



STELLENBOSCH
STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

Ref no.3/4/1/5

2016-04-08

MINUTES

39TH COUNCIL MEETING OF STELLENBOSCH MUNICIPALITY

2016-03-30

MINUTES
39TH MEETING OF THE COUNCIL
OF STELLENBOSCH MUNICIPALITY
2016-03-30

TABLE OF CONTENTS

ITEM	SUBJECT	PAGE
1.	APPLICATION FOR LEAVE OF ABSENCE	2
2.1	DECLARATION OF INTEREST	2
2.2	PRESENTATION	
2.2.1	NONE	2
2.3	COMMUNICATION	
2.3.1	COMMUNICATION BY THE SPEAKER	2
2.3.2	COMMUNICATION BY THE EXECUTIVE MAYOR	2
2.3.3	COMMUNICATION BY THE MUNICIPAL MANAGER	4
3.	CONFIRMATION OF THE MINUTES	
3.1	CONFIRMATION OF THE MINUTES OF THE 38 TH MEETING OF THE COUNCIL OF STELLENBOSCH MUNICIPALITY HELD ON 2016-02-24	4
4.	INTERVIEWS WITH DEPUTATIONS	
	NONE	5
5.	STATUTORY BUSINESS	
	NONE	5
6.	REPORTS BY THE MUNICIPAL MANAGER RE OUTSTANDING RESOLUTIONS TAKEN AT PREVIOUS MEETINGS OF COUNCIL	5
7.	CONSIDERATION OF REPORTS, COMMUNICATIONS, PETITIONS AND APPLICATIONS SUBMITTED BY MUNICIPAL MANAGER	
7.1	DRAFT 2016/17 (REVISED) INTEGRATED DEVELOPMENT PLAN, REVISION 4	7
7.2	MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) FOR THE FINANCIAL PERIODS 2016/2017 – 2018/2019	10
7.3	MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) OVERSIGHT REPORT ON THE ANNUAL REPORT 2014/15	21
7.4	APPROVAL OF AUDIT ACTION PLAN	24
7.5	RECRUITMENT AND SELECTION PROCESS OF THE DIRECTOR ENGINEERING SERVICES	26
7.6	APPOINTMENT OF TEMPORARY PROJECT MANAGERS: VARIOUS GOVERNANCE PROJECTS	30
7.7	APPOINTMENT OF TWO (2) MEMBERS TO THE AUDIT AND PERFORMANCE AUDIT COMMITTEE	39
7.8	SOCIAL HOUSING STELLENBOSCH MUNICIPALITY: DEMARCATION OF RESTRUCTURING ZONES AND DRAFT AFFORDABLE RENTAL HOUSING STRATEGY	42
7.9	PROGRESS REPORT: ELECTRICAL SERVICES MASTER PLAN	48
7.10	CONFERRAL OF ALDERMANSHIP ON COUNCILLOR EL MAREE (MS)	51
7.11	CONFERRAL OF ALDERMANSHIP ON COUNCILLOR V FERNANDEZ (MS)	53
7.12	CONFERRAL OF ALDERMANSHIP ON COUNCILLOR JP SERDYN (MS)	55
8.	CONSIDERATION OF MATTERS REFERRED TO COUNCIL VIA THE MAYORAL COMMITTEE AND MPAC MEETING/S	
8.1	DEVELOPMENT OF A COMPREHENSIVE INTEGRATED TRANSPORT PLAN (CITP) FOR THE MUNICIPAL AREA	57
8.2	MFMA SECTION 116(3) – PROPOSAL TO RENEW ALL ICT CONTRACTS ANNUALLY AT THE SOLE DISCRETION OF THE MUNICIPALITY FOR A THREE YEAR PERIOD, EFFECTIVE FROM 01 JULY 2016 TO 30 JUNE 2019	64
8.3	MFMA s116(3) AMENDMENT TO INSURANCE AGREEMENT	73
8.4	PROPOSED DISPOSAL OF VARIOUS CHURCH SITES IN KLAPMUTS	77
8.5	COMMENT ON THE DRAFT ENVIRONMENTAL IMPACT REPORT FOR THE PROPOSED VLOTTENBURG VILLAGE DEVELOPMENT	83
8.6	STELLENBOSCH RIVER COLLABORATIVE	88
8.7	PREFERENTIAL PROCUREMENT POLICY	92

TABLE OF CONTENTS

ITEM	SUBJECT	PAGE
9.	CONSIDERATION OF NOTICES OF QUESTIONS AND NOTICES OF MOTIONS RECEIVED BY THE SPEAKER	
9.1	MOTION BY COUNCILLOR F ADAMS: REQUEST FOR HONORARY CITIZENSHIP	94
9.2	MOTION BY COUNCILLOR F ADAMS: DEBATE THAT FOCUS ON RACISM, DISCRIMINATION AND XENOPHOBIA WITHIN THE GREATER STELLENBOSCH	95
10.	CONSIDERATION OF MOTIONS OF EXIGENCY	
	NONE	96
11.	MATTERS FOR INFORMATION	
11.1	REPORT BY THE EXECUTIVE MAYOR ON DECISIONS TAKEN BY THE MAYORAL COMMITTEE AND STANDING COMMITTEES FOR THE PERIOD MARCH 2016	
	NONE	96
11.2	DECISIONS TAKEN IN TERMS OF DELEGATED AUTHORITY BY THE EXECUTIVE MAYOR FOR THE PERIOD MARCH 2016	
	NONE	96
12	OTHER URGENT MATTERS SUBMITTED BY THE MUNICIPAL MANAGER	
	NONE	96
13.1	CONSIDERATION OF REPORTS SUBMITTED BY THE SPEAKER	
13.1.1	INVESTIGATION INTO ALLEGATION OF BREACH OF THE CODE OF CONDUCT FOR COUNCILLORS: COUNCILLOR F ADAMS	97
13.1.2	INVESTIGATION INTO ALLEGATION OF BREACH OF THE CODE OF CONDUCT FOR COUNCILLORS: COUNCILLOR DD JOUBERT	101
13.1.3	INVESTIGATION INTO ALLEGATION OF BREACH OF THE CODE OF CONDUCT FOR COUNCILLORS: COUNCILLOR DA HENDRICKSE	104
13.2	CONSIDERATION OF REPORTS SUBMITTED BY THE EXECUTIVE MAYOR	
	NONE	109
14.	MATTERS TO BE CONSIDERED IN-COMMITTEE	
	NONE	109

**MINUTES OF THE 39TH MEETING OF STELLENBOSCH COUNCIL HELD ON
2016-03-30 AT 15:00 IN THE COUNCIL CHAMBER, TOWN HOUSE, PLEIN STREET,
STELLENBOSCH**

PRESENT	The Speaker, Alderman CP Jooste [Chairperson] The Executive Mayor, Alderman CJ Sidego The Deputy Executive Mayor, Cllr MG Smuts	
ALDERMEN	DC Botha V Fernandez (Ms) EL Maree (Ms) JP Serdyn (Ms)	
COUNCILLORS	F Adams DS Arends NM August HC Bergstedt (Ms) PW Biscombe A Crombie (Ms) JA Davids R du Toit (Ms) JSA Fourie AR Frazenburg E Groenewald DA Hendrickse (until JK Hendriks N Jindela MC Johnson DD Joubert S Jooste (Ms)	SJ Louw (Ms) C Manuel NE McOmbring (Ms) XL Mdemka (Ms) (until 17:05) C Moses (Ms) P Mntumni (Ms) RS Nalumango (Ms) N Ntsunguzi (Ms) WC Petersen (Ms) PJ Retief P Sitshoti (Ms) LN Siwakamisa (Ms) Q Smit LL Stander AT van der Walt M Wanana

OFFICIALS	Acting Municipal Manager (R Bosman) Chief Financial Officer Director: Community and Protection Services Director: Human Settlements and Property Management Director: Planning and Economic Development Director: Strategic and Corporate Services Acting Director: Engineering Services (W Pretorius) Chief Audit Executive Senior Legal Advisor (Ms EA Rhoda (née Williams)) Senior Legal Advisor (M Williams) Manager: LED Manager: ICT Head: Performance Management System Head Committee Services (EJ Potts) Committee Clerk (Ms T Samuels) Interpreter
------------------	---

1. APPLICATION FOR LEAVE OF ABSENCE (3/4/2/3)**39TH COUNCIL MEETING: 2016-03-30: ITEM 1****RESOLVED** (nem con)

- (a) that leave of absence be granted to Councillors N Mananga-Gugushe (Ms) and L Ronoti; and
- (b) that permission be granted to Councillor XL Mdemka (Ms) to leave the meeting earlier at 17:05, due to illness.

Absent

MM Ngcofe

(HEAD: COMMITTEE SERVICES TO ACTION)**2.1 DECLARATION OF INTEREST (3/6/2/2)**

NONE

2.2 PRESENTATION (8/1/4/2/6)

NONE

2.3 COMMUNICATIONS (3/4/1/6)**2.3.1 COMMUNICATION BY THE SPEAKER (3/4/1/6)**

2.3.1.1 The Speaker, Alderman CP Jooste thanked the Councillors for the photo session they attended prior to the start of the Council meeting.

2.3.1.2 He congratulated all Councillors who will be celebrating their birthdays during the month of April.

2.3.1.4 The Speaker reminded Councillors of the IDP dry run on Friday, 2016-04-01 to discuss Ward priorities and allocations and urged Councillors to attend.

(-)

2.3.2 COMMUNICATION BY THE EXECUTIVE MAYOR (3/4/1/6)

2.3.2.1 The Executive Mayor's communication can be summarised as follows:-

"March was quite an active month in which we celebrated and commemorated a number of things.

The focus was on human rights and we appropriately celebrated this with Human Rights Day and the Elimination of Racial Discrimination Day.

I also want to use this opportunity to commend Cllr Franklin Adams for staging his annual campaign against racism.

On Saturday, 2 April, on World Autism Awareness Day we take time out to reflect on what it is to live with autism – a condition that affects thousands of South Africans but because we do not always understand it, we sometimes tend to treat those with this condition with a lack of dignity. One of our most well-known residents, the golfing legend Ernie Els has a son who has autism. Through his foundation, Mr Els has taken on this cause to focus attention on this condition. We salute him for this.

Unfortunately some people have also passed away. One of them was Mrs Johanna Potgieter, the woman who was the founder of Azaleahof, the well-known home for the aged here in Stellenbosch. She died on 24 February – the day we held our previous Council meeting. This was only a few weeks after I visited her on her 100th birthday.

Mrs Potgieter was the kind of person who got up and made things happen. And Stellenbosch, the Innovation Capital, needs many more people like her to bring about change.

Talking about change, I am quite excited to report that I attended a training session for the Planning Tribunal in my capacity as the Appeals Authority for this Tribunal. After the training sessions, I am even more convinced than before that this Tribunal will make a huge difference to the way Stellenbosch Municipality does business.

The Provincial Cabinet also held the first of its five outreach meetings with the different districts in Stellenbosch. They mayor of Cape Town, Patricia de Lille as well as the Premier of the Province, Ms Helen Zille attended this meeting. There were actually two meetings: the Western Cape cabinet first met here in the Council Chambers and then they moved to the Van der Stel sport grounds where they met with stakeholders. Apparently it was a hugely successful meeting.

In the spirit of commemorative days and weeks, we also celebrated Water Week in March. And the launch of the Green Filter slotted in nicely with this week. The Green Filter is a collaborative effort of the Municipality, Wildlands, the Stellenbosch River Collaborative, Stellenbosch University and other stakeholders. The aim with this innovative project – the first in South Africa – is to try to clean the highly polluted Plankenburg River through a system that mimics the way water is filtered and cleaned in nature. As I pointed out in my speech on the day of the launch of the Green Filter, the clever people say that in future we will see wars fought over water.

South Africa is already experiencing a severe water crisis and we need to protect our rivers which are such an important link in the water supply chain. The Plankenburg River is a good place to start. Test results showed this water is extremely polluted with anything from excrement to cleaning products to industrial waste. The filter consists of 14 tanks with different species of flora planted on top. The roots of the plants will grow into the water and in this way the water will be filtered – as happens in nature. As it passes through the different tanks, the water will progressively get cleaner. The clean water will then be pumped back into the river.

It will be quite a slow process to get the Plankenburg River to a healthy state, but I commend all roleplayers for making this innovative project a reality.

Colleagues, as you know, the CAN Project was also launched in March. Through this initiative tinned food is collected for Feeding in Action, the organisation that feeds 5000 people.

The municipality assists Feeding in Action through fresh produce from our community gardens. But winter is drawing near and Feeding in Action needs more food during the cold months. Tinned foods will go a long way to fill this need.

I challenge each of you as councillors to contribute ten cans to this project. You can drop it off at the collection point in the Mayoral Chambers.

And finally, April offers another chance to register for the upcoming elections. As before I urge each of you to make as much of an effort as possible to get your supporters to register. We also know that this is a time for fierce political battles to be fought. Maintain the moral high ground at all times – regardless of your political affiliations.”

(-)

2.3.3 COMMUNICATION BY THE MUNICIPAL MANAGER (3/4/1/6)

NONE

3. CONFIRMATION OF THE MINUTES (3/4/1/5)

3.1 CONFIRMATION OF THE MINUTES OF THE 38TH MEETING OF THE COUNCIL OF STELLENBOSCH MUNICIPALITY HELD ON 2016-02-24 (3/4/1/5)

The minutes of the 38th Meeting of the Council of Stellenbosch Municipality held on 2016-02-24 were previously distributed.

FOR CONFIRMATION

39TH COUNCIL MEETING: 2016-03-30: ITEM 3.1

RESOLVED (nem con)

that the minutes of the 38th Meeting of the Council of Stellenbosch Municipality held on 2016-02-24, be confirmed, subject to the following amendment:

Item 10.1 Motion of Exigency, add the following:

The following Councillors requested that their vote of dissent be minuted:

Councillors DA Hendrickse; AT van der Walt and M Wanana.

(HEAD: COMMITTEE SERVICES TO ACTION)

4. INTERVIEWS WITH DEPUTATIONS (3/4/1/7)

NONE

5. STATUTORY BUSINESS (3/4/1/7)

NONE

**6. REPORT/S BY THE MUNICIPAL MANAGER RE OUTSTANDING RESOLUTIONS
TAKEN AT PREVIOUS MEETINGS OF COUNCIL (3/4/15)**

The report by the Acting Municipal Manager re outstanding resolutions taken at previous meetings of Council is attached as **APPENDIX 1**.

FOR INFORMATION

39TH COUNCIL MEETING: 2016-03-30: ITEM 6

RESOLVED (nem con)

- (a) that the report by the Acting Municipal Manager on outstanding resolutions, be noted; and
- (b) that the Acting Municipal Manager note the input by Councillors regarding the items as outlined below, and provide responses, where applicable.

Issue raised by	Page	Response by
<p><u>Cllr: DA Hendrickse: Item 8.5 Vliegveld</u> Concerned about the comments by the Director.</p> <p><u>Cllr: DA Hendrickse: Item 8.7 Financial misconduct</u> This item is outstanding for more than a year. Indicated that it will serve at the March Council meeting, no item on the Agenda.</p> <p><u>Cllr: DA Hendrickse: Item 9.2 Minimum competency</u> Were informed that it will serve at the March Council meeting, no item on the Agenda.</p> <p><u>Cllr: DA Hendrickse: Item 10.1 Motion of Exigency</u> Resolved that the Administration should report back at the March Council meeting, no item on the Agenda.</p> <p><u>Cllr: DA Hendrickse: Item 7.9 Draft Policy on Management of municipal Agricultural Land</u> Resolved that the Administration should report back at the February Council meeting already, but no item on the Agenda.</p>	<p>Pg. 8</p> <p>Pg 13</p> <p>Pg 17</p> <p>Pg 25</p> <p>Pg 26</p>	<p>Speaker requested that the items be submitted at the next Council meeting scheduled for April 2016 for closure.</p>
<p><u>Cllr: JA Davids Items 7.9 Emergency Housing Policy</u> Concerned that this matter is not resolved after 5 years. What is the hold-up?</p> <p><u>Cllr: JA Davids Items 7.9 Policy on Home Occupational Practice within the Stellenbosch Municipality WCO24</u> This matter is outstanding for the past 3 years. Why was it not concluded?</p>	<p>Pg. 6</p>	<p>Speaker requested that the items be submitted at the next Council meeting scheduled for April 2016 for conclusion.</p>
<p><u>Cllr F Adams: Item 7.2 Streetnames</u> Still at 35% completed since 2012?</p> <p><u>Cllr F Adams: Item 13.2.1 Disciplinary hearing of Cllr CP Jooste</u> Still at 20% completed. Where is the fairness?</p>	<p>Pg 11</p> <p>Pg 19</p>	<p>Mayor responded that this matter was referred to the MEC who indicated that a Committee/Person will be appointed to investigate. Still awaiting feedback from the MEC on who will be appointed.</p> <p>The matter is still at the Public Protector.</p>

<p><u>Cllr PW Biscombe: Item 9.3 Motion: legal stand flat/dwellings in Rhode/Lang Street</u></p> <p>Outstanding since 2015-06-24?</p>	Pg 10	Speaker RULED that the MM must follow up on outstanding matters and report back at the next Council meeting in April 2016.
<p><u>Cllr Jindela: Item 7.2: Undeveloped Erven in Kayamandi 1: Way Forward</u></p> <p>Not satisfied with the comments.</p>	Pg. 14	Speaker RULED that the MM must follow up on outstanding matters and report back at the next Council meeting in April 2016.
<p><u>Cllr DD Joubert: Motions</u></p> <p>Ward 5 submitted 2 Motions. What is the status of the Motions?</p>		Speaker RULED that the MM must follow up on outstanding matters and report back at the next Council meeting in April 2016.

(ACTING MUNICIPAL MANAGER TO ACTION)

7. CONSIDERATIONS OF REPORTS, COMMUNICATIONS, PETITIONS AND APPLICATIONS SUBMITTED BY THE MUNICIPAL MANAGER

7.1 DRAFT 2016/17 (REVISED) INTEGRATED DEVELOPMENT PLAN, REVISION 4

File number : 9/1/2/1
Reported by : Municipal Manager
Compiled by : Director: Strategic & Corporate Services
Delegated authority : Council

Strategic intent of item

Preferred investment destination	<input type="checkbox"/>
Greenest municipality	<input type="checkbox"/>
Safest valley	<input type="checkbox"/>
Dignified Living	<input type="checkbox"/>
Good Governance	<input checked="" type="checkbox"/>

1. PURPOSE OF REPORT

To submit to Council the Draft 2016/17 Integrated Development Plan (IDP), Revision 4, for consideration.

2. BACKGROUND

Section 34 of the Local Government: Municipal Systems Act, No 32 of 2000, prescribe amongst others, the following:

“Annual review and amendment of integrated development plan

A municipal council-

- (a) must review its integrated development plan-
 - (i) annually in accordance with an assessment of its performance measurements in terms of Section 41; and
 - (ii) to the extent that changing circumstances so demand; and
- (b) may amend its integrated development plan in accordance with a prescribed process.”

The Council of Stellenbosch Municipality adopted the 3rd Generation Integrated Development Plan for 2012/17 on 31 May 2012.

Section 16 (1) (a) (i) provides that a municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance and must for this purpose:-

“Encourage and create the conditions for the local community to participate in the affairs of the municipality in terms of inclusion in the preparation, implementation and review of its IDP in terms of Chapter 5 of the Municipal Systems Act of 2000”.

