study to include Organic Waste only	x	x									
	OR											
<i>If LFG capture is not feasible</i>	Feasibility Study for AD for Organic Waste only		x	x								
	Identification of other AD facilities in the municipal area		x	x								
	Identification of other organic waste treatment facilities		x	x								
	Alternative off-take or treatment options		x	x								
	ORTS Construction Completed & Treatment Solution confirmed						X					
3.Collection & Off-take for Organics												
	External contractor to collect & remove for treatment		x									
	External contractor to continue, expanded collection footprint			x	x	x						
	External contractor to collect; transport to ORTS					x	x	x	x			
	Collection, transport & treatment (as per outcome of feasibility studies)								x	x	x	x
4.Tariff update												
Residential Areas & Commercial/Business areas	Combined Tariff for 3-bag collection less than black bag			x								
Commercial/Business Areas only	Separate tariff for food waste only collection for businesses			x								

Aspect	Actions	Timeframe											
		Jan 2022 – June 2022	July 2022 – Dec 2022	Jan 2023 – June 2023	July 2023 – Dec 2023	Jan 2024 – June 2024	July 2024 – Dec 2024	Jan 2025 – June 2025	July 2025 – Dec 2025	Jan 2026 – June 2026	July 2026 – Dec 2026	Jan 2027 – June 2027	
		Phase 1	Phase 2 a	Phase 2 b	Phase 3 a	Phase 3 b	Phase 4 a	Phase 4 b	Phase 5 a	Phase 5 b	Phase 6 a	Phase 6 b	
5. Training, Education and Awareness Campaign													
Training	Training system for collection crews and waste staff		x				x			x			
	Develop communication & awareness campaign			x	x		x			x			
	General communication and awareness campaign		x	x			x			x			
	Direct communication to Separation-at-Source areas		x	x	x	x	x	x	x	x	x	x	
	Provide feedback to community (ongoing)			x	x	x	x	x	x	x	x	x	
	Education and awareness around home composting bin roll-out		x		x		x		x		x		
Engage with stakeholders/partners to align	Identify stakeholders or partnership e.g. University				x								
	Engage and align strategies & solutions					x							
6. Monitoring and Measuring													
Develop monitoring and measuring system	Waste <i>Collected</i>		x										
	Home <i>composted</i> waste as part of Municipal trials/projects		x										
	Waste <i>Diverted</i>		x										
	Waste <i>Treated</i>		x										
Revise & update accordingly	Informed by studies and final strategies/solutions/decisions					x						x	

7.11 Indicative costs

Indicative investment costs for some of the technologies and implementation of the OWDP are provided in **Table 12** and **Table 11**. This information is based on research undertaken by JG Afrika and is not site specific and excludes operational costs as well as transports costs.

Table 12: Approximate costs for interventions

Technology/Aspect	Estimated Investment Cost/ Approximate Cost
AD – 2 500 tonne per annum system	R 22 500 000
AD – 20 000 tonne per annum system	R 190 000 000
Open Windrow Composting 5 000t/yr	R 9 000 0000
Open Windrow Composting 10 000t/yr	R12 000 000
Open Windrow Composting 10 000t/yr	R 18 000 000
In Vessel Composting 5 000t/yr pre-treatment system	R16 400 000
In Vessel Composting 15 000t/yr pre-treatment system	R19 100 000
Modular containerised composting system 10 000t/yr	R34 960 000
High level costs to collect co-mingled recyclables (Metro)	R15.00 per household per month
Estimated Transport cost of Waste	Average of R700/ton
S@S Cost model - implementation cost of separation at source	R9.64 – R59.65/household/month
Separate collection cost ²⁷ - over and above normal “black bag” collection	R350 to R500 per tonne
Municipality pays contractor to collect and recover recyclables and calculated cost	R840 per tonne

Table 13: Approximate costs for implementation of the OWDP

Aspect	Actions	Approximate Cost	Notes
1.Separation at Source Strategy			
Develop Strategy:	Pipeline plan for areas to follow on from the existing two bag collection areas, with roll out to new areas on an annual basis	R 180 000	Outsourced – in parallel with feasibility studies
Implement Strategy:			
<u>Residential Areas:</u>	Start in existing Two Bag Areas Continue to expand into other areas as per plan Identify & establish Organic Waste Drop-off Areas Home Composting Bins Roll-out Mandatory Garden Waste separation implemented Additional Garden Waste drop-off areas	Costs in line with existing collection services. Savings to be determined in development of the strategy.	Inhouse implementation based on Strategy
<u>Commercial/Business Areas</u>	Identify target areas = large volume producers Implement 3-bag system or separate organic waste Identify possible Collection points & areas for Pre-treatment technology placement e.g. Malls, University	- -	Outsourced (part of strategy development) Inhouse Outsourced (part of strategy development)