3. DISCUSSION

A process plan was approved by Council in August 2015 for the compilation of the draft Third Generation IDP (Revision 4). The following processes were followed in the revised IDP:

DATE	ACTION(S)
September 2015	<ul style="list-style-type: none"> Various meetings (needs analysis) were held in all 22 wards to determine a baseline for all needs. Mayco agreement was obtained to engage with citizens and interest groups through ward committee meetings and a sector engagement on issues and needs to be addressed in the third Generation IDP. Citizens were also allowed to identify their key priorities within their respective areas.
October / November 2015	<ul style="list-style-type: none"> Mayco and top management engagements were held on the broad focus of the IDP. Engagements focused on establishing a shared understanding, and agreement on the purpose, focus and public participation process to be followed in revising the third Generation IDP. Cluster meetings were held in all 22 wards, focusing on the feedback and prioritization of Needs.
November / December 2015	<ul style="list-style-type: none"> Extensive administrative engagements were held to obtain inputs and refine goals, focus areas, and objectives. Each Directorate conduct strategic workshops in preparation of IDP/Budget revision and SDBIP inputs. IDP Prioritization exercise was conducted with the Mayoral Committee, Municipal Manager, Directors, Managers and external stakeholders at a strategic session held at Vredenheim. Performance Analysis; Financial Analysis; and Organizational (Gap) Analysis were conducted. The various ward plans were updated during November.
January /early February 2016	<ul style="list-style-type: none"> Mayco and top management confirmed goals and focus areas and provided direction on predetermined objectives. Several strategic planning sessions were held in each Directorate Provincial IDP Indaba was held to agree on intergovernmental agreements to support municipal IDP.
March 2016	<ul style="list-style-type: none"> Mayco and Council to consider the draft IDP and Budget.
April 2016	<ul style="list-style-type: none"> Public consultation on the draft IDP and Budget in the form of Cluster meetings

The following actions will contribute to the finalisation of the 2016/2017 IDP (Revision 4).

DATE	ACTION(S)
May 2016	<ul style="list-style-type: none"> Submission of final IDP to MAYCO and Council for adoption. Budget Steering Committee to consider Public Participation Input and budgetary
June 2016	<ul style="list-style-type: none"> Submit final IDP to Provincial Government Approval of SDBIP by the Executive Mayor within 28 days after adoption of the IDP and Budget

After approval of the Draft 2016/17 Integrated Development Plan (IDP), Revision 4, by MAYCO and Council, the draft IDP will be published for public comment and submissions. The final document will be submitted to Council for approval, by the end of May 2016 in line with the regulatory prescripts.

4. COMMENTS BY RELEVANT DEPARTMENTS

All Departments have been involved and have been consulted in the finalising of the Draft 2016/17 Integrated Development Plan (IDP), Revision 4.

RECOMMENDED

that the Draft 2016/17 Integrated Development Plan (IDP), Revision 4, **(DISTRIBUTED UNDER SEPARATE COVER)** be considered and approved as a draft, after which a further consultation and refinement process will follow.

**(DIRECTOR: STRATEGIC AND CORPORATE
SERVICES TO ACTION)**

39TH COUNCIL MEETING: 2016-03-30: ITEM 7.1

RESOLVED (majority vote)

that the Draft 2016/17 Integrated Development Plan (IDP), Revision 4, be approved as a draft, after which a further consultation and refinement process will follow.

The following Councillors requested that their votes of dissent be minuted:

Councillors F Adams; JA Davids; DA Hendrickse; S Jooste (Ms); C Moses (Ms); P Mntumni (Ms); RS Nalumango (Ms); N Ntsunguzi (Ms); P Sitshoti (Ms); LN Siwakamisa (Ms); AT van der Walt and M Wanana.

**(DIRECTOR: STRATEGIC AND CORPORATE
SERVICES TO ACTION)**

7.2 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) FOR THE FINANCIAL PERIODS 2016/2017 – 2018/2019

File number : 5/1/1/2016/2017
Compiled by : Chief Financial Officer
Report by : Municipal Manager
Delegated Authority : Council

Strategic intent of item

Preferred investment destination
Greenest municipality
Safest valley
Dignified Living
Good Governance

1. PURPOSE OF REPORT

The purpose of this report is as follows:

- (a) The Executive Mayor to table the draft budget (inclusive of property rates charges and taxes, tariffs and service charges), annexures and proposed amendments to the budget related policies and other policies to Council for approval in terms of Section 16(2) of the Municipal Finance Management Act, (Act 56 of 2003);
- (b) That Council specifically note and consider the need to take up external loans to fund critically needed refurbishment of infrastructure to the tune of R 270 million of which over the MTREF R161 million will be required in year 1, R 36 million in year 2 and R73 million in year 3 (refer to Section G: High Level Budget Overview and Table A1 Budget Summary) and confirms draft approval of same in order for the Chief Financial Officer to attend to the necessary legislative requirements.

2. LEGISLATIVE FRAMEWORK

Section 16 of the MFMA states that:

- (1) *The council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year.*
- (2) *In order for a municipality to comply with subsection (1), the mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.*

Furthermore, section 17 of the MFMA states that:

- (1) *An annual budget of a municipality must be a schedule in the prescribed format-*

-
- (a) *setting out realistically anticipated revenue for the budget year from each revenue source;*
 - (b) *appropriating expenditure for the budget year under the different votes of the municipality;*
 - (c) *setting out indicative revenue per revenue source and projected expenditure by vote for the two financial years following the budget year;*
 - (d) *setting out-*
 - (i) *estimated revenue and expenditure by vote for the current year;*
 - (ii) *actual revenue and expenditure by vote for the financial year preceding the current year.*

3. DISCUSSION

The 2015 Medium Term Budget Policy Statement by the Minister of Finance highlighted the reduction in South Africa's growth rate and weakening economy, which will likely persist for the next few years. The deteriorating state of the economy has an adverse and ripple effect on the public sector at large.

The growth rate projection was revised from 2.4% in 2016 to 1.7%. Electricity supply constraints, falling commodity prices and lower confidence levels have resulted in our growth forecasts being revised lower. Government proposed the following measures to be carried out in local government, among others:

- Prioritizing the roll-out of basic services to historically disadvantaged areas;
- Eradication of infrastructure backlogs;
- Institutional capacity-building; and
- Reviewing of municipal infrastructure funding arrangements, with a view to promote better management and maintenance of assets.

Key priorities outlined in the Medium Term Budget Policy Statement directly align to the National Development Plan, which is the cornerstone for South Africa's economic development.

- **Infrastructure development** plays a pivotal role in improving the economy. Municipalities are encouraged to invest in upgrading of municipal roads, building waste water treatment works, installation of electricity networks, upgrading of sewer systems, building water reservoirs, etc. With the population growth that Stellenbosch municipality has, especially in informal settlements, infrastructure needs to be upgraded to meet the demands of the communities. This also has a linkage in reduction of unemployment. Similar to 2015/16 financial year, the municipality's capital budget is relatively large.
- One of the biggest challenges South Africa is confronted with is lack of job creation, which remains a national and provincial priority. With the low scaling economy, it is a challenge for jobs to be created as the two have a direct relationship. Thus, it is paramount for municipalities to continue to undertake joint planning with their communities and respective business sectors that drive the local economy. Municipalities should explore

opportunities to mainstream labour intensive approaches to delivering services. As a means to combat unemployment, the municipality would employ the following measures:

- ✓ Full participation in the Expanded Public Works Programme;
 - ✓ Providing support to small businesses, which will create employment in the medium to long term;
 - ✓ Filling of vacancies within the municipality; and
 - ✓ Developing partnerships with academic institutions for training opportunities.
- A revised **capacity building initiative, aligned to Back to Basics** strategy, where the main focus will be on improving service delivery, accountability and financial management. It is always important that local government be effective and efficient, and this will be measured by its ability to perform the basic mandate of service delivery. The “Back to Basics” programme was launched to promote good governance and effective administration through cutting wastage, spending public funds prudently, hiring competent staff, and ensuring transparency and accountability in local government.

During the 2016 Budget Speech, the Minister highlighted government’s initiatives in an effort to support growth and development, as follows:

- Building on the success of Renewable Energy initiatives;
- Measures to strengthen tourism, agriculture and agro-processing;
- Investment in transport and communication; and
- Creation of opportunities in participation of developers and other partners in housing, infrastructure and commercial development.

Again curtailing the non-core expenditure was emphasized. In order to maintain a funded budget, municipalities need not only focus on tariff increases, but also need to eliminate expenditure that is unnecessary. Additional to the cost containment measures introduced by National Treasury, the following would also be implemented:

- Restrictions on filling managerial and administrative vacancies, subject to review of human resource plans and elimination of unnecessary positions;
- Reduced transfers for operating budgets of public entities;
- Capital budgeting reforms to align plans with budget allocations while strengthening maintenance procedures;
- Mandatory use of the new e-tender portal, thereby enforcing procurement transparency and accessible reference prices for a wide range of goods and services;
- A national travel and accommodation policy and instructions on conference costs;
- New guidelines to limit the value of vehicle purchases for political office-bearers;
- Renegotiation of government leasing contracts; and

- New centrally negotiated contracts for banking services, ICT infrastructure and services, health technology, school building and learner support materials.

The emphasis of the National Budget is placed on ensuring that expenditure is allocated in an efficient manner, that management is enhanced and that cutting of waste occur. The 2016 Budget allocates resources to core social and economic priorities while containing aggregate expenditure growth. Spending plans give effect to priorities of the National Development Plan and the Medium Term Strategic Framework.

The weaker outlook is as a result of lower commodity prices, higher borrowing costs, drought and diminished business and consumer confidence. Constrained electricity supply continues to limit growth and deter fixed investment. Exchange rate depreciation is contributing to a higher inflation outlook during 2016.

These factors are expected to ease over the medium term. An upturn in global trade and investment, improved policy certainty, recovering consumer and business confidence, and greater availability and reliability of electricity in the outer years should support stronger growth.

Job creation remains one of the most pressing concerns for the economy. Headline employment grew by 3.7 per cent in the first three quarters of 2015. According to Statistics South Africa, 19 000 jobs were created in the formal sector and 273 000 in the informal sector in the first three quarters of 2015. The unemployment rate stood at 25.5 per cent in the third quarter of 2015, with the number of South Africans categorised as long-term unemployed 5.7 per cent higher than in 2014.

Higher inflation and weaker employment growth will impact on the ability of all municipalities to generate and collect revenue on services, to keep expenditures within budgeted allocations, and to borrow to fund capital expenditure programmes at affordable rates. Therefore it is critical for municipalities to review how they conduct their business to ensure value for money is obtained in all their expenditures, that revenue administration systems are operating effectively, that borrowing programmes are realistic, and that creditors (including bulk service providers) continue to be paid timeously and in full.

Fiscal constraints mean that transfers to municipalities will grow more slowly in the period ahead than they have in the past. This in effect means local government must re-direct their focus on core service delivery functions and reduce costs without adversely affecting basic services.

The application of sound financial management principles for the compilation of the Stellenbosch's financial plan is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The municipality's business and service delivery priorities were reviewed as part of this year's planning, through the Integrated Development Plan, and the budget process. Funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on non core and 'nice to have' items.

The municipality has embarked on developing a revenue enhancement strategy to optimize revenue, including the collection of debt owed by consumers.

Furthermore, the municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government.

The main challenges experienced during the compilation of the 2016/17 MTREF can be summarised as follows:

- The ongoing difficulties in the national and local economy;
- Aging infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of bulk water and electricity, which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
- Reductions in allocations of National and Provincial grants due to a worsening fiscal outlook; and
- Limited resources to deal with all key priorities.

The following budget principles and guidelines directly informed the compilation of the 2016/17 MTREF:

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

The total budget quantum for the 2016/2017 year is R1 841 722 565, of which R 1 374 606 601 (75%), is allocated to the operating budget and R467 115 964 (25%) to capital investment.

Budget documentation in line with the budget and reporting regulations is attached as **APPENDIX 1 – PART 1**. The report serves as an overview of the budget as a whole, budget assumptions used to compile the budget, funding sources used to fund the capital budget, different income categories to fund priorities of the municipalities, as well as the different expenditure items, including non-cash items.

DRAFT CAPITAL BUDGET 2016/2017 – 2018/2019

The draft capital budget is infrastructure orientated and addresses the huge backlog and urgent need to upgrade/refurbish Council's infrastructure as addressed by the different master plans. It is directed by the IDP (Integrated Development Plan) and the needs of the community. It's also aligned to the strategic priority in the State of the Nation Address of Infrastructure investment and the "back to basics" approach. Council's attention is however drawn to the

fact that not all needs identified by the community can realistically be funded by the municipality.

The main capital projects that the municipality will be investing in, which constitute more than 70% of the capital budget, include:

- Extension of waste water treatment works in Stellenbosch and Klupmuts;
- New Plankenburg Main Outfall Sewer
- Bulk Sewer Outfall: Jamestown
- Upgrade Stormwater
- Upgrade Of Sport Facilities
- Major Drop-Offs : Construction – Franschhoek
- Upgrade Bulk Water Supply Pipeline & Reservoir – Jamestown
- Gravel Roads- Jamestown
- Bulk Water Supply Pipe Reservoir: Johannesdal / Kylemore / Pniel
- Idas Valley (440) IRDP / FLISP (Housing Project)
- Kayamandi: Watergang/Zone O (Housing Project)
- New Community Hall Klupmuts
- Upgrade and Expansion of IT Infrastructure Platforms
- Energy Efficiency And Demand Side Management (Electrical)
- Integrated National Electrification Programme (Informal areas such as Enkanini, Kayamandi and Franschhoek) and electrification of subsidy housing projects.

The detailed draft capital budgets for 2016/2017, 2017/2018 and 2018/2019 are attached as **APPENDIX 1**.

DRAFT OPERATING BUDGET 2016/2017 – 2018/2019

The basis of the operating budget is aligned to the principle of total potential income (less income forgone as an expense where applicable) from all our services as well as a projection of total direct income. The extent, to which tariffs and levies are proposed to increase, is in the main influenced by:

- The increase in bulk purchases (water and electricity)
- Employee related costs, as per SALGBC wage agreement
- Councillor remuneration, as per SALGA upper limits
- Service delivery challenges
- Repairs and maintenance
- Operational projects impacting job creation and economic development
- Contractual commitments
- Day to day operational costs (fuel & oil, telephones, bank costs, etc)
- Finance costs, influenced by level of borrowing

Taking all of these issues into consideration and to ensure the sustainability of our operations from realistically anticipated income flows, the following tariff and property tax increases are proposed for 2016/2017:

Electricity	7.64%
Sanitation	8.00%
Refuse removal	6.20%
Water	7.00%
Rates	6.00%

The impact of the proposed tariff increases on the monthly services account for the various consumer categories is summarized in **APPENDIX 2**.

HIGH LEVEL CAPITAL AND OPERATING BUDGET FOR 2016/2017 – 2018/2019

The draft high level budget depicting the total budget is attached as **APPENDIX 1 – PART 1 – SECTION C.**

TARIFFS

Council's attention is further drawn to the fact that the Tariff List attached as **APPENDIX 3** includes Sundry Tariffs as a basket of services and charges, i.e. Land Use Management Fees, Development contributions, Technical Charges, etc. In this regard, the proposed tariff list must be consulted for the detail.

BUDGET RELATED POLICIES & BY-LAWS

The following budget related policies were developed:

Inventory Management Policy (**Appendix 4**)
Preferential Procurement Policy (**Appendix 5**)

The following budget related policies were revised:

Property Rates Policy (**Appendix 6**)
Supply Chain Management Policy (**Appendix 7**)
Travel and Subsistency Policy (**Appendix 8**)
Indigent Policy (**Appendix 9**)
Credit Control and Debt Collection Policy (**Appendix 10**)
Irrecoverable Debt Policy (**Appendix 11**)
Accounting Policy (**Appendix 12**)
Cash Management and Investment Policy (**Appendix 13**)
Tariff Policy (**Appendix 14**)
Grants-In-Aid Policy (**Appendix 15**)
Virement Policy (**Appendix 16**)
Budget Implementation and Monitoring Policy (**Appendix 17**)
Petty Cash Policy (**Appendix 18**)
Performance Management Policy (**Appendix 19**)
Development Charges Policy (**Appendix 20**)

Changes includes the following:

Policy	Summarized Nature of change
Virement	The content changes were the inclusion of relevant sections of applicable legislations. Principle changes include: - Restrictions on items that funds can not be transferred to/from; and
Budget Implementation & Monitoring	Only principle change was changing the budgeting principle from "incremental" to "zero-based" for the 2017/2018 financial year. The cosmetic changes were inclusion of relevant sections of applicable legislations.
Policy	Summarized Nature of change
Supply Chain Management	4.10.1 (c) categories and instances where its difficult to obtain more than 1 quote were expanded to include EG. Medical Experts. 4.18.1 (d) allow evaluator to request documents from the highest ranked bidder

	4.36.2 Deviations to be reported to Council was included. Chapter 5 was replaced with the SCM Regulations. Disposal of property should be handled by Asset Transfer Regulations and a property disposal policy.
Accounting	Definition of "Unauthorized Expenditure" was aligned to MFMA section 1.
Travel & Subsistence	The policy was aligned to the SARS rates instead of annually updating the rates on the policy.
Property Rates	The content changes in the policy are to update the Rates Policy to be in alignment with the Municipal Property Rates Act and amendments and to make the document more comprehensible.
Indigent	The principle change is to make provision for a lessee of Government owned housing units and to make the document more comprehensible.
Credit control & Debt collection	The policy has been changed to allow the debtor to make an arrangement which is affordable and not to restrict an arrangement period to 36 months. The other principle changes are to make provision for modern communication technologies
Irrecoverable Debt	The policy has been restructured to make it more practical for administrative processes and use.
Cash Management & Investment	The procedures and principles of "Returned cheques and Debit orders" were included.
Grants in Aid	Council now has the prerogative and authority of donating more than the R40 000 limit per organisation. Alignment of IDP and policy has been made more specific by adding the ward priorities as a measure to indicate alignment with the strategic objectives of the IDP.
Tariff Policy	The cosmetic changes in the policy are to describe the different tariffs and to refer to the approved Tariff Schedule of Council regarding the structure of a tariff and to ensure contradictions between tariffs do not occur.
Petty Cash	Authority for the CFO to determine and approve the maximum amount to be held in any individual petty cash float was documented.

Unchanged Policies and By-Laws

Tariff By-law (**Appendix 21**)

Property Rates By-law (**Appendix 22**)

Special Ratings By-law (**Appendix 23**)

Special Ratings Area Policy (**Appendix 24**)

Borrowing, Funds and Reserves Policy (**Appendix 25**)

Financing of External Bodies performing municipal functions Policy (**Appendix 26**)

Liquidity Policy (**Appendix 27**)

Asset Management Policy (**Appendix 28**)

OTHER SUPPORTING DOCUMENTATION

The additional information as prescribed by the budget and reporting regulations are attached as **APPENDIX 1 – PART 2 – SECTION P.**

4. LEGAL IMPLICATION

None solicited/not required.

5. FINANCIAL IMPLICATION

Financial impact already discussed above.

6. COMMENTS FROM OTHER RELEVANT DEPARTMENTS

Relevant input is already incorporated into budget document.

RECOMMENDED

- (a) that the Draft High Level Budget Summary, as set out in **APPENDIX 1 – PART 1 – SECTION C**; be approved for public release;
- (b) that the Draft Annual Budget Tables as prescribed by the Budgeting and Reporting Regulations, as set out in **APPENDIX 1 – PART 1 – SECTION D**, be approved for public release;
- (c) that the proposed Grants-In-Aid allocations as set out in **APPENDIX 1 – PART 2 – SECTION J**, be approved for public release;
- (d) that the three year Draft Capital Budget for 2016/2017, 2017/2018 and 2018/2019, as set out in **APPENDIX 1 – PART 2 – SECTION N**, be approved for public release;
- (e) that the proposed draft rates on properties in WCO24, tariffs, tariff structures and service charges for water, electricity, refuse, sewerage and other municipal services, as set out in **APPENDIX 3**, be approved for public release;
- (f) that the proposed newly developed budget related policies as set out in **APPENDICES 4–5**, be approved for public release.
- (g) that the proposed amendments to existing budget related policies and other policies as set out in **APPENDICES 6 - 27**, be approved for public release.
- (h) that Council specifically note and consider the need to take up an external loan, needed for investment in income generating infrastructure to the tune of **R270 million of which R161 million will be required in year 1, R 36 million in year 2 and R73 million in year 3 (refer to Section G: High Level Budget Overview and Table A1 Budget Summary) and confirms draft approval of same; and**
- (i) that Council specifically take note of the fact that the proposed electricity charges and tariff structure is subject to NERSA approval that could change materially.