²⁷ https://iwmsa.co.za/sites/all/themes/corporateclean/Landfill%20Conference%20Papers/Day%201%20-%20LAWTIG%20-%20R%20Pienaar_JPCE%20Read-Only.pdf

Aspect	Actions	Approximate Cost	Notes
Mandatory Separation at Source	Communication Awareness campaigns	R80 000	Outsourced – once-off development of material/content
	Tie in with Communication Strategy	-	Inhouse
Collection Fleet Feasibility Study	Outcomes to feed into the Separation at Source Strategy	R 180 000	Outsourced
2. Treatment of the Organic Waste			
	Feasibility Study for Landfill Gas Capture	n/a (completed)	Outsourced
	Waste Characterisation (to inform all studies)	R 85 000	Outsourced
<i>If LFG is feasible</i>	Feasibility Study to include Organic Waste only	R 200 000	Outsourced
	OR		
<i>If LFG capture is <u>not</u> feasible</i>	Feasibility Study for AD for Organic Waste only	R 200 000	Outsourced
	Identification of other AD facilities in the municipal area		
	Identification of other organic waste treatment facilities	Included within above	
	Alternative off-take or treatment options		
	ORTS Construction Completed & Treatment Solution confirmed		
3. Collection & Off-take for Organics			
	External contractor to collect & remove for treatment	±R125 per household per month	Outsourced – includes treatment and clear bag collection for recyclables
	External contractor to continue, expanded collection footprint	±R90 per household per month	Outsourced – lower cost per household due to economy of scale
	External contractor to collect; transport to ORTS	TBC	Depends on selected treatment technology
	Collection, transport & treatment (as per outcome of feasibility studies)	TBC	Depends on selected treatment technology
4. Tariff update			
Residential Areas & Commercial/Business areas	Combined Tariff for 3-bag collection less than black bag	-	Inhouse
Commercial/Business Areas only	Separate tariff for food waste only collection for businesses	-	Inhouse
5. Training, Education and Awareness Campaign			
Training	Training system for collection crews and waste staff	-	Inhouse (Training material to be included in studies/outourced aspects)
Develop communication & awareness campaign	General communication and awareness campaign	R120 000	Outsourced
	Direct communication to Separation-at-Source areas	-	Inhouse
	Provide feedback to community (ongoing)	-	Inhouse

Aspect	Actions	Approximate Cost	Notes
Engage with stakeholders/partners to align	Education and awareness around home composting bin roll-out	-	Inhouse
	Identify stakeholders or partnership e.g. University	-	Inhouse
	Engage and align strategies & solutions	-	Inhouse
6. Monitoring and Measuring			
Develop monitoring and measuring system	<i>Waste Collected</i>		Inhouse/outsourced-systems developed as part of projects with an inhouse implementation component
	Home <i>composted</i> waste as part of Municipal trials/projects	Cost included in projects above	
	<i>Waste Diverted</i>		
Revise & update accordingly	<i>Waste Treated</i>		
	Informed by studies and final strategies/solutions/decisions	-	Inhouse

For comparison purposes it is worth noting that the cost for disposal and transport of 43 636.03 tons of waste from SM for the year from September 2020 to September 2021 was R32 465 615.38 excluding VAT. This is approximately R744/ton of waste. This excludes the operating costs of the Landfill site or Klapmuts RTS.

8 STAKEHOLDER ENGAGEMENT

In terms of DEA&DP's guideline for organic waste diversion plans the following stakeholder engagement is required:

- Obtain internal approval for draft plan
- Workshop plan with key stakeholders and role-players
- Get public buy-in to these systems
- Get buy-in from the Council & budget approval
- Review and finalise plan against public participation process

9 REVIEW OF THE ORGANIC WASTE DIVERSION PLAN AND IMPLEMENTATION PLAN

An annual review of the OWDP is required. This will need to commence at least 3 months prior to the annual submission to DEA&DP.