(CHIEF FINANCIAL OFFICER TO ACTION)

39TH COUNCIL MEETING: 2016-03-30: ITEM 7.2

The Executive Mayor's Budget Speech is attached as **ANNEXURE A**.

Cllr DA Hendrickse requested that his concern be minuted that no applicable National Treasury Circulars were referenced or attached to the budget documentation, and that this, according to him, is illegal.

Councillor N Jindela proposed an amendment that the following pages in Appendices 1-3, be replaced (**see ANNEXURE B for replacement pages**):

Appendix 1: Page 130 of the Medium Term Revenue and Expenditure Framework.

Appendix 2: Monthly Household and Business Accounts Scenarios.

Appendix 3: Pages 1 to 5 of the Tariff Book.

During further deliberations on the matter, the Speaker gave a warning to the Deputy Executive Mayor, Councillor MG Smuts, Councillors DA Hendrickse and AT van der Walt after they made uncomplimentary remarks and misbehaved. Councillor

DA Hendrickse continued to make inappropriate remarks towards the Deputy Mayor, Councillor MG Smuts when it was not his turn to speak, whereafter the Speaker requested him (Councillor DA Hendrickse) to leave the Council Chamber. Councillor DA Hendrickse then left the Chamber.

RESOLVED (majority vote)

- (a) that the Draft High Level Budget Summary, as set out in **APPENDIX 1 – PART 1 – SECTION C**; be approved for public release;
- (b) that the Draft Annual Budget Tables as prescribed by the Budgeting and Reporting Regulations, as set out in **APPENDIX 1 – PART 1 – SECTION D**, be approved for public release;
- (c) that the proposed Grants-In-Aid allocations as set out in **APPENDIX 1 – PART 2 – SECTION J**, be approved for public release;
- (d) that the three year Draft Capital Budget for 2016/2017, 2017/2018 and 2018/2019, as set out in **APPENDIX 1 – PART 2 – SECTION N**, be approved for public release;
- (e) that the proposed draft rates on properties in WCO24, tariffs, tariff structures and service charges for water, electricity, refuse, sewerage and other municipal services, as set out in **APPENDIX 3**, be approved for public release;
- (f) that the proposed newly developed budget related policies as set out in **APPENDICES 4–5**, be approved for public release.
- (g) that the proposed amendments to existing budget related policies and other policies as set out in **APPENDICES 6 - 28**, be approved for public release.
- (h) that Council specifically note and consider the need to take up an external loan, needed for investment in income generating infrastructure to the tune of **R270 million of which R161 million will be required in year 1**,

R 36 million in year 2 and R73 million in year 3 (refer to Section G: High Level Budget Overview and Table A1 Budget Summary) and confirms draft approval of same;

- (i) that Council specifically take note of the fact that the proposed electricity charges and tariff structure is subject to NERSA approval that could change materially; and
- (j) that number (x) on page 18 of the Tariff Policy (**APPENDIX 3**) which refers to “free access to municipal halls for political parties”, be removed.

The following Councillors requested that their votes of dissent be minuted:

Councillors F Adams; JA Davids; S Jooste (Ms); C Moses (Ms); P Mntumni (Ms); RS Nalumango (Ms); N Ntsunguzi (Ms); P Sitshoti (Ms); LN Siwakamisa (Ms); AT van der Walt and M Wanana.

(CHIEF FINANCIAL OFFICER TO ACTION)

ITEM 7.2

ANNEXURE A

**EXECUTIVE MAYOR'S BUDGET
SPEECH**

39TH COUNCIL MEETING:

2016-03-30

Mayor:

Budget Speech 30 March 2016

Colleagues, today's business is essentially about the mid-term budget and at times like these we tend to get caught up in figures.

However, the primary goal of municipal budgets is to meet the needs of the people we are here to serve.

We are facing some tough times economically and all indications are the near future will be equally tough.

I am grateful to be able to state that, financially speaking, Stellenbosch Municipality is in a stable and good position.

Our clean audit for the 2014/2015 financial year and our budget for 2016/2017 reflect that we are financially stable and secure enough to be able to fulfil our mandate of service delivery quite effectively.

Stellenbosch has the fastest growing economy in the region. This is good news because many businesses and entrepreneurs chose the bigger Stellenbosch area as a preferred investment destination.

Being a preferred investment destination is one of the pillars that the overarching vision of Stellenbosch as the Innovation Capital of South Africa rests on.

When entrepreneurs invest in a town, it boosts the local economy and helps to create jobs. Like the rest of South

Africa, Stellenbosch has a number of unemployed people and any initiative that will help with employment is welcomed.

I believe the human capital is the biggest asset of any country, town and organisation. In Stellenbosch we have academics, entrepreneurs and extremely wealthy people who make a huge contribution to our beautiful town on many levels.

But we must never forget about the will to survive of those people eking out an existence in trying circumstances. As a municipality we also have to serve their needs and take this into account when drafting a budget.

Nonetheless, while Stellenbosch is a preferred investment destination and a place of aspiration, we are subjected to external factors such as the global economic crisis, lower commodity prices, higher borrowing costs and drought. These realities are felt in all spheres of our lives. We have to think even more carefully about the kinds of projects we undertake without compromising service delivery of high quality.

Unfortunately it seems as if some international corporations have lost their faith in South Africa and prefer to take their investment elsewhere. This is in part due to industrial action and the downgrading of South Africa by international rating agencies.

The national treasury tightened its budget and this has siphoned down to local governments. Stellenbosch Municipality has also had to cut down on expenditure.

Yet, despite what some would call a bleak economic outlook and the fiscal cuts by national treasury, we still have ample reason to be optimistic in Stellenbosch.

We do not compromise on services which contribute to the Innovation Capital pillar of dignified living.

Services and infrastructure like water supply, wastewater treatment, roads, human settlements, traffic engineering, and storm water all contribute to creating a dignified living environment for our residents.

Major capital expenditure is planned in these areas and engineering services will therefore get a large chunk of the total budget. This will cover the reconstruction of roads, upgrading of the storm water system, and the extension of the wastewater treatment works in both Stellenbosch and Klapmuts.

All of our other directorates have also been appropriately funded according to what we can afford in order to maintain and deliver the best possible services to our residents. This is done under quite challenging circumstances.

The municipality has furthermore embarked on a strategy to collect debt owed by consumers. Among other things, this means that we will act more firmly against those who live in our rental properties but who, for whatever reason, do not pay rent.

We will do this with as much empathy and understanding as possible because we know how some people struggle to survive.

The reality remains that if we have to write off this kind of debt, it deprives paying consumers of much needed services. The simple fact is that we need to recover revenue from all our sources.

It is good to sometimes reflect on things that the municipality is doing right. And if I may digress slightly, it gives me great pleasure to quote a few facts from the Western Cape socio-economic profile of municipalities.

According to this profile, 73,9% of households in Stellenbosch have access to water within their dwelling and a further 8.6% have access in their yard.

We all know that refuse removal is problematic in certain areas. However, in 2014 at least 87.3% of households had refuse removal at least once a week. 95.3% of households had access to electricity and 90.4% had access to either a flush or chemical toilet.

I think we can be proud of this. But we should also work much harder to ensure that those who do not have refuse removal, electricity or access to toilets, receive these services.

We must never forget that our main focus must be service delivery and to ensure good governance. It is therefore imperative that this budget be tabled for public comment.

Ensuring that this budget is tabled will allow service delivery to continue into the new term of office for the new council.

I want to thank the leadership – political as well as administrative - for the role they played and keep on playing in managing this great town so well.

What is done is certainly by no means perfect at all times. But there is an undeniable commitment to service delivery and the improvement of the quality of life of all who live and work in Stellenbosch. And this remains the focus of this municipality.

I thank you.

ITEM 7.2

ANNEXURE B

REPLACEMENT PAGES

**39TH COUNCIL MEETING:
2016-03-30**

Council Meeting 30 March 2016

Addendum to Item 7.2

That page 130 of the Medium Term Revenue and Expenditure Framework (Appendix 1) is replaced with the following page:

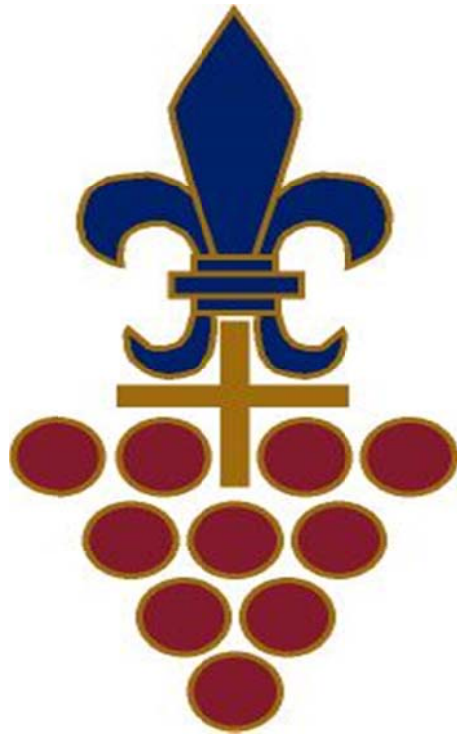
**CAPITAL BUDGET 2016 - 2019
HUMAN SETTLEMENTS**

Project Name	Department	Strategic Objectives	Funding Source	Budget 2016/2017	Budget 2017/2018	Budget 2018/2019
Furniture, Tools and Equipment: Housing Administration	Housing Administration	Dignified Living	CRR	130,000	30,000	20,000
Furniture,Tools and Equipment: Human Settlements and Property Management	Housing Administration	Dignified Living	CRR	20,000	20,000	20,000
Computer - Hardware/Equipment: Human Settlements & Property Management	Housing Administration	Good Governance and Compliance	CRR	20,000	25,000	30,000
Upgrading of Informal Settlements: General	Informal Settlements	Dignified Living	CRR	3,000,000	3,000,000	3,000,000
Langrug UISP (1899)	Informal Settlements	Dignified Living	Provincial Grant	-	2,200,000	-
Furniture, Tools and Equipment	New Housing	Dignified Living	CRR	40,000	20,000	20,000
Idas Valley (440) IRDP / FLISP	New Housing	Dignified Living	Provincial Grant	10,400,000	2,050,000	-
Kayamandi: Watergang/Zone O	New Housing	Dignified Living	Provincial Grant	7,500,000	2,450,000	4,900,000
Klapmuts: Erf 342	New Housing	Dignified Living	Provincial Grant	10,950,000	2,500,000	2,500,000
La Motte Old Forest Station (329 Bng & 122 Bng Units) IRDP	New Housing	Dignified Living	Provincial Grant	-	-	4,200,000
Longlands, Vlotenburg	New Housing	Dignified Living	Provincial Grant	5,300,000	1,900,000	-
Smartie Town, Cloetesville	New Housing	Dignified Living	CRR	-	-	4,900,000
Town Centre Stellenbosch(Social Housing)	New Housing	Dignified Living	CRR	-	-	4,900,000
Town Centre Stellenbosch(Social Housing)	New Housing	Dignified Living	Provincial Grant	-	-	500,000
Erf 7001, Cloetesville	New Housing	Dignified Living	Provincial Grant	-	-	2,500,000
Northern Extent	New Housing	Dignified Living	Provincial Grant	-	-	1,000,000
Housing Projects: General (NEW)	New Housing	Dignified Living	CRR	200,000	200,000	200,000
Facilities for the Disabled	Property Management	Good Governance and Compliance	CRR	150,000	160,000	170,000
Fire Department-Complex	Property Management	Good Governance and Compliance	CRR	250,000	-	-
Furniture,Tools and Equipment	Property Management	Preferred Investment Destination	CRR	200,000	210,000	220,000
Idas Valley Multi-Purpose Centre: Planning	Property Management	Preferred Investment Destination	CRR	-	-	250,000
Informal Traders Franschoek	Property Management	Safest Valley	CRR	-	500,000	-
La Motte Clubhouse	Property Management	Good Governance and Compliance	CRR	500,000	500,000	-
New Community Hall Klapmuts	Property Management	Good Governance and Compliance	CRR	9,300,000	-	-
Rebuild: Kleine Libertas Theatre	Property Management	Good Governance and Compliance	CRR	700,000	-	-
Replacement of Airconditioners	Property Management	Dignified Living	CRR	140,000	150,000	160,000
Revamp: Office Space Main Building	Property Management	Good Governance and Compliance	CRR	500,000	500,000	500,000
Structural Improvement: Beltana	Property Management	Good Governance and Compliance	CRR	600,000	700,000	800,000
Structural Improvement: General	Property Management	Good Governance and Compliance	CRR	2,200,000	2,400,000	2,600,000
Structural Upgrade: Heritage Building	Property Management	Dignified Living	CRR	600,000	700,000	800,000
Structural Upgrading: Community Hall La Motte	Property Management	Good Governance and Compliance	CRR	-	50,000	300,000
Triangle Site: Franschoek	Property Management	Preferred Investment Destination	CRR	-	50,000	250,000
Upgrading Fencing	Property Management	Safest Valley	CRR	200,000	300,000	400,000
Upgrading of Public Amenities	Property Management	Dignified Living	CRR	100,000	100,000	100,000
Upgrading of Traning Facilities - Paradyskloof	Property Management	Good Governance and Compliance	CRR	300,000	-	-
Van Der Stel Roof Replacement	Property Management	Good Governance and Compliance	CRR	50,000	800,000	-
Vechile Fleet	Property Management	Good Governance and Compliance	CRR	220,000	230,000	240,000
				53,570,000	21,745,000	35,480,000

Addendum to Item 7.2

That Monthly Household and Business Accounts Scenarios (Appendix 2) is replaced with the following pages:

STELLENBOSCH MUNICIPALITY



**MONTHLY HOUSEHOLD AND
BUSINESS ACCOUNTS SCENARIOS**

2016/2017

MONTHLY HOUSEHOLD AND BUSINESS ACCOUNTS SCENARIOS BY MEANS OF RANDOM SAMPLE

SMALL HOUSEHOLD (NON- INDIGENT)		600202000	Erf 36	Monthly Account	Exc Vat 2014/2015	Exc Vat 2015/2016	Exc Vat 2016/2017
Stand - sq.m	416			Property Rates	21.76	23.11	24.46
Buildings - sq.m	57			Electricity - Units	253.30	266.93	286.83
Elec. - Kwh/pm (Dom 2)	237			Water	91.44	99.72	106.68
Electricity-Basic	Dom 2			Water Basic	45.70	49.35	52.81
Water - Kl./pm	18			Sewerage	105.89	115.42	121.22
Water-Basic	Domestic			Refuse Removal	109.88	119.76	127.20
Valuation	144,000.00			A/c Excluding VAT	627.97	674.29	719.20
Free Water	0			% Increase		7.38%	6.66%
Free Elec.	0			Effect on Municipal account	R	46.32	44.91

MEDIUM HOUSEHOLD		373420016	Erf 7018	Monthly Account	Exc Vat 2014/2015	Exc Vat 2015/2016	Exc Vat 2016/2017
Stand - sq.m	626			Property Rates	249.40	264.84	280.28
Buildings - sq.m (Dom 2)	189			Electricity - Units	713.70	772.17	844.97
Elec. - Kwh/pm	598			Water	112.24	122.40	131.04
Electricity-Basic	Dom 2			Water Basic	45.70	49.35	52.81
Water - Kl./pm	21			Sewerage	132.42	144.33	151.58
Water-Basic	Domestic			Refuse Removal	109.88	119.76	127.20
Valuation	656,500.00			A/c Excluding VAT	1,363.34	1,472.85	1,587.88
Free Water	0			% Increase		8.03%	7.81%
Free Elec.	0			Effect on Municipal account	R	109.51	115.03

MONTHLY HOUSEHOLD AND BUSINESS ACCOUNTS SCENARIOS BY MEANS OF RANDOM SAMPLE

LARGE HOUSEHOLD		70270004	Erf 1480	Monthly Account	Exc Vat 2014/2015	Exc Vat 2015/2016	Exc Vat 2016/2017
Stand - sq.m		1255		Property Rates	1,739.80	1,847.52	1,955.24
Buildings - sq.m		293		Electricity - Basic	127.20	132.00	143.00
Elec. - Kwh/pm		791		Electricity - Units	924.99	1,009.30	1,108.35
Electricity-Basic		Regular Dom 4		Electricity Demand Levy			
Water - Kl./pm		94		Water	1,266.86	1,381.02	1,508.36
Water-Basic		Domestic		Water Basic	45.70	49.35	52.81
Valuation		4,012,000.00		Sewerage	188.65	205.63	215.97
Free Water		0		Refuse Removal	109.88	119.76	127.20
Free Elec.		0		A/c Excluding VAT	4,403.08	4,744.58	5,110.93
				% Increase		7.76%	7.72%
				Effect on Municipal account	R	341.50	366.35

SMALL BUSINESS		441930003	Erf 8721	Monthly Account	Exc Vat 2014/2015	Exc Vat 2015/2016	Exc Vat 2016/2017
Stand - sq.m		500		Property Rates	1,053.66	1,118.84	1,185.00
Buildings - sq.m		411		Electricity - Basic	212.30	225.00	243.00
Elec. - Kwh/pm		783		Electricity - Units	1,133.55	1,256.32	1,352.32
Electricity-Basic		Regular PP Com 3		Electricity Demand Levy			
Water - Kl./pm		9		Water	112.77	122.94	131.49
Water-Basic		Other		Water Basic	49.16	56.53	60.49
Valuation		1,185,000.00		Sewerage	440.24	501.60	548.29
Free Water		0		Refuse Removal	389.86	424.94	451.33
Free Elec.		0		A/c Excluding VAT	3,391.54	3,706.17	3,971.92
				% Increase		9.28%	7.17%
				Effect on Municipal account	R	314.63	265.75

MONTHLY HOUSEHOLD AND BUSINESS ACCOUNTS SCENARIOS BY MEANS OF RANDOM SAMPLE

		Erf 6284	Exc Vat		Exc Vat
			2014/2015	2015/2016	2016/2017
INDUSTRIAL					
	34100004/107				
Stand - sq.m	252 802				
Buildings - sq.m	76 054				
Elec. - Kwh/pm	664319				
Electricity-Basic	IND 2 /2581/2581				
Water - Kl./pm	12453				
Water-Basic	Other				
Valuation	168,200,000.00				
Free Water	0				
Free Elec.	0				
Monthly Account					
Property Rates			149,557.83	158,808.83	168,200.00
Electricity - Basic			2,722.80	2,735.00	2,945.00
Electricity - Units			452,866.26	504,284.55	542,815.05
Electricity Demand Levy			535,557.50	596,211.00	642,669.00
Water			156,036.09	170,107.98	181,938.33
Water Basic			49.16	56.53	60.49
Sewerage			17,404.64	19,131.14	21,014.52
Refuse Removal			1,949.30	2,124.70	2,256.65
A/c Excluding VAT			1,316,143.58	1,453,459.73	1,561,899.04
% Increase				10.43%	7.46%
Effect on Municipal account				R 137,316.15	108,439.31

		Erf 6284	Exc Vat		Exc Vat
			2014/2015	2015/2016	2016/2017
Time of Use (Medium Voltage)					
	34100004/107				
Stand - sq.m	252 802				
Buildings - sq.m	76 054				
Peak	187842				
Standard	502191				
Off-Peak	438833				
Demand	3001				
Access	3500				
Electricity-Basic					
Water - Kl./pm	12453				
Water-Basic	Other				
Valuation	168,200,000.00				
Free Water	0				
Free Elec.	0				
Monthly Account					
Property Rates			149,557.83	158,808.83	168,200.00
Electricity Units			178,562.61	198,887.11	214,083.53
Electricity Units			312,262.36	347,817.48	374,383.39
Electricity Units			204,540.06	227,798.21	245,219.88
Electricity Demand Max			86,818.93	99,033.00	108,036.00
Electricity Demand Access			94,185.00	108,500.00	119,000.00
Electricity - Basic			4,152.00	4,659.00	5,016.00
Water			156,036.09	170,107.98	181,938.33
Water Basic			49.16	56.53	60.49
Sewerage			17,404.64	19,131.14	21,014.52
Refuse Removal			1,949.30	2,124.70	2,256.65
A/c Excluding VAT			1,205,517.98	1,336,923.98	1,439,208.79
% Increase				10.90%	7.65%
Effect on Municipal account				R 131,406.00	102,284.81

Addendum to Item 7.2

That page 1 to 5 of the Tariff Book (Appendix 3) is replaced with the following pages:

STELLENBOSCH MUNICIPALITY

PROPERTY TAX RATES FOR THE PERIOD 1 JULY 2016 TO 30 JUNE 2017

Property rates are levied in terms of the Local Government : Municipal Property Rates Act 6, of 2004.