The review needs to include an update of the waste volumes, an assessment of targets and if they are being met to ascertain the system and projects being implemented are effective and where areas for improvement may lie.

If new projects, technology or systems are implemented they need to be evaluated to ensure the system stays efficient and targets will be met.

It is important to note that only reasonable changes to the proposed project should be granted approval for amendment. Risks in the form of contractual matters, financial implications, institutional, market, and Human Resources must be identified, and remedial actions put in place and included in the OWDP.

The Waste Management Officer and/or the Municipal Manager will jointly grant final approval for major adjustments that were not foreseen.

The OWDP should be regarded as an annexure to the IWMP, and IWMP's are required to be integrated into Integrated Development Plans (IDPs), as stipulated by the National Waste Act. This is to ensure that the waste related needs, as identified in the IWMP and OWDP), are integrated in the municipal planning and that budget is allocated.

10 REFERENCES

1. City of Cape Town home composting (green genie) project. <https://www.capetown.gov.za/Family%20and%20home/greener-living/green-gardening-and-eating/start-composting-at-home>. (Accessed 2021)
2. City of Cape Town organic waste drop-off plot project. <https://www.capetown.gov.za/Media-and-news/City%20trials%20innovative%20food%20waste%20project>. (Accessed 2021)
3. DEA&DP letter to the Organics Recycling Association of South Africa. RE: Diversion targets for organic waste in the Western Cape (2018).
4. DFFE Alternative Waste Treatment Guide: <http://awtguide.environment.gov.za/content/technologies-required-waste-volumes> (Accessed 2021)
5. Environmental Canada, Technical Document on Municipal Solid Waste Organics Processing
6. GreenCape Waste Economy—2017 Market Intelligence Report
7. http://www.moreno-valley.ca.us/resident_services/waste/bus-multi.shtml?tab=2#Tab-my. (Accessed 2021)
8. <https://beyondfoodwaste.com/milan-achieves-world-class-separate-food-waste-collection/>. (Accessed 2021)
9. <http://awtguide.environment.gov.za/content/technologies-overview-open-windrow-composting> (Accessed 2021)
10. <https://stellenbosch.gov.za/2021/03/25/stellenbosch-launches-new-waste-material-recovery-facility/> (Accessed 2021)
11. Milan, Italy organic waste collection: https://pocacito.eu/sites/default/files/FoodWasteRecycling_Milan.pdf (Accessed 2021)
12. Oranjezicht City Farm organic waste drop-off initiative. <https://ozcf.co.za/shop/voucher/bokashi-10-bucket-card/> (Accessed 2021)
13. Ricci et al. Strategy for organic waste diversion – collection, treatment, recycling and their challenges and opportunities for the City of Sao Paulo (2016)
14. Ricci et al. Technical guidance on the operation of organic waste treatment plants (2016)
15. Witzenberg Zero Waste to Landfill Pilot Project (WAAI, 2019)
16. The Role of Anaerobic Digestion Technology in Treating Organic Waste – UK Experience Presentation to GreenCape Networking event, 23rd August 2016. Andrew Street Director, SLR Consulting
17. Waste Management Flagship Programme. Development of a Funding Proposal to the GCF for the MSW Programme including, a Feasibility Study, ESIA, GIA and Detailed Designs for the Target Municipalities. Market Research Study. June 2020. JG Afrika Project Team.
18. https://wasteroadmap.co.za/wp-content/uploads/2021/05/20-CSIR-Final_Technical-report.pdf+
19. https://www.c40knowledgehub.org/s/article/Strategy-for-organic-waste-diversion-for-the-city-of-Sao-Paulo?language=en_US
20. *Bio-waste generation in the EU: Current capture levels and future potential*, published in 2020 and commissioned by the Bio-based Industries Consortium (BIC). Enzo Favoino & Michele Giavini, Scuola Agraria del Parco di Monza, 2020 https://zero.wasteurope.eu/wp-content/uploads/2020/07/2020_07_06_bic_zwe_report_bio_waste.pdf
21. <https://www.downtoearth.org.in/news/waste/ten-zero-waste-cities-how-tacloban-in-the-philippines-managed-to-spruce-itself-up-68613>
22. GreenCape 2021 Waste Market Intelligence Report. https://www.greencape.co.za/assets/WASTE_MIR_20200331.pdf (Accessed 2021)
23. https://iwmsa.co.za/sites/all/themes/corporateclean/Landfill%20Conference%20Papers/Day%201%20-%20LAWTIG%20-%20R%20Pienaar_JPCE%20Read-Only.pdf (Accessed 2021)
24. Recognising the Informal Waste Sector in Advanced Waste Treatment. DFFE. <https://www.dffe.gov.za/sites/default/files/docs/publications/recognisingtheinformalwastesector.pdf>. (Accessed 2021)