	R	Tariff
Non Residential properties	R	0.01200
Residential properties	R	0.00599
Agricultural properties	R	0.00149

Special Ratings Areas

The following tariffs will be applicable for the Special Rating Areas as approved by Council:

		Tariff (Excl VAT)		Tariff (Incl VAT)
Special Ratings Areas (SRA)				
Jonkershoek	R	0.001039	R	0.001185
Technopark	R	0.001089	R	0.001242

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

REBATES:

The Rebates below will be granted according to the approved Rates Policy of the Municipality

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

Gross Monthly Household Income				% Rebate
Income bands				
Up to			R 6,000	100%
From	R 6,001	To	R 8,000	75%
From	R 8,001	To	R 10,000	50%
From	R 10,001	To	R 12,000	25%

2. Municipal valuation

100 % on all residential properties up to a maximum valuation of R95 000.

3. Stellenbosch Special Rebates

A rebate of 20% may be granted according to the approved Rates Policy of the Municipality.

4. Non-Profit Organisations

A rebate may be granted to properties registered in the name of a Non-Profit organisation, according to the approved Rates Policy of the Municipality.

STELLENBOSCH MUNICIPALITY

TARIFF DESIGN MODEL

**ELECTRICITY TARIFFS: APPLICABLE TO ALL CUSTOMERS SUPPLIED BY THE
TARIFFS APPLICABLE TO SERVICES RENDERED FROM 1 JULY 2016**

	Application 2016/2017	Approved 2015/2016
Domestic PP Lifeline DOM1	4447	
Fixed Charge per month	0.00	0.00
Energy Rate (c/kWh) (<= 50kWh)	83.86	78.66
Energy Rate (c/kWh) (51 - 300kWh)	104.76	97.36
Energy Rate (c/kWh) (301 - 600kWh)	159.61	148.27
Energy Rate (c/kWh) (> 600kWh)	180.41	167.60
Domestic PP Lifeline DOM1 BSST	0.00	0.00
MD in kVA / Demo account in Rands per month	-	431.00
Energy in kWh / average cost in c/kWh	400	107.75
Domestic PP Regular DOM2	15785	
Fixed Charge per month	0.00	0.00
Energy Rate (c/kWh) (<= 50kWh)	83.86	78.66
Energy Rate (c/kWh) (51 - 300kWh)	130.96	121.71
Energy Rate (c/kWh) (301 - 600kWh)	159.61	148.27
Energy Rate (c/kWh) (> 600kWh)	178.76	166.06
MD in kVA / Demo account in Rands per month	-	1,120.54
Energy in kWh / average cost in c/kWh	800	140.07
Domestic Regular DOM3 Prepaid	2,143	
Fixed Charge per month	116.00	107.00
Energy Rate (c/kWh) (<= 50kWh)	83.86	78.66
Energy Rate (c/kWh) (51 - 300kWh)	107.38	99.79
Energy Rate (c/kWh) (301 - 600kWh)	152.18	141.37
Energy Rate (c/kWh) (> 600kWh)	178.76	166.06
MD in kVA / Demo account in Rands per month	-	733.68
Energy in kWh / average cost in c/kWh	539	136.12
Domestic Regular DOM4 Conventional	4,610	
Fixed Charge per month	143.00	132.00
Energy Rate (c/kWh) (<= 50kWh)	83.86	78.66
Energy Rate (c/kWh) (51 - 300kWh)	107.38	99.79
Energy Rate (c/kWh) (301 - 600kWh)	152.18	141.37
Energy Rate (c/kWh) (> 600kWh)	178.76	166.06
MD in kVA / Demo account in Rands per month	-	1,177.04
Energy in kWh / average cost in c/kWh	800	147.13

Commercial PP Low COM1	33	
Fixed Charge per month	0.00	0.00
Energy Rate (c/kWh)	187.21	173.91
MD in kVA / Demo account in Rands per month	-	3,478.20
Energy in kWh / average cost in c/kWh	2,000	173.91
Commercial Low COM2	4	
Fixed Charge per month	158.00	146.00
Energy Rate (c/kWh)	175.13	162.69
MD in kVA / Demo account in Rands per month	-	3,399.80
Energy in kWh / average cost in c/kWh	2,000	169.99
Commercial PP Regular COM3	817	
Fixed Charge per month	243.00	225.00
Energy Rate (c/kWh)	172.71	160.45
MD in kVA / Demo account in Rands per month	-	2,150.40
Energy in kWh / average cost in c/kWh	1,200	179.20
Commercial Regular Credit COM4	481	
Fixed Charge per month	284.00	263.00
Energy Rate (c/kWh)	172.71	160.45
MD in kVA / Demo account in Rands per month	-	6,681.00
Energy in kWh / average cost in c/kWh	4,000	167.03
NPO and NGO PP NPO1 (same as COM1)	-	
Fixed Charge per month	0.00	0.00
Energy Rate (c/kWh)	175.12	162.69
MD in kVA / Demo account in Rands per month	-	3,253.80
Energy in kWh / average cost in c/kWh	2,000	162.69
NPO and NGO PP NPO2 (same as COM2)	-	
Fixed Charge per month	0.00	0.00
Energy Rate (c/kWh)	187.20	173.91
MD in kVA / Demo account in Rands per month	-	3,478.20
Energy in kWh / average cost in c/kWh	2,000	173.91
Agricultural Regular AGR1	33	
Fixed Charge per month	281.00	261.00
Energy Rate (c/kWh)	170.89	158.76
MD in kVA / Demo account in Rands per month	-	6,611.40
Energy in kWh / average cost in c/kWh	4,000	165.29
Bulk Low Voltage IND1	250	
Fixed Charge per month	1557.00	1446.00
Energy Rate (c/kWh)	83.03	77.13
Maximum Demand Charge (R/Amp)	0.00	0.00
Utilised Demand Charge (R/kVA) 12 month maximum	38.00	35.00
Maximum Demand Charge (R/kVA)	211.00	196.00
MD in kVA / Demo account in Rands per month	200	74,428.94
Energy in kWh / average cost in c/kWh	43,800	169.93

Bulk Medium Voltage IND2	25	
Fixed Charge per month	2945.00	2735.00
Energy Rate (c/kWh)	81.71	75.91
Maximum Demand Charge (R/Amp)	0.00	0.00
Utilised Demand Charge (R/kVA) 12 month maximum	38.00	35.00
Maximum Demand Charge (R/kVA)	211.00	196.00
MD in kVA / Demo account in Rands per month	200	75,183.58
Energy in kWh / average cost in c/kWh	43,800	171.65
Streetlights MUN1	6	
Fixed Charge per month	0.00	0.00
Energy Rate (c/kWh)	180.80	167.96
MD in kVA / Demo account in Rands per month	-	3,359.20
Energy in kWh / average cost in c/kWh	2,000	167.96
Mun<80 MUN2	1	
Fixed Charge per month	0.00	0.00
Energy Rate (c/kWh)	164.35	152.68
MD in kVA / Demo account in Rands per month	-	6,107.20
Energy in kWh / average cost in c/kWh	4,000	152.68
Mun>80 MUN3	-	
Fixed Charge per month	-	-
Energy Rate (c/kWh)	75.33	69.98
Maximum Demand Charge (R/Amp)	-	-
Maximum Demand Charge (R/kVA)	223.00	207.00
MD in kVA / Demo account in Rands per month	200.00	72,051.24
Energy in kWh / average cost in c/kWh	43,800.00	164.50
Mun MVOLT MUN4	-	
Fixed Charge per month	0.00	0.00
Energy Rate (c/kWh)	67.45	62.66
Maximum Demand Charge (R/Amp)	0.00	0.00
Maximum Demand Charge (R/kVA)	217.00	201.00
MD in kVA / Demo account in Rands per month	200	67,645.08
Energy in kWh / average cost in c/kWh	43,800	154.44
Sport SPO1 (same as MUN2)	-	
Fixed Charge per month	0.00	0.00
Energy Rate (c/kWh)	154.60	143.62
MD in kVA / Demo account in Rands per month	-	5,744.80
Energy in kWh / average cost in c/kWh	4,000	143.62
Sport SPO2 (same as MUN3)	-	
Fixed Charge per month	0.00	0.00
Energy Rate (c/kWh)	70.75	65.73
Maximum Demand Charge (R/Amp)	0.00	0.00
Maximum Demand Charge (R/kVA)	223.00	207.00
MD in kVA / Demo account in Rands per month	200	70,189.74
Energy in kWh / average cost in c/kWh	43,800	160.25

Time of Use (Low Voltage) TOU1	94	
Fixed Charge per month	2,784.00	2,586.00
SUMMER: Demand Charge (R/kVA)	37.00	34.00
Access Charge (R/kVA)	37.00	34.00
Peak Energy (c/kWh)	123.49	114.72
Standard Energy (c/kWh)	81.37	75.59
Off-peak Energy (c/kWh)	61.02	56.69
Reactive Energy (c/kVArh)	0.00	0.00
WINTER: Demand Charge (R/kVA)	37.00	34.00
Access Charge (R/kVA)	37.00	34.00
Peak Energy (c/kWh)	387.25	359.75
Standard Energy (c/kWh)	116.23	107.98
Off-peak Energy (c/kWh)	68.29	63.44
Reactive Energy (c/kVArh)	16.15	15.00
Time of Use (Medium Voltage) TOU2	21	
Fixed Charge per month	5,016.00	4,659.00
SUMMER: Demand Charge (R/kVA)	36.00	33.00
Access Charge (R/kVA)	34.00	31.00
Peak Energy (c/kWh)	113.97	105.88
Standard Energy (c/kWh)	74.55	69.26
Off-peak Energy (c/kWh)	55.88	51.91
Reactive Energy (c/kVArh)	0.00	0.00
WINTER: Demand Charge (R/kVA)	36.00	33.00
Access Charge (R/kVA)	34.00	31.00
Peak Energy (c/kWh)	376.47	349.74
Standard Energy (c/kWh)	106.94	99.35
Off-peak Energy (c/kWh)	62.86	58.40
Reactive Energy (c/kVArh)	16.15	15.00

Addendum to Recommendation

7.2 (g) that the proposed amendments to existing budget related policies and other policies as set out in APPENDICES 6 - 28, be approved for public release.

Proposed

.....

Seconded

.....

7.3 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) OVERSIGHT REPORT ON THE ANNUAL REPORT 2014/15

File number : 3/5/3/5/Oversight
Report by : MPAC Oversight Committee
Compiled by : Chairperson of the Municipal Public Accounts Committee
Delegated Authority : Council

Strategic intent of item

Preferred investment destination	<input type="checkbox"/>
Greenest municipality	<input type="checkbox"/>
Safest valley	<input type="checkbox"/>
Dignified Living	<input type="checkbox"/>
Good Governance	<input checked="" type="checkbox"/>

1. PURPOSE OF REPORT

The purpose of the report is:

- (i) to enable the Committee to discharge its oversight responsibility in considering the Stellenbosch Municipality's Annual Report for 2014/2015 as required in terms of Section 129(1) of the MFMA, Act 56 of 2003; and
- (ii) to recommend to Council to approve the Annual Report 2014/15 **(distributed under separate cover as APPENDIX 1)**.

2. BACKGROUND

Council, at a meeting held on 2016-01-27, considered the Draft Annual Report and resolved, amongst others:

- “(a) that Council take cognizance of the Draft Annual Report 2014/15 for the Stellenbosch Municipality;
- (b) that the Draft Annual Report be made public for comment on the official website of the Stellenbosch Municipality and local print media for a period of 21 days;
- (c) that the Municipal Public Accounts Committee (MPAC) be appointed as the Oversight Committee in terms of Sections 33 and 79 of the Municipal Structures Act, Act 117 of 1998, to assist the Council with its statutory role to consider and evaluate the content of the Draft Annual Report and make recommendations to Council;
- (d) that the Oversight Committee abide by the schedule of meetings and provide the Council with an Oversight Report to be considered together with the Draft Annual Report, not later than 30th March 2016; and
- (e) that, should the Municipal Public Accounts Committee (MPAC) elect to co-opt members of the public with expertise in specific fields to assist and advise the Committee when deliberating before it, the recommendation in terms of tariff and number of co-opted members shall apply.

Subsequent to the Council resolution as depicted above, two members from the public i.e. Mr. L Cloete and Dr. NL Mortimer were co-opted, and they assisted throughout the Oversight Process.

3. LEGISLATIVE MANDATE

Section 129(1) of the MFMA determines that:

“The Council of a municipality must consider the annual report of the municipality and of any municipal entity under the municipality’s sole or shared control, and by no later than two months from the date on which the annual report was tabled in the Council in terms of Section 127, adopt an oversight report containing the Council’s comments on the annual report, which must include a statement whether the Council –

- (a) has approved the annual report with or without reservations;
- (b) has rejected the annual report; or
- (c) has referred the annual report back for revision of those comments that can be revised.”

In terms of the MFMA (No 56 of 2003), Circular 32, the MPAC Oversight Committee can only make one of the following recommendations to Council, namely:

- (a) that Council approves the Annual Report without reservations;
- (b) that Council approves the Annual Report with reservations as indicated;
- (c) that Council refers the Annual Report back for revisions as indicated, or
- (d) that Council rejects the Annual Report for the reasons as summarised.

4. DISCUSSION

The issues emanating from the discussions on the various chapters of the Annual Report were captured and filtered through for responses by the political and administrative leadership. The comprehensive questionnaire with the corresponding responses provided by the Administration is attached as **APPENDIX 2**.

The written representations submitted by the public are attached as **APPENDIX 3**.

The MPAC Oversight Report, inclusive of the recommended remedial actions, is attached as **APPENDIX 4**.

RECOMMENDED

- (a) that Council, having fully considered the Annual Report of the Municipality and representations thereon, adopts the Oversight Report;
- (b) that Council approves the Annual Report 2014/15 without reservations;
- (c) that Council requests the Executive Mayor to report to Council on a quarterly basis on the implementation of the recommended actions in addressing the findings in the Oversight Report.

(DIRECTOR: STRATEGIC AND CORPORATE SERVICES TO ACTION)

39TH COUNCIL MEETING: 2016-03-30: ITEM 7.3**RESOLVED** (majority vote)

- (a) that Council, having fully considered the Annual Report of the Municipality and representations thereon, adopts the Oversight Report;
- (b) that Council approves the Annual Report 2014/15 without reservations;
- (c) that Council requests the Executive Mayor to report to Council on a quarterly basis on the implementation of the recommended actions in addressing the findings in the Oversight Report.

Councillor F Adams requested that his vote of dissent be minuted.

(DIRECTOR: STRATEGIC AND CORPORATE SERVICES TO ACTION)

7.4 APPROVAL OF THE AUDIT ACTION PLAN – 2014/2015

File number : 5/9/2/1/2014-2015
Compiled by : Senior Admin Officer
Report by : Acting Municipal Manager
Delegated Authority : Council

Strategic intent of item

Preferred investment destination	<input type="checkbox"/>
Greenest municipality	<input type="checkbox"/>
Safest valley	<input type="checkbox"/>
Dignified Living	<input type="checkbox"/>
Good Governance	<input checked="" type="checkbox"/>

1. PURPOSE OF REPORT

The purpose of this item is to approve the Audit Action plan for 2014/2015, attached as **APPENDIX 1**, that was developed by the Auditor-General for the Administration of Stellenbosch Municipality in its strive to maintain the clean audit status that was received during 2014/2015.

2. BACKGROUND

The regulatory 2014 - 2015 audit by the Auditor-General highlighted various concerns to be addressed to maintain the clean audit. An Audit Action Plan was developed to address these concerns.

3. DISCUSSION

In terms of Sec 131(1) of the Local Government: Municipal Finance Management Act, 56 of 2003,

“A municipality must address any issues raised by the Auditor –General in an audit report. The mayor of a municipality must ensure compliance by the municipality with this subsection.”

The report includes all matters of concern raised by the Auditor-General, recommendations to rectify the concerns. Responses and corrective measures taken on the concerns raised by the Auditor-General will be reported to Council of a 3 monthly basis.

4. LEGAL IMPLICATION

Not required.

5. FINANCIAL IMPLICATION

Not required.

6. COMMENTS BY RELEVANT DEPARTMENTS

Not applicable.

RECOMMENDED

that the Audit Action Plan for 2014/2015, be approved.

(ACTING MUNICIPAL MANAGER TO ACTION)

39TH COUNCIL MEETING: 2016-03-30: ITEM 7.4

RESOLVED (nem con)

that the Audit Action Plan for 2014/2015, be approved.

(ACTING MUNICIPAL MANAGER TO ACTION)

7.5 RECRUITMENT AND SELECTION PROCESS OF THE DIRECTOR ENGINEERING SERVICES

File number : 4/3/2/6 x 4/3/3/6

Compiled by : Manager: Human Resources

Report by : Acting Municipal Manager

Delegated Authority : Council

Strategic intent of item

<i>Preferred investment destination</i>	
<i>Greenest municipality</i>	
<i>Safest valley</i>	
<i>Dignified Living</i>	
<i>Good Governance</i>	X

1. PURPOSE OF REPORT

To obtain approval from Council to fill and advertise the post of the Director Engineering Services. Due to the time period lapsing from the advertisement that was placed in August 2015 as well as the non-permission of the advertisement that was placed in December, it is critical that a new process be started and that a selection panel be appointed by Council. A municipal council must appoint a selection panel to make recommendations for the appointment of candidates to vacant senior manager posts.

2. BACKGROUND

The post of Director: Engineering Services was advertised for the third time in national and provincial papers and the closing date was 31 December 2015 (See **APPENDIX 1**).

However the necessary approval was not obtained from Council to advertise the post of Director Engineering Services due to the allegations being vague and contradictory to the regulations.

3. DISCUSSION

The Regulations on the appointment and conditions of employment of Senior Managers was Gazetted on 17 January 2014. (Gazette No. 37245 dated 17 January 2014). Please note that Senior Manager means a municipal manager or acting municipal manager, appointed in terms of Section 54A of the Act, and includes a manager directly accountable to a municipal manager appointed in terms of Section 56 of the Act (Act means the Local Government: Municipal Systems Act, 2000: Act No.32 of 2000).

In terms of this report the recruitment, selection and appointment of Senior Manager will be discussed as stipulated in Chapter 3 of the Regulations. Attached as **APPENDIX 2**.

In terms of Section 7.1 when the post of a senior manager becomes vacant, or is due to become vacant, the municipal manager, in the case of a manager directly accountable to the municipal manager, must, upon receipt of official notification that the post of a senior manager will become vacant, obtain approval from the municipal council for the filling of such post in its next council meeting or as soon as it is reasonably possible to do so.

In terms of Section 7.2 a vacant senior manager post may not be filled, unless:

- (a) approval to fill the post has been granted by the municipal council; and
- (b) the post has been budgeted for.

In terms of Section 8 no person may be appointed as a senior manager on a fixed term contract, on a permanent basis or on probation, to any post on the approved staff establishment of a municipality, unless he or she-

- (a) Is a South African citizen or permanent resident; and
- (b) Possesses the relevant competencies, qualifications, experience and knowledge set out in in the regulations.

An appointment may not take effect before the first day of the month following the month during which the municipal council approved the appointment.

In terms of Section 10 the municipal manager must, within 14 days of receipt of the approval referred to in regulation 7, ensure that the vacant post is advertised.

- A vacant senior manager post must be advertised in a newspaper circulating nationally and in the province where the municipality is located.
- An advertisement for a vacant senior manager post must specify the:
 - (a) Job title;
 - (b) Term of appointment;
 - (c) Place to be stationed;
 - (d) Annual total remuneration package;
 - (e) Competency requirements of the post, including minimum qualifications and experience required;
 - (f) Core functions;
 - (g) Need for signing of an employment contract, a performance agreement and disclosure of financial interest;
 - (h) The need to undergo security vetting;
 - (i) Contact person;
 - (j) Address where applications must be sent or delivered; and
 - (k) Closing date which must be minimum 14 days from the date the advertisement appears in the newspaper and not more than 30 days after such date.

4. FINANCIAL IMPLICATION

The post was budgeted for.

COMMENT SNR LEGAL ADVISOR EA RHODA

Cognisance must be taken of Section 12 which makes provision for the manner in which the selection panel must be constituted. Section 12(1) provides that :

“A municipal Council must appoint a selection panel to make recommendations for the appointment of candidates to vacant senior manager posts.

Section 12(2) provides that in deciding who to appoint to a selection panel, the following considerations must inform the decision:

- (a) The nature of the post;
- (b) The gender balance of the panel; and
- (c) The skills, expertise, experience and availability of the persons to be involved.

Furthermore Section 12(5) provides that a panel member must disclose any interest or relationship with shortlisted candidates during the shortlisting process and that such a panel member Section 12(6) a panel member must recuse himself or herself from the selection panel if-

- (a) His or her spouse, partner, close family member or close friend has been shortlisted for the post;
- (b) The panel member has some form of indebtedness to a short-listed candidate or *visa versa*; or
- (c) He or she has any other conflict of interest.

The Regulations dictates in terms of section 7 that a panel member and staff member must sign a declaration of confidentiality to avert the disclosure of information to unauthorised persons.

The Regulations provides for strict time frames which must be adhered to with regard to the Screening of Candidates in terms of section 14 as well as the Interviewing process in terms of section 15. Due regard must be given to Section 17 which deals with the Resolution of the municipal council on appointment of senior managers and reporting as well as the re-employment of dismissed persons in terms of section 18.

It is advisable that the Legislative prescripts in its entirety be adhered to avoid potential legal challenges by disgruntled candidates.

5. CONCLUSION

In terms of the above mentioned the post of Director: Engineering Services be advertised.

RECOMMENDED

- (a) that Council take note that due to the time period lapsing from the advertisement that was placed in August 2015 as well as the non-permission of the advertisement that was placed in December, it is critical that a new process be started and that a selection panel be appointed by Council;
- (b) that Council confirm that the position of Director: Engineering is still required;
- (c) that the Municipal Manager be mandated to advertise the position of Director: Engineering Services as per the Regulations on the appointment and conditions

of employment of Senior Managers which was Gazetted on 17 January 2014; and

- (d) that a selection panel be appointed as per the Regulations on the appointment and conditions of employment of Senior Managers which must consist of at least three but not more than five members, constituted as follows :
- the municipal manager, who will be the chairperson;
 - a member of the mayoral committee or councillor who is the portfolio head of the relevant portfolio; and
 - at least one other person, who is not a councillor or a staff member of the municipality, and who has expertise or experience in the area of the advertised post.

(ACTING MUNICIPAL MANAGER TO ACTION)

39TH COUNCIL MEETING: 2016-03-30: ITEM 7.5

RESOLVED (nem con)

- (a) that Council take note that due to the time period lapsing from the advertisement that was placed in August 2015 as well as the non-permission of the advertisement that was placed in December, it is critical that a new process be started and that a selection panel be appointed by Council;
- (b) that Council confirm that the position of Director: Engineering is still required;
- (c) that the Municipal Manager be mandated to advertise the position of Director: Engineering Services as per the Regulations on the appointment and conditions of employment of Senior Managers which was Gazetted on 17 January 2014; and
- (d) that a selection panel be appointed as per the Regulations on the appointment and conditions of employment of Senior Managers which must consist of at least three but not more than five members, constituted as follows:
- the municipal manager, who will be the chairperson;
 - a member of the mayoral committee or councillor who is the portfolio head of the relevant portfolio; and
 - at least one other person, who is not a councillor or a staff member of the municipality, and who has expertise or experience in the area of the advertised post.

(ACTING MUNICIPAL MANAGER TO ACTION)

7.6 APPOINTMENT OF TEMPORARY PROJECT MANAGERS: VARIOUS GOVERNANCE PROJECTS*File number* : 4/3/4/7*Compiled by* : Senior Administrative Officer*Report by* : Acting Municipal Manager*Delegated Authority* : Council**Strategic intent of item**

Preferred investment destination	<input type="checkbox"/>
Greenest municipality	<input type="checkbox"/>
Safest valley	<input type="checkbox"/>
Dignified Living	<input checked="" type="checkbox"/>
Good Governance	<input checked="" type="checkbox"/>

1. PURPOSE OF REPORT

To motivate to Council for the temporary appointment of Project Managers Governance Projects for a period of one to three years.

2. BACKGROUND

Various governance gaps were identified over the past years. These areas need a special focus and impetus to enhance service delivery. Permanent staff do not have the capacity to also manage these projects, and each project can be managed with an end date in mind. A project manager can facilitate project scoping and development, implementation, monitoring, evaluation and closing down of the project.

Candidates will be interviewed and employed in line with the Employment Equity Act and plan of Stellenbosch Municipality.

The following is the list of projects which have been identified:

	Project	Directorate	Comment
1.	Project office	All	Proposed project management assistance needed with regards to e.g. Built Environment. Not only about skill but also about time and resources. Properly skilled project manager with a focus on various built environment projects. Use vacant position: PROFESSIONAL OFFICER: IR & IGR RELATIONS NEW / VACANT/UNFUNDED 2015/2016 [7.4.6/WC024] – Reports to Manager: LED
2.	Mscosa	Office of the MM	Proposed project management assistance.
3.	Customer care and Call Centre	Strategic and Corporate Services	Proposed project management assistance, especially for the establishment of the call centre as a dedicated project manager was a challenge during the last financial year.
4.	Clean Audit Program	Office of the MM	Project Manager needed for three years. (use Internal Audit 1.3.2 Senior Internal Auditor vacant position). APPENDIX 1.

5.	Coordination of Northern Extension	HSPM or PED	Project Manager needed for a minimum of 3 years to monitor/drive this project, i.e the obtaining of development rights and related property transactions. Seeing that this is a multi-disciplinary project, the need for a dedicated driver is important.
6.	Ex Bosdorpe	HSPM or PED	Project Manager needed for a minimum of 3 years to monitor/drive this project, consisting of various geographical areas, such as Jonkershoek, Meerlust and Maasdorp. The focus will be the obtaining of development rights and related property transactions. Seeing that this is a multi-disciplinary project, the need for a dedicated driver is important.

3. DUTIES OF THE PROPOSED PROJECT MANAGERS INCLUDE, BUT ARE NOT LIMITED TO

3.1 PROJECT OFFICE

- Large built environment projects
- Office space
- Innovation in Housing
- Cemetery, sports plan, graveyard records electronically.

3.2 Mscoa

Uniform expenditure classifications have already been established and implemented for national and provincial government departments. Draft regulations have been established to propose segments and a classification framework for the standard chart of accounts to be applied in local government in similar form to that implemented for national and provincial government departments. In order to enable the National Treasury to provide consolidated local government information for incorporation in national accounts, national policy and other purposes, it must obtain financial information from individual municipalities.

It is for this reason that the Minister of Finance specified national norms and standards for the recording and collection of local government budget, financial and non-financial information which will include in some instances the specifications of information required for national policy coordination and reporting. This will result in an improved understanding of the role of local government in the broader national policy framework and linkage to other government functions.

3.3 CUSTOMER CARE AND CALL CENTRE

Call centre Business plan attached as **APPENDIX 2**.

4. COMMENTS FROM OTHER DEPARTMENTS

4.1 Corporate Services/ Legal Implication

Though The Labour Relations Amendment Act, Act No 6 of 2014 provides for the employment of: temporary or fixed term employees, same does not apply to employees earning in excess of the threshold R205 433.30) prescribed by the Minister in terms of Section 6(3) of the Basic Conditions of Employment Act. 75 of 1997. Section 66 of the Municipal Systems Amendment Act 5 of 2011 states that all positions within the municipality must be on the approved staff establishment and it must particular be noted that no distinction is made between permanent and temporary positions.

It is therefore reasonable to conclude that said position must first be approved as a temporary position on the staff establishment prior to an appointment being made. After provision has been made for any position on the staff establishment, advertisements must be duly advertised to ensure that the council adhere to the legislative prescripts.

Legal Department

The Item is supported. We note that no provision was made by the Directorate: Human Settlements for a position on the staff establishment to assist with the various eviction applications received and reports on alternative accommodations in line with the Municipality's Emergency Housing Assistance Policy. We propose that provision is made on the staff establishment for such position as well.

However, in terms of regulation 4 of the Local Government: Regulations on appointment and conditions of employment of Senior Managers, the Municipal Manager must within 12 months of the promulgation of these regulations, review the municipality's staff establishment having regard to the principles set out in these regulations. The review alluded to above is still outstanding and we advise that the Municipality attend to same urgently. The haphazard fashion in which the staff establishment is amended by the Municipality is problematic and needs to be attended to collectively in line with the prescripts of the regulations.

4.2 Planning and Economic Development

Project managers are essential resources for implementation of projects and programs. The Municipality was structured in 2011 on the basis of old pre – 2009 thinking. Developmental local government needs pro-active, project and program driven service delivery, which the current organisational structure does not support or permit.

The appointment of project managers in all directorates where multiple operational projects or programs in excess of R1 million per project or program are budgeted is supported. Over time the project managers must become permanent appointments, as projects and programs are the norm, not current budget items only. The organisational structure must then adjust accordingly.

RECOMMENDED

- (a) that Council recognise the need for additional project manager capacity;
- (b) that due process be followed in terms of the proposed amendments to the approved micro-organisational structure of 2011;
- (c) that the recruitment and selection process be followed as per the Recruitment and Selection Policy; and
- (d) that the Project Managers be appointed on a one (1) to three (3) year contract with performance based targets and in line with the Employment Equity Plan.

(ACTING MUNICIPAL MANAGER TO ACTION)

35TH COUNCIL MEETING: 2015-10-28: ITEM 8.1**RESOLVED** (nem con)

that this matter be referred back to the relevant Standing Committee during November 2015 and subsequent recommendation to Council.

(ACTING MUNICIPAL MANAGER TO ACTION)**FURTHER COMMENTS BY THE ACTING MUNICIPAL MANAGER**

In addition to the appointment of Project Managers as contemplated in paragraph 2 above, Council's approval for a temporary person to support the acting Director: Engineering Services is required.

The position of Acting Director: Engineering Services will not filled until there is clarity on the permissible job requirements. The MEC for local government and the Minister of Cooperative Governance and Traditional Affairs have been asked to give clarity and guidance on the effect of the 30 September 2015 decision to enforce the so called Municipal Minimum Competency Regulations. (See **APPENDIX 3**)

At best, a new Director will be appointed in February 2016 but more likely March 2016. Given the work pressure of the increased budget, the shortened budgeting cycle (due to the local elections) and the staff situation in the Directorate, it is critical to employ an approximately skilled, knowledgeable and capable person to support the Acting Directors with day to day administrative work that prevents them from focusing on their functions as managers in their respective departments. The cost of such employment can be covered by the savings incurred in the remuneration of a Director.

In addition to the recommendations (a) to (d) depicted above, the following should be added:

- (e) that an external senior professional person with the requisite qualifications, skills and expertise be appointed to support the Acting Director: Engineering Services until such time that the position is filled.

FOR CONSIDERATION**FINANCE AND STRATEGIC AND CORPORATE SERVICES COMMITTEE MEETING:
2015-11-10: ITEM 5.1.1****RESOLVED** (nem con)

that Human Resources provides the project plans for each project manager listed above prior to submission to the Mayoral Committee and to Council.

RECOMMENDED

- (a) that Council recognise the need for additional project manager capacity for the following projects:

	Project	Directorate	Comment
1.	Project office	All	Proposed project management assistance needed with regards to e.g. Built Environment. Not only about skill but also about time and resources. Properly skilled project manager with a focus on various built environment projects. Use vacant position: PROFESSIONAL OFFICER: IR & IGR RELATIONS NEW / VACANT/UNFUNDED 2015/2016 [7.4.6/WC024] – Reports to Manager: LED
2.	Mscosa	Office of the MM	Proposed project management assistance.
3.	Customer care and Call Centre	Strategic and Corporate Services	Proposed project management assistance, especially for the establishment of the call centre as a dedicated project manager was a challenge during the last financial year.
4.	Clean Audit Program	Office of the MM	Project Manager needed for three years. (use Internal Audit 1.3.2 Senior Internal Auditor vacant position). APPENDIX 1.
5.	Coordination of Northern Extension	HSPM or PED	Project Manager needed for a minimum of 3 years to monitor/drive this project, i.e the obtaining of development rights and related property transactions. Seeing that this is a multi- disciplinary project, the need for a dedicated driver is important.
6.	Ex Bosdorpe	HSPM or PED	Project Manager needed for a minimum of 3 years to monitor/drive this project, consisting of various geographical areas, such as Jonkershoek, Meerlust and Maasdrorp. The focus will be the obtaining of development rights and related property transactions. Seeing that this is a multi- disciplinary project, the need for a dedicated driver is important.
7	Emergency Housing Assistance Officer	Human Settlements	Proposed Project Management assistance

- (b) that due process be followed in terms of the proposed amendments to the approved micro-organisational structure of 2011;
- (c) that the recruitment and selection process be followed as per the Recruitment and Selection Policy;
- (d) that the Project Managers be appointed on a temporary basis of one (1) to three (3) year contract with performance based targets and in line with the Employment Equity Plan; and
- (e) that an external senior professional person with the required qualifications, skills and expertise be appointed to support the Acting Director: Engineering Services until such time that the Director position is filled.

(ACTING DIRECTOR: STRATEGIC AND CORPORATE SERVICES TO ACTION)

MAYORAL COMMITTEE MEETING: 2015-11-18: ITEM 5.1.6

RECOMMENDED BY THE EXECUTIVE MAYOR

- (a) that Council recognise the need for additional project manager capacity for the following projects:

	Project	Directorate	Comment
1.	Project office	All	Proposed project management assistance needed with regards to e.g. Built Environment. Not only about skill but also about time and resources. Properly skilled project manager with a focus on various built environment projects. Use vacant position: PROFESSIONAL OFFICER: IR & IGR RELATIONS NEW / VACANT/UNFUNDED 2015/2016 [7.4.6/WC024] – Reports to Manager: LED
2.	Mscosa	Office of the MM	Proposed project management assistance.
3.	Clean Audit Program	Office of the MM	Project Manager needed for three years. (use Internal Audit 1.3.2 Senior Internal Auditor vacant position). APPENDIX 1.
4.	Coordination of Northern Extension	HSPM or PED	Project Manager needed for a minimum of 3 years to monitor/drive this project, i.e the obtaining of development rights and related property transactions. Seeing that this is a multi- disciplinary project, the need for a dedicated driver is important.
5.	Ex Bosdorpe	HSPM or PED	Project Manager needed for a minimum of 3 years to monitor/drive this project, consisting of various geographical areas, such as Jonkershoek, Meerlust and Maasdorp. The focus will be the obtaining of development rights and related property transactions. Seeing that this is a multi- disciplinary project, the need for a dedicated driver is important.
6.	Emergency Housing Assistance Officer	Human Settlements	Proposed Project Management assistance

- (b) that due process be followed in terms of the proposed amendments to the approved micro-organisational structure of 2011;
- (c) that the recruitment and selection process be followed as per the Recruitment and Selection Policy;
- (d) that the Project Managers be appointed on a temporary basis ending 30 June 2016 subject to performance-based targets and in line with this municipality's Employment Equity Plan; and
- (e) that an external senior professional person with the required qualifications, skills and expertise be appointed to support the Acting Director: Engineering Services until such time that the Director position is filled, but also ending on 30 June 2016.

**(ACTING DIRECTOR: STRATEGIC AND
CORPORATE SERVICES TO ACTION)**

36TH COUNCIL MEETING: 2015-11-25: ITEM 7.5

RESOLVED (majority vote)

- (a) that Council recognise the need for additional Project Manager capacity for the following projects:

	Project	Directorate	Comment
1.	Project office	All	Proposed project management assistance needed with regards to e.g. Built Environment. Not only about skill but also about time and resources. Properly skilled project manager with a focus on various built environment projects. Use vacant position: PROFESSIONAL OFFICER: IR & IGR RELATIONS NEW / VACANT/UNFUNDED 2015/2016 [7.4.6/WC024] – Reports to Manager: LED
2.	Mscosa	Office of the MM	Proposed project management assistance.
3.	Clean Audit Program	Office of the MM	Project Manager needed for three years. (use Internal Audit 1.3.2 Senior Internal Auditor vacant position). APPENDIX 1.
4.	Coordination of Northern Extension	HSPM or PED	Project Manager needed for a minimum of 3 years to monitor/drive this project, i.e the obtaining of development rights and related property transactions. Seeing that this is a multi- disciplinary project, the need for a dedicated driver is important.
5.	Ex Bosdorpe	HSPM or PED	Project Manager needed for a minimum of 3 years to monitor/drive this project, consisting of various geographical areas, such as Jonkershoek, Meerlust and Maasdorp. The focus will be the obtaining of development rights and related property transactions. Seeing that this is a multi- disciplinary project, the need for a dedicated driver is important.
6.	Emergency Housing Assistance Officer	Human Settlements	Proposed Project Management assistance

- (b) that due process be followed in terms of the proposed amendments to the approved micro-organisational structure of 2011;
- (c) that the recruitment and selection process be followed as per the Recruitment and Selection Policy;
- (d) that the Project Managers be appointed on a temporary basis ending 30 June 2016 subject to performance-based targets and in line with this municipality's Employment Equity Plan; and
- (e) that an external senior professional person with the required qualifications, skills and expertise be appointed to support the Acting Director: Engineering Services until such time that the Director position is filled, but also ending on 30 June 2016.

The following Councillors requested that their votes of dissent be minuted:

Councillors F Adams; JA Davids; DA Hendrickse; S Jooste (Ms); C Moses (Ms); RS Nalumango (Ms); MM Ngcofe; N Ntsunguzi (Ms); L Ronoti; P Sitshoti (Ms); LN Siwakamisa (Ms) and AT van der Walt.

(ACTING DIRECTOR: STRATEGIC AND CORPORATE SERVICES TO ACTION)

FURTHER COMMENTS BY THE MUNICIPAL MANAGER

To motivate to Council to rescind and review the resolution of the Council meeting held on 25 November 2015 regarding the appointment of temporary Project Managers for the various Governance projects identified.

Candidates were interviewed and will be employed in line with the Employment Equity Act and plan of Stellenbosch Municipality as far as possible. Due to the interviews only being held in January 2016 for the various positions and the appointment date being 1 April 2016 in some of the instance, it was recognised that the time period will be too short for the appointment of these project managers. The previous Council resolutions resolved that the positions be appointed until 30 June 2016. This would be a waste of time and money as nothing much would be achieved in this short period of time.

FURTHER COMMENTS BY DIRECTORATE INTEGRATED HUMAN SETTLEMENTS AND PROPERTY MANAGEMENT

Motivation for the appointment of a project manager for an extended period for the Bosdorpe project is fully supported. (APPENDIX 4)

FURTHER COMMENTS BY FINANCE DIRECTORATE

Budget will be made available.