25. Knowledge Product 4: Financial Implications of Advanced Waste Treatment. DFFE.
https://www.dffe.gov.za/sites/default/files/reports/advancedwastetreatment_chapter8.pdf.
(Accessed 2021)

Extract from Stellenbosch Waste Disposal Facility WML, Ref 19/2/5/1/B4/46/WL0118/14, dated 13/09/2018.

- 15.7. The Licence Holder must submit an Organic Waste Diversion Plan to the Director 90 (ninety) days after the signature of this Licence and annually thereafter.
- 15.8. The information within the Organic Waste Diversion Plan must:
 - 15.8.1. provide a status quo of current organic waste sources and volumes disposed at municipal WDFs, and current rates and procedures of organic waste diversion from WDFs; and
 - 15.8.2. set annual targets and identify procedures from 2018 that will be implemented to meet these targets for the diversion of organic waste from municipal WDFs, in order to reach a 50% diversion by the year 2022 and 100% diversion by the year 2027.

Two Bag System Area		Organic Waste %
-	Uniepark, Karindal, Aanhou Wen, Rozendal	55.1
-	Mostertsdrift	41.4
-	Simonswyk	47.1
-	Universiteits Oord	-
-	Technopark	33.8
-	Die Boord, Fairways, Die Wingerd, Harringtons Place	40.3
-	Paradyskloof, Schuilplaats, Lieberheim, Anesta, Eden, La Pastorale	37.1
-	Brandwacht	46.6
-	Dalsig, Bo-Dalsig	-
-	Krigeville	-
	Onder Papegaaiberg	22.2
	Devon Valleij, Devon Park, Kleinvallei	18.7
-	La Colline/Die Rand	34.8
-	Die Laan	-
-	Dorp/Stasie street	-
-	Franschhoek	31.6
-	Idas Valley, Lindida, Arbeidslus	31.6
-	Raithby	25.3
-	Agape Retirement Village	-
-	Blaauwklippen Road	-
-	Jamestown	36.2
-	Cloetesville	34.5
-	Brandwacht-aan-rivier	-
-	Parmalat	-
-	Jonkershoek	17.3
-	Welgevonden	27.1

7.6	PARKS, OPEN SPACES AND ENVIRONMENT: (PC: J JOON)
------------	---

NONE

7.7	PLANNING :(PC: CLLR C VAN WYK (MS)
------------	---

7.7.1	PROPOSED RESTRUCTURING OF THE INTERNAL MEMBERSHIP OF THE STELLENBOSCH MUNICIPAL PLANNING TRIBUNAL
--------------	--

Collaborator No: 721983
 IDP KPA Ref No: Good Governance and Compliance
 Meeting Date: 21 January 2022

1. SUBJECT: PROPOSED RESTRUCTURING OF THE INTERNAL MEMBERSHIP OF THE STELLENBOSCH MUNICIPAL PLANNING TRIBUNAL

2. PURPOSE

To provide Council with the pertinent facts to consider the Removal and Replacement of the internal (municipal employees) serving on the Stellenbosch Municipal Planning Tribunal (“MPT”) in terms of Sections 38(5)(a) and 38(6) of the Spatial Planning and Land Use Management Act, Act No. 16 of 2013 (“SPLUMA”) and Sections 73(2)(c), 73(7) and 74(5)(a) of the Stellenbosch Municipality Land Use Planning Bylaw, August 2015.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

The report and proposed recommendations are aimed at ensuring that the Stellenbosch MPT and the Stellenbosch Municipality, as an organisation, is more efficient and effective. As such, it is proposed to reconstitute the internal municipal membership of the current MPT.