RECOMMENDED

- (a) that the previous Council resolution (d) and (e) (36TH COUNCIL MEETING: 2015-11-25: ITEM 7.5) be rescinded;
- (b) that Council recognise the need for additional project manager capacity;
- (c) that due process be followed in terms of the proposed amendments to the approved micro-organisational structure of 2011;
- (d) that the recruitment and selection process be followed as per the Recruitment and Selection Policy;
- (e) that the Project Managers be appointed on a six (6) months contract which can be renewable for a further six (6) months, with performance based targets and in line with the Employment Equity Plan as far as possible taking into account the skills required and the applicants received; and
- (f) that an external senior professional person with the required qualifications, skills and expertise be appointed to support the Acting Director: Engineering Services until such time that the Director position is filled, for a period of six (6) months.

**(DIRECTOR: STRATEGIC AND
CORPORATE SERVICES TO ACTION)**

39TH COUNCIL MEETING: 2016-03-30: ITEM 7.6**RESOLVED** (nem con)

- (a) that the previous Council resolution (d) and (e) (36TH COUNCIL MEETING: 2015-11-25: ITEM 7.5) be rescinded;
- (b) that Council recognise the need for additional project manager capacity;
- (c) that due process be followed in terms of the proposed amendments to the approved micro-organisational structure of 2011;
- (d) that the recruitment and selection process be followed as per the Recruitment and Selection Policy;
- (e) that the Project Managers be appointed on a six (6) months contract which can be renewable for a further six (6) months, with performance based targets and in line with the Employment Equity Plan as far as possible taking into account the skills required and the applicants received;
- (f) that an external senior professional person with the required qualifications, skills and expertise be appointed to support the Acting Director: Engineering Services until such time that the Director position is filled, for a period of six (6) months; and
- (g) that the recommendations also become applicable to the 3x approved Project Managers for Engineering Services (i.e. Waste Water Treatment, Roads and Stormwater, and Transport) as well as to the approved LED Project Manager to drive land reform.

**(DIRECTOR: STRATEGIC AND
CORPORATE SERVICES TO ACTION)**

**7.7 APPOINTMENT OF TWO (2) MEMBERS TO THE AUDIT AND PERFORMANCE
AUDIT COMMITTEE**

File number : 3/3/3/4
Report by : Municipal Manager
Compiled by : Chief Audit Executive
Delegated Authority : Council

Strategic intent of item

Preferred investment destination
 Greenest municipality
 Safest valley
 Dignified Living
 Good Governance

1. PURPOSE OF REPORT

To obtain Council's approval for the appointment of two (2) new member to the Audit and Performance Audit Committee.

2. BACKGROUND

In terms of Section 166 of the Municipal Finance Act (MFMA), Act No 56 of 2003, each municipality must have an Audit and Performance Audit Committee. The Audit and Performance Audit Committee is an independent advisory body which must advise Council, the political office bearers, the accounting officer, the management and staff of the municipality.

3. DISCUSSION

In terms of Section 166 (2) (a) the Audit and Performance Audit Committee must provide advice on matters relating to:

- internal financial control and internal audit;
- risk management;
- accounting policies;
- the adequacy, reliability and accuracy of financial reporting and information;
- performance management;
- effective governance;
- performance evaluation;
- compliance with the MFMA; and
- any issues referred to it by the Council.

The Audit and Performance Audit Committee will also review the annual financial statements in order to advise Council whether its finances are being managed efficiently and effectively. Furthermore, the Audit and Performance Audit Committee may respond to Council on issues raised by the Auditor–

General in the audit report and carry out investigations into the financial affairs of the municipality if requested to do so by Council.

3.1 **Functioning of the Audit and Performance Audit Committee**

In order to execute its responsibilities effectively, the Audit and Performance Audit Committee will have access to the financial records and all other relevant information of the municipality.

The Committee must have a minimum of three and a maximum of five members who must be appointed by Council. Stellenbosch's Audit and Performance Audit Committee Charter requires that there be five (5) members. The Audit and Performance Audit Committee must meet as often as may be needed but not less than four times a year. No Councillor may be a member of the Audit and Performance Audit Committee. The Audit and Performance Audit Committee is a politically neutral body.

The Audit and Performance Audit Committee should according to the Municipal Planning and Performance Management Regulations include at least one(1) performance management expert as the Audit and Performance Audit Committee of Stellenbosch Municipality performs the dual role of Audit and Performance Audit and Performance Audit Committee.

3.2 **The Stellenbosch Municipality's Audit and Performance Audit Committee**

The Chairperson of the Audit and Performance Audit Committee's Mr Linda Nene and Mr Henry Isaacs has served two terms which the suggested maximum is allowed in terms of legislation, Treasury circulars and guidelines. Both members term concluded in December 2015 and hence these vacancies arose on the Audit and Performance Audit Committee.

After consultation with the MM, the Executive Mayor and the Deputy Executive Mayor it was decided that we head hunt persons with specific skills to serve on this committee. The skills that are required in incoming members are one with a legal background and one with compliance knowledge both in the local government context. These individuals would beef up the skillset available to an already finance and performance strong committee. The coverage and oversight of Council will be improved to a level in line with the requirements of King III and good governance principles as the level of assurance received from Audit and Performance Audit Committee will improve.

The two candidates identified to fill the vacant position are Dr Nimrod Llewellyn Mortimer (CV attached as **APPENDIX 1**) and Mr Jeremy Fairbairn (CV attached as **APPENDIX 2**). The candidates have been contacted and both have indicated their willingness to serve on the Audit and Performance Audit Committee.

Furthermore, Mr Nene whose term has now come to an end was the Chairperson of the Audit and Performance Audit Committee, hence the need to appoint a new Chairperson of the Audit and Performance Audit Committee. Members of the Audit and Performance Audit Committee were consulted and they recommend to Council that Ms Reyhana Gani, a senior member of Audit and Performance Audit Committee, be appointed as Chairperson of the Audit and Performance Audit Committee of Stellenbosch Municipality for the remainder of her term as member. This will ensure continuity and skills transfer to all new and incoming members if and when vacancies arise as has now transpired.

4. COMMENTS OF RELEVANT DEPARTMENTS

Legal Department:

The item and recommendations are supported.

b. APPLICABLE LEGISLATION

- Section 166 of the Local Government: Municipal Finance Management Act (MFMA) 56 of 2003;
- National Treasury MFMA Circular No 65
- Section 14 of the Local Government: Municipal Planning and Performance Management Regulations, 2001

RECOMMENDED

- (a) that Dr Nimrod Llewellyn Mortimer and Mr Jeremy Fairbairn be appointed as members to the Audit and Performance Audit Committee of Stellenbosch Municipality for a three (3) year period with effect from 01 April 2016; and
- (b) that Ms Reyhana Gani be appointed as Chairperson of the Audit Committee of Stellenbosch Municipality for the remainder of her term.

(CHIEF AUDIT EXECUTIVE TO ACTION)

39TH COUNCIL MEETING: 2016-03-30: ITEM 7.7**RESOLVED** (nem con)

- (a) that Dr Nimrod Llewellyn Mortimer and Mr Jeremy Fairbairn be appointed as members to the Audit and Performance Audit Committee of Stellenbosch Municipality for a three (3) year period with effect from 01 April 2016; and
- (b) that Ms Reyhana Gani be appointed as Chairperson of the Audit Committee of Stellenbosch Municipality for the remainder of her term.

(CHIEF AUDIT EXECUTIVE TO ACTION)

7.8 SOCIAL HOUSING STELLENBOSCH MUNICIPALITY: DEMARCATION OF RESTRUCTURING ZONES AND DRAFT AFFORDABLE RENTAL HOUSING STRATEGY*File number* : 17/4/11/2*Report by* : Acting Municipal Manager*Compiled by* : Director: Human Settlements and Property Management*Delegated Authority* : Council**Strategic intent of item**

Preferred investment destination	<input checked="" type="checkbox"/>
Greenest municipality	<input checked="" type="checkbox"/>
Safest valley	<input checked="" type="checkbox"/>
Dignified Living	<input checked="" type="checkbox"/>
Good Governance	<input type="checkbox"/>

1. PURPOSE OF REPORT

To request Council for an in principle approval of the:

- demarcated restructuring zones for social housing; and
- draft affordable rental housing strategy, plan and programme,

2. BACKGROUND

During 2013 the National Department of Human Settlements requested the Provinces to identify towns that could be proclaimed as a Restructuring Town. A Restructuring Town Assessment Task Team was established by the Provincial Department of Human Settlements (PDoHS) to develop criteria for assessment, review and agree on the motivations for towns before submitting a report to the National Department.

The Western Cape Government: PDoHS used its Departmental Sustainability Criteria as its planning tool to guide the nomination of towns. The purpose of the Sustainability Criteria is to ensure that policy principles of Breaking New Ground and the Provincial Human Settlement Strategy are reflected in all new planned human settlements. Key to the criteria is ensuring improved quality of lives for communities. It speaks to the importance of:

- Economic sustainability: affordability, access to economic opportunities, etc;
- Social sustainability: social integration, access to educational, recreational and health facilities, etc.; and,
- Ecological sustainability: conservation of scarce resources

As a result, the Western Cape identified 13 leader towns, namely **Stellenbosch**, Knysna, George, Mossel Bay, Worcester, Hermanus, Paarl,

Wellington, Saldanha Bay, Vredenburg, Malmesbury, Oudtshoorn and Plettenburg Bay.

Engagements with PDoHS and Stellenbosch Municipality (the departments of New Housing, Property Management, Spatial Planning and Engineering services) took place on numerous occasions to discuss the impact and advantages for the town to be part of the process to be identified for social housing.

The latter departments then identified possible areas / sites in conjunction with the consultants, which would be ideal for the development of Social Housing projects within Stellenbosch, by taking into account provincial and national criteria, namely:

- Restructuring: Reversing the apartheid spatial planning dispensation through compaction of the town, economic integration and integration of race and class thereby creating access, opportunity and aspiration for Stellenbosch inhabitants of all races, but especially for people who have historically been excluded from access and opportunity.
- Inclusive Town: Bringing the working poor closer to all the amenities and economic opportunities thereby creating a quality living environment.
- Quality urban neighbourhoods: Good urban design and management, safe and secure neighbourhoods and active citizenry
- Improved institutional arrangement to leverage skills, expertise and support from strategic partners.

3. DISCUSSION

3.1 Demarcation of restructuring zones

Refer to **Annexure A**, Stellenbosch – Defining Restructuring Zones (RZ) for Social Housing.

The identification and mapping of RZ's for social housing in Stellenbosch followed the process below:

- Map all main affordable public transport routes linking residential, commercial and industrial areas.
- Map public educational and health facilities, and main retail facilities.
- Identify from the municipal spatial planning frameworks areas intended for housing densification.
- Identify, in collaboration with municipal officials from service departments such as spatial planning, engineering services, property management and human settlements, a draft indicative schedule of vacant or built-up land with potential for social housing development.
- Map RZ boundaries as an overlay on the existing municipal plans in such a way that identified potential development sites are included, and that any social housing development within such boundaries will ensure that residents live in safe, secure and pleasant living environments; have walking distance access to employment and other economic opportunities, and social, economic and personal services facilities and amenities, or to affordable public transport within no more than 10

minutes walking distance, and such transport being able to bring them to these opportunities and facilities and amenities within a short driving time of no more than 15 minutes to avoid long and costly commutes for working poor people.

3.2 Draft Affordable Rental Housing Programme – Strategy and plan

Refer to **Annexure B**, Rental Housing Strategy and Plan, Stellenbosch Municipality

The strategy deals with all aspects of the affordable rental housing spectrum, with a focus on Government-assisted affordable rental housing under the following broad headings:

- Confirmation of real demand
- Supply factors:
 - Demarcated social housing Restructuring Zone (RZ).
 - Identified draft schedule available land and buildings with potential, within RZ's – final projects pipeline to be determined by the municipality and approved by council after proper motivation to council on a project by project basis.
 - Available financing for National Rental Housing Programmes.
 - Institutional readiness and organizational capacity to implement the strategy and plan – internal policies, staffing, and external delivery partner contractual arrangements, including overarching smart partner agreement framework, and project-specific performance agreements to be approved by council on a later date.
- Strategic framework and action plan – programme of activities

In addition to the strategic intent of the rental programme as outlined in 3.2 above, the implementation of the rental housing programme must be premised on the following main principles:

- a) Development and management of rental stock by external delivery agents/partners must contribute significantly to local and especially black economic development and empowerment. Adherence to this principle will be regulated through specific requirements in the written partnership and project performance agreements between the municipality and its chosen partners, to be approved by council at a later date.
- b) Re-development of any existing properties must not result in homelessness or displacement to backyards, informal settlements or any other form of inferior accommodation for existing residents. Any re-location necessitated by regularization of tenancy must make full use of all instruments available including fully or partly subsidized ownership or rental housing options, and indigent support policies and instruments.

4. LEGAL DEPARTMENT

The item and recommendations are supported.

5. FINANCIAL IMPLICATION

The item and recommendation is supported. The funding for Social Housing projects is derived from National and Provincial subsidies which could include external loans from social housing institute/s.

6. COMMENTS FROM OTHER RELEVANT DEPARTMENTS**Spatial Development Framework**

In response to the ever changing environment and challenges faced by the country Government committed itself to developing more liveable, equitable and sustainable cities. Key elements of these plans included pursuing a more compact urban form, facilitating higher densities, mixed land use development, and integrating land use and public transport planning, so as to ensure more diverse and responsive environments whilst reducing travelling distances. There are growing arguments internationally for linking spatial planning and infrastructure, with roads and transport infrastructure being the most important in shaping the form of urban areas for they influence land values and accessibility.

With the above in mind, the Directorate: Planning and Economic Development embarked on a process of intensive social dialogue that has evolved over a twelve month period across a number of different levels to plan for the future development of Stellenbosch town. The end result of this process is a preferred narrative future scenario that responds to poverty and the rising cost of natural resources by envisaging the future of Stellenbosch as a *compact, sustainable, inclusive town*. In practice, a compact town is about high density living rather than sprawled out suburbia; a sustainable town is about living in a way that restores rather than destroys the natural ecosystems we all depend on; and an inclusive town is about ensuring that poverty is eradicated and everyone feels included in more equitable economic growth and development.

To achieve this vision of a *compact, sustainable, inclusive town*, it will be necessary to ensure that strategies are adopted that:

- ensure that everyone can access the public and non-motorised transport system within 500 meters of their homes and work;
- sufficient funding has been made available to get rid of service backlogs and cater for future needs;
- densification has taken place within the existing built footprint; and
- an inclusive knowledge economy has been built that includes a major role for a University-based 'education brain port'.

In practice this will mean five specific urban development processes over the next twenty years that must be guided by the Greater Stellenbosch SDF, the SSDF, the SEMF and the SDFs that will need to get drafted for all the other urban development nodes located within the Greater Stellenbosch area:

- significant densification within the existing urban footprint using a range of zoning tools and financial incentives;
- the construction of new high density multi-story socially mixed urban nodes around the stations within the Greater Stellenbosch area, specifically the Lynedoch, Vlottenburg, Stellenbosch, du Toit, Koelenhof, Muldersvlei and Klappmuts stations, plus a node around a new station located between Vlottenburg and Stellenbosch Stations at the Droë Dyke/Woodmill site;

-
- the re-opening of the old railway system to Franschhoek with extensions into the Dwarsriver Valley;
 - a multi-modal public transport and non-motorized transport system that provides efficient and safe rail, coach, mini-bus taxi, cycling and pedestrian mobility options; and
 - following the SEMF an approach to urban planning that accepts that all future urban development must be embedded within the existing ecosystems in a way that helps restore these ecosystem services instead of degrading them.

The areas proposed as restructuring zones coincide generally with the areas identified within Stellenbosch town as areas suitable for higher density, mixed use development that can be integrated with public transport nodes or TOD's as envisaged. It will also support the integration of communities and provide more affordable and a greater range of residential opportunities in well located areas.

The demarcated areas identified in this report as restructuring zones are therefore consistent with the current planning narrative and is supported.

Engineering Services

7. CONCLUSION

This is the first opportunity for B municipalities to be gazetted as a restructuring town by the National Minister of Human Settlements and therefore the:

- a) Demarcation of restructuring zones;
- b) Draft Affordable Rental Housing Programme;
- c) Partnership agreements with SHIs; and
- d) Preferential release of land to SHI partners for the development of draft affordable rental housing stock

are imperative to move forward in the quest to provide affordable rental for communities in the low and medium income bracket.

RECOMMENDED

- (a) that the demarcated restructuring zones for Stellenbosch be approved;
- (b) that the draft Rental Housing Strategy and Plan for Stellenbosch be approved in principle;
- (c) that the draft Rental Housing Strategy and Plan be advertised for public input; and
- (d) that, should any comment be received, same be considered by Council before a final decision is made.

(ACTING MUNICIPAL MANAGER TO ACTION)

39TH COUNCIL MEETING: 2016-03-30: ITEM 7.8**RESOLVED** (nem con)

- (a) that the demarcated restructuring zones for Stellenbosch be approved;
- (b) that the draft Rental Housing Strategy and Plan for Stellenbosch be approved in principle;
- (c) that the draft Rental Housing Strategy and Plan be advertised for public input; and
- (d) that, should any comment be received, same be considered by Council before a final decision is made.

(ACTING MUNICIPAL MANAGER TO ACTION)

7.9 PROGRESS REPORT: ELECTRICAL SERVICES MASTER PLAN

File number : 8/1/Engineering Services
Report by : Acting Director: Engineering Services
Compiled by : Acting Manager: Electrical Services
Delegated Authority : Council

Strategic intent of item

Preferred investment destination	<input checked="" type="checkbox"/>
Greenest municipality	<input checked="" type="checkbox"/>
Safest valley	<input checked="" type="checkbox"/>
Dignified Living	<input checked="" type="checkbox"/>
Good Governance	<input checked="" type="checkbox"/>

1. PURPOSE OF REPORT

To present the Electricity Master-plan to council for adoption.

2. BACKGROUND

Council at its 33rd meeting held on 25 August 2015 resolved that:

“that this matter be referred back to allow the Administration to submit a Progress Report to Council as mentioned in the item”.

Although the previous masterplan was done with a 20 year view, it has become outdated, because of unforeseen changes and as time goes on. The consultant therefore has to be reviewed every 6 years. The service provider, Royal Haskoning was therefore appointed for the update of Electricity Master-plan.

3. DISCUSSION

Information was sourced from the existing electrical network. The future development plans for the Municipality and future trends were also taken in consideration during the compilation of the plan.

The consultants made proposals for upgrades and future extension improvements that need to be done to ensure sufficient capacity, stability and quality of supply. Provisional cost estimates are included for each project.

A positive aspect is that there is no immediate crisis which means that the Electricity Department performed well looking after the system and the required planning and upgrades.

However there are challenges for the future to keep the Electrical network in a healthy state. The plan will guide the department for the next few years to plan and budget. Due to the projected inaccuracies that escalate over time, the Stellenbosch Electricity Masterplan will have to be reviewed within 6 years.

Copies of the plan are available in electronic format from the Manager: Electrical Services' office.

RECOMMENDED

that Council adopts the Master-plan for the Electrical distribution system and that it be used and implemented by the Electricity Department.

**(ACTING DIRECTOR: ENGINEERING
SERVICES TO ACTION)**

**ENGINEERING SERVICES AND HUMAN SETTLEMENTS COMMITTEE MEETING:
2016-02-03: ITEM 5.1.2****RECOMMENDED**

that Council adopts the Master-plan for the Electrical distribution system and that it be used and implemented by the Electricity Department.

**(ACTING DIRECTOR: ENGINEERING
SERVICES TO ACTION)**

MAYORAL COMMITTEE MEETING: 2016-02-17: ITEM 5.1.4**RECOMMENDED BY THE EXECUTIVE MAYOR**

that Council adopts the Master-plan for the Electrical distribution system and that it be used and implemented by the Electricity Department.

**(ACTING DIRECTOR: ENGINEERING
SERVICES TO ACTION)**

38TH COUNCIL MEETING: 2016-02-24: ITEM 7.3**The Speaker RULED**

- (a) that this matter be referred back to allow the Administration to arrange a workshop for Councillors before the end of March to discuss the item; and
- (b) that the Administration provide the appendix in readable print whereafter same be resubmitted at the next meeting of Council scheduled for 2016-03-30.

**(ACTING DIRECTOR: ENGINEERING
SERVICES TO ACTION)**

FURTHER COMMENTS BY THE ACTING DIRECTOR: ENGINEERING SERVICES

Subsequent to the Ruling of the Speaker in (a) above, the Workshop is scheduled for the last week in March 2016.

With reference to Ruling (b) above, the Master Plan is hereby resubmitted in a readable format as **APPENDIX 1 (DISTRIBUTED UNDER SEPARATE COVER)**.

FOR CONSIDERATION

**(ACTING DIRECTOR: ENGINEERING
SERVICES TO ACTION)**

39TH COUNCIL MEETING: 2016-03-30: ITEM 7.9**RESOLVED** (nem con)

that this matter be referred to the Council meeting scheduled for April 2016, to allow the Administration to arrange a Workshop prior to the Council meeting.

KINDLY NOTE: COUNCILLORS ARE REQUESTED TO BRING ALONG THE A3 PRINTOUTS (APPENDIX 1) DISTRIBUTED AT THE MEETING OF 2016-03-30, AS SAME WILL NOT BE PRINTED AND DISTRIBUTED AGAIN.

**(ACTING DIRECTOR: ENGINEERING
SERVICES TO ACTION)**

7.10 CONFERRAL OF ALDERMANSHIP ON COUNCILLOR EL MAREE (MS)*File number* : 11/2/4/1*Report by* : Municipal Manager*Compiled by* : Director: Strategic and Corporate Services*Delegated Authority* : Council**Strategic intent of item**

Preferred investment destination	<input type="checkbox"/>
Greenest municipality	<input type="checkbox"/>
Safest valley	<input type="checkbox"/>
Dignified Living	<input type="checkbox"/>
Good Governance	<input checked="" type="checkbox"/>

1. PURPOSE OF REPORT

To consider an application for conferral of Aldermanship on Councillor EL Maree.

2. BACKGROUND**2.1 Application**

On 2016-03-15 an application was received from Councillor EL Maree, requesting that Aldermanship be conferred on her as she qualifies for such honours in terms of the Stellenbosch Municipal Honours By-Law (April 2002). The Application is attached as **APPENDIX 1**.

2.2 Calculation of points

Pursuant to the above application, the Head: Committee Services compiled a memorandum to the Municipal Manager, confirming that, according to Council's records, Councillor EL Maree does indeed qualify for Aldermanship with a total of **24 points**. The memorandum is attached as **APPENDIX 2**.

2.3 Confirmation by the Municipal Manager

Hereto attached, as **APPENDIX 3**, is the verification of the Municipal Manager, confirming that the calculations were verified and that the awarding of points was in accordance with the prescribed criteria.

3. DISCUSSION**3.1 Legal Framework**

Section 6(4)(c) of the Stellenbosch Municipal Honours By-Law (April, 2002) makes provision for Aldermanship to be conferred on a serving Councillor of the Stellenbosch Municipality who obtains a minimum of 20 points, as set out in the By-Law.

In terms of sub-section (5), any current serving Councillor who is of the view that he/she qualifies for Aldermanship, should notify the Municipal Manager in writing, together with the necessary detail to enable the Municipal Manager to verify the allocation of points, as per the By-Law. The By-Law is attached as **APPENDIX 4**.

4. LEGAL IMPLICATION

The recommendation is in line with section 6(4)(c) of the Stellenbosch Municipal Honours By-Law. The item and recommendations are supported.

5. FINANCIAL IMPLICATION

Finance supports the item.

6. CONCLUSION

Councillor EL Maree qualifies for Aldermanship in terms of Section 6 (4) (c) of the Stellenbosch Municipal Honours By-Law.

RECOMMENDED

- (a) that, in terms of Section 6(4)(c) of the Stellenbosch Municipal Honours By-Law promulgated in Provincial Gazette 5859 of 19 April 2002, Aldermanship be conferred upon Councillor EL Maree; and
- (b) that, following the approval of Council, the Executive Mayor, as patron of the Stellenbosch Municipal Honours, confer the honour on Councillor EL Maree in an appropriate manner.

**(DIRECTOR: STRATEGIC AND CORPORATE
SERVICES TO ACTION)**

39TH COUNCIL MEETING: 2016-03-30: ITEM 7.10

RESOLVED (nem con)

- (a) that, in terms of Section 6(4)(c) of the Stellenbosch Municipal Honours By-Law promulgated in Provincial Gazette 5859 of 19 April 2002, Aldermanship be conferred upon Councillor EL Maree; and
- (b) that, following the approval of Council, the Executive Mayor, as patron of the Stellenbosch Municipal Honours, confer the honour on Councillor EL Maree in an appropriate manner.

**(DIRECTOR: STRATEGIC AND CORPORATE
SERVICES TO ACTION)**

7.11 CONFERRAL OF ALDERMANSHIP ON COUNCILLOR V FERNANDEZ (MS)*File number* : 11/2/4/1*Report by* : Municipal Manager*Compiled by* : Director: Strategic and Corporate Services*Delegated Authority* : Council**Strategic intent of item**

Preferred investment destination	<input type="checkbox"/>
Greenest municipality	<input type="checkbox"/>
Safest valley	<input type="checkbox"/>
Dignified Living	<input type="checkbox"/>
Good Governance	<input checked="" type="checkbox"/>

1. PURPOSE OF REPORT

To consider an application for conferral of Aldermanship on Councillor V Fernandez (Ms).

2. BACKGROUND**2.1 Application**

On 2016-03-15 an application was received from Councillor V Fernandez (Ms), requesting that Aldermanship be conferred on her as she qualifies for such honours in terms of the Stellenbosch Municipal Honours By-Law (April 2002). The Application is attached as **APPENDIX 1**.

2.2 Calculation of points

Pursuant to the above application, the Head: Committee Services compiled a memorandum to the Municipal Manager, confirming that, according to Council's records, Councillor V Fernandez (Ms) does indeed qualify for Aldermanship with a total of **22 points**. The memorandum is attached as **APPENDIX 2**.

2.3 Confirmation by the Municipal Manager

Hereto attached, as **APPENDIX 3**, is the verification of the Municipal Manager, confirming that the calculations were verified and that the awarding of points was in accordance with the prescribed criteria.

3. DISCUSSION**3.1 Legal Framework**

Section 6(4)(c) of the Stellenbosch Municipal Honours By-Law (April, 2002) makes provision for Aldermanship to be conferred on a serving Councillor of the Stellenbosch Municipality who obtains a minimum of 20 points, as set out in the By-Law.

In terms of sub-section (5), any current serving Councillor who is of the view that he/she qualifies for Aldermanship, should notify the Municipal Manager in writing, together with the necessary detail to enable the Municipal Manager to verify the allocation of points, as per the By-Law. The By-Law is attached as **APPENDIX 4**.

4. LEGAL IMPLICATION

Legally compliant. The recommendation is in line with the Municipality's Honours By-Law of April 2002, GG 5859.

5. FINANCIAL IMPLICATION

Finance supports the item.

6. CONCLUSION

Councillor V Fernandez (Ms) qualifies for Aldermanship in terms of Section 6 (4) (c) of the Stellenbosch Municipal Honours By-Law.

RECOMMENDED

- (a) that, in terms of Section 6(4)(c) of the Stellenbosch Municipal Honours By-Law promulgated in Provincial Gazette 5859 of 19 April 2002, Aldermanship be conferred upon Councillor V Fernandez (Ms); and
- (b) that, following the approval of Council, the Executive Mayor, as patron of the Stellenbosch Municipal Honours, confer the honour on Councillor V Fernandez (Ms) in an appropriate manner.

**(DIRECTOR: STRATEGIC AND CORPORATE
SERVICES TO ACTION)**

39TH COUNCIL MEETING: 2016-03-30: ITEM 7.11

RESOLVED (nem con)

- (a) that, in terms of Section 6(4)(c) of the Stellenbosch Municipal Honours By-Law promulgated in Provincial Gazette 5859 of 19 April 2002, Aldermanship be conferred upon Councillor V Fernandez (Ms); and
- (b) that, following the approval of Council, the Executive Mayor, as patron of the Stellenbosch Municipal Honours, confer the honour on Councillor V Fernandez (Ms) in an appropriate manner.

**(DIRECTOR: STRATEGIC AND CORPORATE
SERVICES TO ACTION)**

7.12 CONFERRAL OF ALDERMANSHIP ON COUNCILLOR JP SERDYN (MS)*File number* : 11/2/4/1*Report by* : Municipal Manager*Compiled by* : Director: Strategic and Corporate Services*Delegated Authority* : Council**Strategic intent of item**

Preferred investment destination	<input type="checkbox"/>
Greenest municipality	<input type="checkbox"/>
Safest valley	<input type="checkbox"/>
Dignified Living	<input type="checkbox"/>
Good Governance	<input checked="" type="checkbox"/>

1. PURPOSE OF REPORT

To consider an application for conferral of Aldermanship on Councillor JP Serdyn.

2. BACKGROUND**2.1 Application**

On 2016-03-15 an application was received from Councillor JP Serdyn, requesting that Aldermanship be conferred on her as she qualifies for such honours in terms of the Stellenbosch Municipal Honours By-Law (April 2002). The Application is attached as **APPENDIX 1**.

2.2 Calculation of points

Pursuant to the above application, the Head: Committee Services compiled a memorandum to the Municipal Manager, confirming that, according to Council's records, Councillor JP Serdyn does indeed qualify for Aldermanship with a total of **22 points**. The memorandum is attached as **APPENDIX 2**.

2.3 Confirmation by the Municipal Manager

Hereto attached, as **APPENDIX 3**, is the verification of the Municipal Manager, confirming that the calculations were verified and that the awarding of points was in accordance with the prescribed criteria.

3. DISCUSSION**3.1 Legal Framework**

Section 6(4)(c) of the Stellenbosch Municipal Honours By-Law (April, 2002) makes provision for Aldermanship to be conferred on a serving Councillor of the Stellenbosch Municipality who obtains a minimum of 20 points, as set out in the By-Law.

In terms of sub-section (5), any current serving Councillor who is of the view that he/she qualifies for Aldermanship, should notify the Municipal Manager in writing, together with the necessary detail to enable the Municipal Manager to verify the allocation of points, as per the By-Law. The By-Law is attached as **APPENDIX 4**.

4. LEGAL IMPLICATION

The recommendation is in line with section 6(4)(c) of the Stellenbosch Municipal Honours By-Law. The item and recommendations are supported.

5. FINANCIAL IMPLICATION

Finance supports the item.

6. CONCLUSION

Councillor JP Serdyn qualifies for Aldermanship in terms of Section 6 (4) (c) of the Stellenbosch Municipal Honours By-Law.

RECOMMENDED

- (a) that, in terms of Section 6(4)(c) of the Stellenbosch Municipal Honours By-Law promulgated in Provincial Gazette 5859 of 19 April 2002, Aldermanship be conferred upon Councillor JP Serdyn (Ms); and
- (b) that, following the approval of Council, the Executive Mayor, as patron of the Stellenbosch Municipal Honours, confer the honour on Councillor JP Serdyn (Ms) in an appropriate manner.

**(DIRECTOR: STRATEGIC AND CORPORATE
SERVICES TO ACTION)**

39TH COUNCIL MEETING: 2016-03-30: ITEM 7.12

RESOLVED (nem con)

- (a) that, in terms of Section 6(4)(c) of the Stellenbosch Municipal Honours By-Law promulgated in Provincial Gazette 5859 of 19 April 2002, Aldermanship be conferred upon Councillor JP Serdyn (Ms); and
- (b) that, following the approval of Council, the Executive Mayor, as patron of the Stellenbosch Municipal Honours, confer the honour on Councillor JP Serdyn (Ms) in an appropriate manner.

**(DIRECTOR: STRATEGIC AND CORPORATE
SERVICES TO ACTION)**

8. CONSIDERATION OF MATTERS REFERRED TO COUNCIL VIA THE MAYORAL COMMITTEE MEETING/S

8.1 DEVELOPMENT OF A COMPREHENSIVE INTEGRATED TRANSPORT PLAN (CITP) FOR THE MUNICIPAL AREA

File number : 17/9/2/2

Report by : Acting Director: Engineering Services

Compiled by : Acting Head: Transport Planning and Public Transport

Delegated authority : Council

Strategic intent of item

Preferred investment destination	<input checked="" type="checkbox"/>
Greenest municipality	<input checked="" type="checkbox"/>
Safest valley	<input checked="" type="checkbox"/>
Dignified Living	<input checked="" type="checkbox"/>
Good Governance	<input checked="" type="checkbox"/>

1. PURPOSE OF REPORT

To obtain endorsement of the Comprehensive Integrated Transport Plan from Council for submission of the plan to the Department of Transport and Public Works. Attached as **APPENDIX 1** is the executive summary and table of contents of the CITP.

2. BACKGROUND

In terms of the Government Notice No R 1119 a Type 1 Planning Authority is required to prepare a Comprehensive Integrated Transport (CITP). This Plan must be prepared with due regard to the relevant Integrated Development Plan and land development objectives set in terms of the Development Facilitation Act.

The CITP for Stellenbosch Municipality will consist of the following chapters as specified in the Government Notice:

1. Introduction
2. Transport Vision & Objectives
3. Transport Register
4. Spatial Development Framework
5. Transport Needs Assessment
6. Public Transport Operational Strategy
7. Transport Infrastructure Strategy

8. Travel Demand Measures
9. Freight Logistics Strategy
10. Other Transport Related Strategies
11. Funding Strategy of Proposals and Programmes

The attached executive summary briefly outlines each of the above chapters and the table of contents shows the headings dealt with under each.

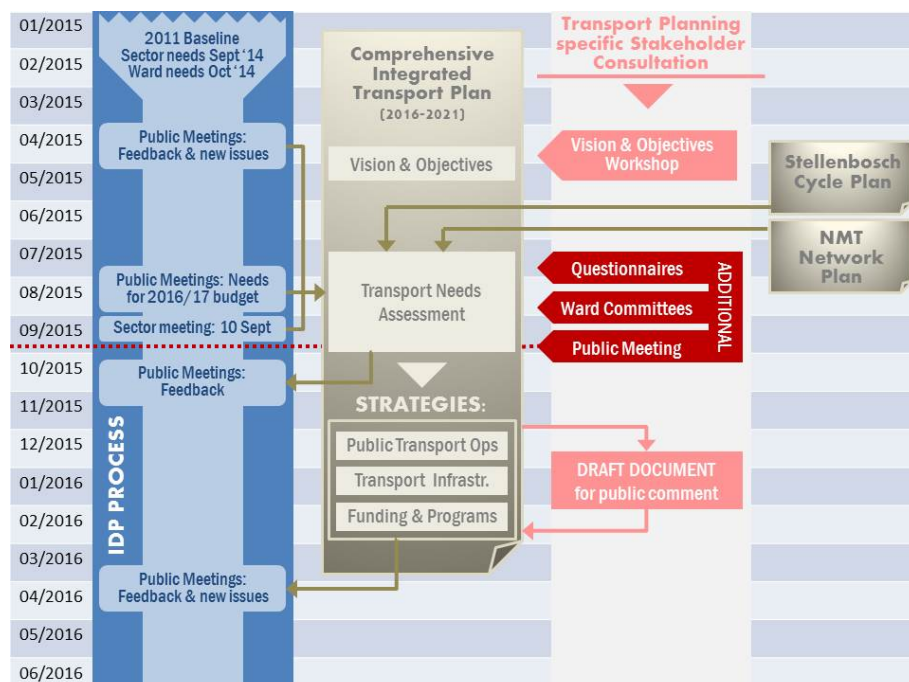
3. DISCUSSION

The Purpose of the CITP is to:

- Giving structure to the function of municipal planning mentioned in Part B of Schedule 4 of the Constitution.
- Fostering integration between land development and land use planning.
- Forming an essential part of the Integrated Development Plan of the Municipality
- Giving effect to national and provincial transport strategies and policies.
- Providing plans and strategies for the improvement of transport infrastructure and systems to foster economic and social growth and to improve the quality of life of the residents in the Municipality.

3.1 PUBLIC PARTICIPATION

Public Participation is essential to the successful development of the CITP. The diagram below shows an outline of the public participation process that was followed:



As shown above, an extensive effort to obtain wide participation was followed. It included:

- Collaboration with the IDP process to ensure that inputs received during the IDP's public participation also flow through into the CITP.
- Stakeholder organisations such as the Chamber of Commerce and the Disability Association and others were involved through the Transport Working Group who held a special CITP Vision and Mission Workshop, and received progress at their quarterly meetings.
- Ward Committees were briefed at their meeting on 28 July 2015.
- A public meeting specifically on Transport Planning was widely advertised in various newspapers and was held on 15 October 2015 in the Town Hall.
- Snap Surveys was distributed throughout the Municipal Area. Ward committees assisted with this effort. Interviewers were also sent to wards to ensure that all communities had an opportunity to participate. A total of 512 responses were received.
- A workshop on the key issues of the CITP was held with Council on 23 November 2015.
- Following the above efforts, those members of the public who indicated their interest in participating in the CITP process by attending the public meeting on 15 October 2015 as well as the organisations involved through the Transport Working Group had an opportunity to comment on the draft CITP before it was finalised for the Portfolio Committee, MAYCO and Council. The input received and the Project teams response is tabled in **APPENDIX 2**.

The snap surveys identified the following three CITP focus areas:

- Implement a local scheduled public transport service (52.5%)
- Build new roads to provide alternative routes and relieve congestion (45.7%)
- Create more parking in the Stellenbosch CBD (39.8%)

3.2 KEY ISSUES

The CITP's key principles are:

- Promote development and growth to create jobs
- Link communities to social and economic nodes
- Economic and environmental sustainability

The following priorities are highlighted in the CITP document:

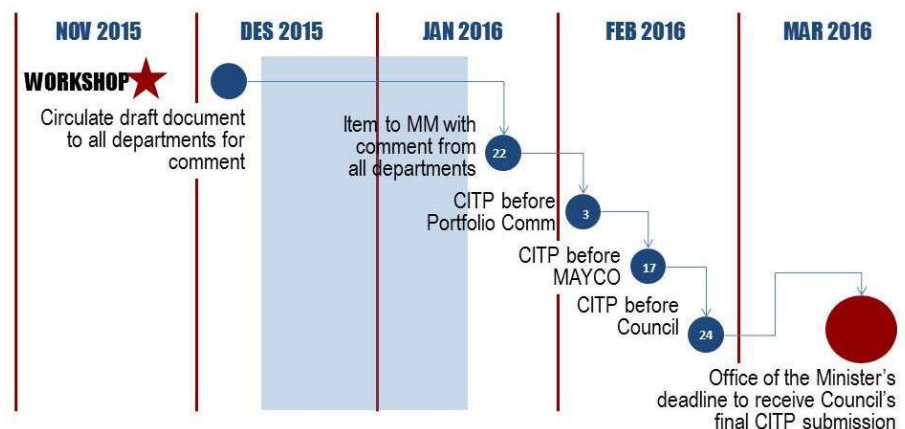
- The provision of a high quality, sustainable public transport network

- Improved accessibility to transport for learners and persons with disabilities
- The improvement of facilities for pedestrians and non-motorised transport in Stellenbosch as well as the surrounding, smaller settlements and rural areas
- The need to improve mobility on the major road network by reducing congestion and the provision of alternative routes and corridors
- The need to identify and source additional funding to implement projects included in the CITP.

3.3 WAY FORWARD

With regards to public Transport, the Integrated Public Transport Network (IPTN) - a separate legislative requirement – will be completed by June 2016 and will provide more detail on the way forward for public transport in the municipal area.

The diagram below shows the timeline for submitting the CITP to the Western Cape Department of Transport and Public Works by their deadline at the end of the provincial financial year in March 2016.



4. FINANCIAL IMPLICATIONS

Various projects with budgets are identified in the CITP as expounded in Section 12 of the document. These projects and budgets will be used as inputs in the municipal budgeting process during the next 5 years.