The internal membership of the current MPT includes the following post designations (and employees):

- Manager: Spatial Planning, Directorate Planning and Economic Development - Currently represented by Mr. B de la Bat
- Senior Manager: Infrastructure Planning, Development and Implementation, Directorate Infrastructure Services - Currently vacant
- Senior Legal Advisor, Directorate Corporate Services - Currently represented by Mr. M Williams
- Senior Manager: Community Services, Directorate Community and Protection Services - Currently represented by Mr. A van der Merwe
- Senior Environmental Planner, Environmental Management, Directorate Community and Protection - Currently represented by Mr. S van der Merwe
- Manager: IDP and Performance Management, Department Governance, Office of the Municipal Manager - Currently represented by Mr. G Cain – Manager

- Manager Infrastructure Implementation Services, Directorate Infrastructure Services - Currently represented by Ms. M. Francis

The proposed new internal membership of the MPT includes the following post designations:

- Senior Manager: Infrastructure Planning, Development and Implementation, Directorate Infrastructure Services - Incumbent to this position resigned during 2021, and the position is currently vacant.
- Senior Legal Advisor, Directorate Corporate Services - Currently represented by Mr. M Williams
- Senior Manager: Community Services, Directorate Community and Protection Services - Currently represented by Mr. A van der Merwe.
- Senior Manager: Development Planning – To be represented by Mr C Alexander.

The proposal will improve the efficiency of Stellenbosch Municipality in that the number of internal members (municipal employees) on the MPT is proposed to be decreased from seven (7) to four (4), thus releasing staff to perform their core functions. The proposal will also promote the effectiveness of Stellenbosch Municipality in that the proposed internal MPT membership will all be at senior manager level.

No changes are proposed to the external membership of the Stellenbosch MPT.

5. RECOMMENDATIONS

That the following amendment to the internal membership of the Stellenbosch MPT **BE APPROVED**:

- (a) The **Removal** in terms of Section 38(5)(a) of the Spatial Planning and Land Use Management Act (Act 16 of 2013) and Sections 73(2)(c), 73(7) and 74(5)(a) of the Stellenbosch Municipality Land Use Planning Bylaw, August 2015, of the following post designations as municipal employee members from the current membership of the Stellenbosch Municipal Planning Tribunal:
 - (i) Manager: Spatial Planning, Directorate Planning and Economic Development - Currently represented by Mr. B de la Bat
 - (ii) Senior Environmental Planner, Environmental Management, Directorate Community and Protection - Currently represented by Mr. S van der Merwe
 - (iii) Manager: IDP and Performance Management, Department Governance, Office of the Municipal Manager - Currently represented by Mr. G Cain – Manager
 - (iv) Manager Infrastructure Implementation Services, Directorate Infrastructure Services - Currently represented by Ms. M. Francis

- (b) The **Retention** of the following post designations as municipal employee members of the Stellenbosch Municipal Planning Tribunal in terms of their appointment by the Acting Municipal Manager on 15 May 2019 in terms of an authorisation and delegation of a Council decision vide item 7.3.3 and dated 26 July 2017:
 - (i) Senior Manager: Infrastructure Planning, Development and Implementation, Directorate Infrastructure Services - Currently vacant
 - (ii) Senior Legal Advisor, Directorate Corporate Services - Currently represented by Mr. M Williams
 - (iii) Senior Manager: Community Services, Directorate Community and Protection Services - Currently represented by Mr. A van der Merwe

- (c) The **Appointment** in terms of Section 38(5)(a) of the Spatial Planning and Land Use Management Act (Act 16 of 2013) and Section 71(1) of the Stellenbosch Municipality Land Use Planning Bylaw, August 2015 of the following a post designation as a municipal employee member of the Stellenbosch Municipal Planning Tribunal:
- (i) Senior Manager: Development Planning, Directorate Planning and Economic Development – To be represented by Mr. Craig Alexander
- (d) That in terms of Section 72(11) of the Stellenbosch Municipality Land Use Planning Bylaw, August 2015 the Municipal Manager publish the Reconstituted MPT in the Provincial Gazette as stipulated in Section 72(11)(c) of the said Bylaw.

6. DISCUSSION / CONTENTS

6.1 Background & Discussion

The Stellenbosch Municipality decided vide Council Item 8.6 dated 27 May 2015 to establish a MPT. In terms of the processes that followed to institute and appoint the members of the MPT during the consecutive terms, the then Acting Municipal Manager, in terms of an authorisation and delegation of a Council decision vide item 7.3.3 and dated 26 July 2017, appointed on 15 May 2019 the following post designations to serve as internal MPT members:

- Manager: Spatial Planning, Directorate Planning and Economic Development - Currently represented by Mr. B de la Bat.
- Senior Manager: Infrastructure Planning, Development and Implementation, Directorate Infrastructure Services - Currently vacant.
- Senior Legal Advisor, Directorate Corporate Services - Currently represented by Mr. M Williams.
- Senior Manager: Community Services, Directorate Community and Protection Services - Currently represented by Mr. A van der Merwe
- Senior Environmental Planner, Environmental Management, Directorate Community and Protection - Currently represented by Mr. S van der Merwe.
- Manager: IDP and Performance Management, Department Governance, Office of the Municipal Manager - Currently represented by Mr. G Cain – Manager.
- Manager Infrastructure Implementation Services, Directorate Infrastructure Services - Currently represented by Ms. M. Francis.

During the term of the current MPT it has transpired that the need for a large contingent of internal MPT members is not necessary and that potential conflict of interest of internal staff members, in terms of their delegations from Council and their specific function that they fulfil in land use applications, must also be addressed. In addition, it makes absolute sense to minimise the internal MPT membership to free up staff members to perform their core functional roles and to ensure that the internal MPT membership is also at the required level of seniority.

With the above in mind the proposal is that the internal membership of the Stellenbosch MPT be restructured to the following:

- (a) Senior Manager: Infrastructure Planning, Development and Implementation, Directorate Infrastructure Services - Currently vacant.
- (b) Senior Legal Advisor, Directorate Corporate Services - Currently represented by Mr. M Williams.

- (c) Senior Manager: Community Services, Directorate Community and Protection Services - Currently represented by Mr. A van der Merwe.
- (d) Senior Manager: Development Planning, Directorate: Planning and Economic Development – To be represented by Mr. C Alexander.

The above proposal for the internal (municipal employee) members of the Stellenbosch MPT will contribute to the organisation's efficiency in that the number of internal members of the MPT will be reduced from seven (7) to four (4). It will also contribute to the organisation's effectiveness in that all internal members of the MPT will be at the senior manager level.

6.3 Financial Implications

As per the approved budget.

6.4 Legal Implications

The recommendations are in line with the legislation.

6.5 Staff Implications

Work pressure on non-essential officials that currently serve on the MPT will be relieved as the internal representation on the MPT will be reduced from seven (7) to four (4).

6.6 Previous / Relevant Council Resolutions:

Council Item 8.6 dated 27 May 2015 to establish a Municipal Planning Tribunal

Council Item 7.3.3 dated 26 July 2017 to authorise the Municipal manager to appoint internal members to the Stellenbosch Municipal Planning Tribunal.

6.7 Risk Implications

The risks are addressed in the item.

6.8 Comments from Senior Management:

6.8.1 Director: Infrastructure Services

The recommendations are supported

6.8.2 Director: Planning and Economic Development

The recommendations are supported.

6.8.3 Director: Community and Protection Services

The recommendations are supported.

6.8.4 Director: Corporate Services

The recommendations are supported

6.8.6 Chief Financial Officer

Supports the recommendations

6.8.7 Municipal Manager

Support the recommendations

ANNEXURES

NONE

FOR FURTHER DETAILS CONTACT:

NAME	Anthony Barnes
POSITION	Director Planning and Economic Development
DIRECTORATE	Planning and Economic Development
CONTACT NUMBERS	021 808 4006
E-MAIL ADDRESS	Anthony.Barnes@stellenbosch.gov.za
REPORT DATE	18 January 2022

7.8	LOCAL ECONOMIC DEVELOPMENT AND TOURISM:(PC: CLLR R DE TOIT (MS)
------------	--

NONE

7.9	RURAL MANAGEMENT: (PC: CLLR J WILLIAMS)
------------	--

NONE

7.10	YOUTH, SPORT AND CULTURE: (PC: CLLR R ADAMS)
-------------	---

NONE

7.11	MUNICIPAL MANAGER
-------------	--------------------------

NONE

8.	REPORTS SUBMITTED BY THE EXECUTIVE MAYOR
-----------	---

NONE

9.	URGENT MATTERS
-----------	-----------------------

10.	MATTERS TO BE CONSIDERED IN-COMMITTEE
------------	--