5. COMMENTS FROM DIRECTORATES

5.1 Director: Public Safety & Community Services

No comments received

5.2 Director: Planning & Economic Development

No comments received

5.3 Director: Strategic & Corporate Services (Legal Services)

No comments received

5.4 Director: Financial Services

Finance supports the Item. Implementation will be budget dependent. Public Private Partnerships could possibly also be explored to implement; finance and management some of the projects

5.5 Director: Housing & Property Management

No comments received.

RECOMMENDED

that the Comprehensive Integrated Transport Plan (CITP) be endorsed for submission to the MEC of Transport for approval.

(ACTING DIRECTOR: ENGINEERING SERVICES TO ACTION)

**ENGINEERING SERVICES AND HUMAN SETTLEMENTS COMMITTEE MEETING:
2016-03-02: ITEM 6.1.2****RESOLVED** (nem con)

that the Manager: Transport and Roads & Stormwater provides the required additional information with regard to the Transport Plan for submission to the Mayoral Committee and Council.

RECOMMENDED

that the Comprehensive Integrated Transport Plan (CITP) be endorsed for submission to the MEC of Transport for approval.

(ACTING DIRECTOR: ENGINEERING SERVICES TO ACTION)

**FURTHER COMMENTS BY THE MANAGER: TRANSPORT AND ROADS &
STORMWATER**

The Comprehensive Integrated Transport Plan (CITP) does not specifically mention the lack of a fence along the railway line from du Toit Station to Koelenhof Station through the urban area as a concern. It is proposed that the section on Public Transport Safety and Security in the CITP be expanded to include this need.

The CITP was compiled with the 2013 Spatial Development Framework (SDF) as basis, and therefore does not specifically cater for the Northern Extension Project. The CITP does however address the need for a Transit-Orientated Development (TOD) node at Kayamandi, the Western bypass feasibility and the upgrade of the R304. All these projects will be triggered and supported by the Northern Extension Project.

FOR CONSIDERATION

MAYORAL COMMITTEE MEETING: 2016-03-23: ITEM 5.1.4

The following comments from the various Directorates were received:

Director: Planning & Economic Development

The item as well as the Comprehensive Integrated Transport Plan are supported.

Director: Strategic & Corporate Services (Legal Services)

The item is supported. The complete CITP is to be made available for Council scheduled for 2016-03-30.

Director Public Safety and Community Services

The item as well as the Comprehensive Integrated Transport Plan are supported. The Directorate was instrumental in compiling the Intergrated Transport Plan which includes all comments, views and future Traffic Law Enforcement strategies for the Greater Stellenbosch.

Director: Housing & Property Management**1. Taxi Rank in Kayamandi**

Although the Bergzicht Taxi Rank does provide for taxi's from Kayamandi, there are no formal, dedicated taxi rank in Kayamandi. It is critical that a formal taxi rank(s) be constructed in Kayamandi.

2. Taxi permits: Travel between Franschhoek and Stellenbosch

At the moment the taxi permits does not take note of the new municipal area, i.e. travel between Franschhoek and Stellenbosch. For this reason people must travel to Pniel, then move over to another taxi to take them to Stellenbosch.

No formal taxi rank/"*transfer station*" is provided in Pniel. Taxi permits should be reconsidered to cater for a non-stop service between Franschhoek and Stellenbosch.

3. Obligation on housing projects to cater for upgrade of road infrastructure

When low-cost housing projects are planned, it is expected from housing projects to attend to upgrade of road infrastructure, at the cost of the municipality. This puts extra pressure on the municipality/project.

Seeing that housing is a provincial function, the provincial government should take more responsibility in the upgrade of roads infrastructure when it comes to low cost housing projects (e.g Longlands development delayed for almost 5 years due to access issues).

RECOMMENDED BY THE EXECUTIVE MAYOR

- (a) that the Comprehensive Integrated Transport Plan (CITP) be endorsed for submission to the MEC of Transport for approval;
- (b) that the section on Public Transport Safety and Security in the Comprehensive Integrated Transport Plan include the need to address the safety

considerations for residents living along the railway line between du Toit Station and Koelenhof Station; and

- (c) that cognisance be taken of the matter relating to School Street, Jamestown, and that further engagement on said matter take place with the MEC for Local Government.

(ACTING DIRECTOR: ENGINEERING SERVICES TO ACTION)

39TH COUNCIL MEETING: 2016-03-30: ITEM 8.1

RESOLVED (nem con)

- (a) that the Comprehensive Integrated Transport Plan (CITP) be endorsed for submission to the MEC of Transport for approval;
- (b) that the section on Public Transport Safety and Security in the Comprehensive Integrated Transport Plan include the need to address the safety considerations for residents living along the railway line between du Toit Station and Koelenhof Station and that high level engagement be embarked upon with the Rail Safety Agency; and
- (c) that cognisance be taken of the matter relating to School Street, Jamestown, and that further high level engagement on said matter take place with the MEC for Local Government.

(ACTING DIRECTOR: ENGINEERING SERVICES TO ACTION)

8.2 MFMA SECTION 116(3) – PROPOSAL TO RENEW ALL ICT CONTRACTS ANNUALLY AT THE SOLE DISCRETION OF THE MUNICIPALITY FOR A THREE YEAR PERIOD, EFFECTIVE FROM 01 JULY 2016 TO 30 JUNE 2019

File number : 13/6 x 6/4/1

Report by : Municipal Manager

Compiled by : Director: Strategic and Corporate Services

Delegated Authority : Council

Strategic intent of item

Preferred investment destination	<input type="checkbox"/>
Greenest municipality	<input type="checkbox"/>
Safest valley	<input type="checkbox"/>
Dignified Living	<input type="checkbox"/>
Good Governance	<input checked="" type="checkbox"/>

1. PURPOSE OF REPORT

The dynamic nature of Information and Communications Technology, as well as investments made in ICT related services and systems warrant a continuous re-assessment of such investments and system functionalities to ensure that value for money is achieved at all times.

The purpose of this report is to:

- a) Inform Council of the strategic intent of the Municipality to research and assess alternative ERP solutions to assimilate the functionalities of the various disparate legacy ICT systems within one Enterprise Resource Plan;
- b) Inform Council of the intent to renew all ICT contracts terminating on 30 June 2016, annually at the discretion of Supply Chain Management, for a period of three years effective from 01 July 2016 to 30 June 2019, to allow the Municipality sufficient time to do the necessary research and assessments to establish the anticipated Enterprise Solution Framework, and in doing so,
- c) Comply with the prescriptive provisions of Section 116(3) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) enabling local government institutions to amend contracts with service providers under certain conditions.

Provision is made in the Municipal Supply Chain Management Policy, clause 4.2.4 (b) "except where provided otherwise in these Regulations, does not apply in respect of the procurement of goods and services contemplated in section 110(2) of the Act, including:

- the acquisition of services of information and communication

technology as well as financial systems and services”.

2. BACKGROUND

2.1. Disparate Business Application Systems

The annual payment of license fees and support fees to multiple service providers for legacy systems that are totally disparate in terms of systems architecture and integration requirements cannot continue indefinitely.

Data Integration between disparate Business Application Systems remains the single major organisational risk to be resolved by the ICT Department, but with the assistance of the various Departments making use of these systems in its daily operations and decision making processes:

- a) The complexities of such manual systems integration, increases the dependency on external service providers to assist with such integration efforts and mostly at the expense of the Municipality;
- b) Manual integration between different systems is very much dependant on the interpretation of individuals and without proper automated data validation rules, the integrity of the municipal data is always at risk;
- c) Manual integration provides management information based on historic data and there for inhibits decision making on **“information that is current at any given time and from anywhere.”**

A seamless and real-time integration between ICT Systems are in line with best practice in the ICT industry, as well as the strategic intent of National Government to encourage Local Government Institutions to establish a more cost effective and sustainable portfolio of ICT Business Applications Systems.

2.2. Intent to Re-contract

It is the intent of the Municipality to consult with ICT service providers to enter into an Agreement with Stellenbosch Municipality, effective from 01 July 2016 till 30 June 2019, but under the following terms and conditions:

- a) Regardless of the effective date of this agreement and any of its Annexures, this Agreement will terminate not later than 30 June 2017;
- b) The Municipality, at its sole discretion will have the option to extend this Agreement for a subsequent periods of twelve months, for a maximum of two annual extensions effective from 01 July 2017 till 30 June 2018 and then again from 01 July 2018 till 30 June 2019;
- c) The term in respect of each Service Agreement and/or License Agreement shall be specified in each Agreement separately as applicable to that Agreement specifically and;
- d) Notwithstanding any term expressed in any Agreement or Annexure to such an Agreement (or as it may be renewed), shall not extend beyond the termination or cancellation of this Agreement.

The above terms and conditions will be included as an Addendum to all ICT Service Provider Contracts and Service Level Agreements effective from 01 July 2016.

3. DISCUSSION

3.1. Regulatory Requirements from National Treasury

Recent statements of direction from National Government implies a more strategic approach must be introduced by all local government entities to migrate its existing portfolio of legacy ICT services and systems to a business systems architecture that will enable improved data access and reporting capabilities to all stakeholders.

3.2. MFMA Circular 57 dated 20 October 2011

MFMA Circular 57 Issued by National Treasury states: *"It is imperative that municipalities operate effectively and utilise financial applications optimally to present credible information on a timely basis for internal and external use"*.

3.3. mSCOA Implications

The mSCOA project undertaken by National Treasury and supported by the outcomes of the Consolidated Auditor General Report (2009/2010) on local government include amongst others:

- a) Research and assessment into various financial applications and related software systems in use by municipalities.
- b) Minimal dependency on service providers, central coordination, guidance and specialist support offered in a cost-effective and efficient manner.
- c) That guidelines be issued on minimum standards for financial systems which would minimise excessive or duplicate systems, examine critical integrated ICT solutions to maximise capabilities and achieve cost effectiveness while addressing associated maintenance costs"

"It was observed that municipalities have in the past diluted the benefits of financial applications by choosing to implement certain 'components' or altering the application to meet their specific requirements or utilising an application that was not integrated with the Financial system".

3.4. MFMA Compliance Requirements

The proposed amendment to the contract term with for the relevant Service Providers will be done in compliance the terms of the MFMA Act 56 of 2003, Section 116 (3), whereby:

"local government institutions may amend contracts with service providers under certain conditions, being:

- (i) *The reasons for the proposed amendment have been tabled in the council of the municipality, and*
- (ii) *The local community been given reasonable notice on the intention to amend the contract or agreement, and*
- (iii) *Has been invited to submit representations to the municipality."*

3.5. ICT Alignment with Strategic Objectives

The ability of the ICT Department to remain constantly aligned with the strategic goals and objectives of the municipality as well as the statements of direction from National Government are inhibited by two major factors:

3.5.1. Legacy ICT Systems

Various business applications systems with similar functionalities are currently deployed in the Stellenbosch Municipality, **resulting in ongoing increases in, and payment of annual licensing fees and support fees without receiving any substantive value added services or functionalities as part of the existing Agreements.** Also, ongoing data integration between disparate business application systems results in increased complexities whilst attempting to maintain data integrity between systems.

3.5.2. Multiple ICT Vendor Contracts

The day-to-day management of vendor service contracts remains a major challenge for all municipalities. Vendor contracts are usually very one-sided and do not properly mitigate the potential risks, legally or otherwise, to which municipalities might be exposed to during the term of such contracts.

3.5.3. Deployment of an ERP Solution in the Municipality

The building blocks to establish a long term and sustainable portfolio of ICT Systems and Services in the Stellenbosch Municipality, which will require very specific objectives and goals to be achieved:

Due to the complexities inherent to such an organisational transformation venture, a best practice methodology must be followed over the next three budget cycles, being, 2016/2017, 2017/2018 and 2018/2019, to deploy an ERP solution that will be operationally efficient and will be strategically aligned with the goals and objectives of the municipality as well as the statements of direction from National Government.

The best approach will be to develop a Business Architecture Framework and establish an ICT Business Systems Architecture Framework, collectively being an ERP Solution, that is highly flexible and sustainable over the medium to longer term.

Refer APPENDIX 1 to this submission.

4. LEGAL IMPLICATION

(The following Legal Comments were received on 2016-03-08):

Council should consider the reasons for the proposed amendments. The Legal Department supports the item subject to the following recommendations, namely:

- (i) that Council advertise its intention to amend all one year contractual agreements for ICT-related systems and services for a period of three (3) years for public input, and
- (ii) that, should any public comment be received, same be considered by Council before a final decision is made.

5. FINANCIAL IMPLICATION

The vendor contracts currently being considered to be amended to remain in effect for a period of three years are as indicated in the table below:

<u>Service Providers</u>	<u>Scope of Services</u>
Bytes Universal Systems	SAMRAS is the Core Financial System for the Stellenbosch Municipality.
Payday	HR Management and Payroll System for the Stellenbosch Municipality
Business Engineering	Data and Workflow System with Document Archiving Capabilities
Ignite	Strategic and Corporate Services - Performance and Compliance Management System
IMQS	Support and Information System to Manage and Report on Municipal infrastructure Assets
Avalon	Data Network Management and Support Services
ABC Holdings	Property Evaluation and Rates
Barnowl	Risk Management and Compliance System
CATS	Meter Reading System
Teammate	Audit Management system
ValuProp	Valuation System
GEODEBT System	Credit Control System
PBS	Multifunctional Printing Services

The ICT Budget for the next three years for the funding ICT related Services and Systems are as indicated in the schedule below:

Extract from ICT Budget: 2015/2016 to 2017/2018 and other Departmental Budgets				
VOTE NO.	COST ITEMS	2015/2016	2016/2017	2017/2018
1/ 9910/ 0927	SERVICE LEVEL AGREEMENTS	R 240 000	R 254 400	R 279 840
1/ 9910/ 0928	CONSULTING AND PLANNING FEES	R 250 000	R 280 000	R 308 000
1/ 9910 /0942	MSP IMPLEMENTATION	R162 860	R 172 640	R 189 904
1/ 9910/ 0946	ICT LICENCES:	R 4 500 000	R4 800 000	R5 280 000
	TOTAL BUDGET			R6 057 744

Note: The Budget for 2017/2018 has been calculated at an estimated increase of 10% per annum.

The Financial implications to establish an ERP solution is currently unknown. However, it is most certain there will be trade-offs between the ERP investment costs and the savings to be realised from the consolidation of ICT Systems and Services under one Business Systems Architecture Framework.

6. COMMENTS FROM OTHER STAKEHOLDERS

Finance: Finance support the item – response emailed on 2/03/2016.

SCM: SCM support the item – response emailed on 2/03/2016.

6.1 National Treasury

This proposed approach by the Municipality to extent all contracts for ICT related services and systems from one year to three years are fully supported by National Treasury and also aligned with the strategic objectives of National Treasury:

“It is indeed our view that the intended route you are proposing is aligned with the strategic objective of mSCOA and specifically in light of the following pronouncements made at various forums:

It is the hope and view of Treasury that all service providers are fully compliant by one July 2017;

It is not the intention of Treasury to interfere with the municipality’s ICT choice or vendor relationships; and

We believe that critical evaluation of your business processes required by the mSCOA reform will illuminate duplication, redundancies as well as gaps in your systems environments;

We are extremely confident that most of the system vendors are compliant with minimum mSCOA compliancy i.e. (Budgeting and transacting across the segments of mSCOA and extracting and supplying data to LG database.) The reluctance to pronounce on the above is due to the accounting cycle and integration conditionality’s that emerged from the research we were conducting during the piloting.

I therefore fully support and applaud your current way forward and believe it is best practice even without mSCOA as a backdrop for this decision or intent.”

(Andre Bossert: Chief Directorate; Local Government Budget Analysis).

RECOMMENDED

- (a) that Council take note of this proposed amendment of all one year contractual agreements for ICT related systems and services, to be in effect for a period of three years at the sole discretion of Supply Chain Management, the reason being:
 - (i) The strategic intent of the Stellenbosch Municipality to research and assess alternative ERP solutions over the next three financial years that will enable the Municipality to establish a Business Systems Architecture Framework and then to assimilate the functionalities of the various disparate legacy ICT systems within a single Enterprise Resource Plan.
- (b) that Council take note of the prescriptive provisions of Section 116(3) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) enabling local government institutions to amend contracts with service providers under certain conditions, being:

-
- i. *The reasons for the proposed amendment have been tabled in the council of the municipality, and*
 - ii. *the local community been given reasonable notice on the intention to amend the contract or agreement, and*
 - iii. *has been invited to submit representations to the municipality.*
- (c) that Council take note of the special terms and conditions to be introduced for ICT related Agreements effective from 01 July 2015, to ensure full compliance to all regulatory compliance requirements:
- (i) Regardless of the effective date of this Agreement and any of its Annexures, this Agreement will terminate not later than **30 June 2017**;
 - (ii) The Municipality, at its sole discretion will have the option to extend this Main Agreement for a subsequent period of twelve months, for a maximum of two extensions effective from 01 July 2016.
 - (iii) The term in respect of each Service Annexure, and/or Service shall be specified in the Service Annexure and;
 - (iv) Notwithstanding any term expressed in any Service Annexure (or as it may be renewed), shall not extend beyond the termination or cancellation of this Main Agreement.

**(DIRECTOR: STRATEGIC AND
CORPORATE SERVICES TO ACTION)**

**FINANCE AND STRATEGIC AND CORPORATE SERVICES COMMITTEE:
2016-03-08: ITEM 5.1.1**

RECOMMENDED

- (a) that Council take note of this proposed amendment of all one year contractual agreements for ICT-related systems and services, to be in effect for a period of three years at the sole discretion of Supply Chain Management, the reason being:
 - (i) The strategic intent of the Stellenbosch Municipality to research and assess alternative ERP solutions over the next three financial years that will enable the Municipality to establish a Business Systems Architecture Framework and then to assimilate the functionalities of the various disparate legacy ICT systems within a single Enterprise Resource Plan.
- (b) that Council take note of the prescriptive provisions of Section 116(3) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) enabling local government institutions to amend contracts with service providers under certain conditions, being:
 - (i) *The reasons for the proposed amendment have been tabled in the council of the municipality, and*

- (ii) the local community been given reasonable notice on the intention to amend the contract or agreement, and*
 - (iii) has been invited to submit representations to the municipality.*
 - (c) that Council take note of the special terms and conditions to be introduced for ICT-related Agreements effective from 01 July 2015, to ensure full compliance to all regulatory compliance requirements:
 - (i) Regardless of the effective date of this Agreement and any of its Annexures, this Agreement will terminate not later than **30 June 2017**;
 - (ii) The Municipality, at its sole discretion will have the option to extend this Main Agreement for a subsequent period of twelve months, for a maximum of two extensions effective from 01 July 2016.
 - (iii) The term in respect of each Service Annexure, and/or Service shall be specified in the Service Annexure and;
 - (iv) Notwithstanding any term expressed in any Service Annexure (or as it may be renewed), shall not extend beyond the termination or cancellation of this Main Agreement, and
 - (d) that Council advertise its intention to amend all one year contractual agreements for ICT-related systems and services for a period of three (3) years for public input, and that any public comment received must be considered by Council before a final decision is made.

**(DIRECTOR: STRATEGIC AND
CORPORATE SERVICES TO ACTION)**

MAYORAL COMMITTEE MEETING: 2016-03-23: ITEM 5.1.5

RECOMMENDED BY THE EXECUTIVE MAYOR

- (a) that Council take note of this proposed amendment of all one year contractual agreements for ICT-related systems and services, to be in effect for a period of three years at the sole discretion of Supply Chain Management, the reason being:
 - (i) The strategic intent of the Stellenbosch Municipality to research and assess alternative ERP solutions over the next three financial years that will enable the Municipality to establish a Business Systems Architecture Framework and then to assimilate the functionalities of the various disparate legacy ICT systems within a single Enterprise Resource Plan.
- (b) that Council take note of the prescriptive provisions of Section 116(3) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) enabling local government institutions to amend contracts with service providers under certain conditions, being:
 - (i) The reasons for the proposed amendment have been tabled in the council of the municipality, and*

-
- (ii) *the local community been given reasonable notice on the intention to amend the contract or agreement, and*
 - (iii) *has been invited to submit representations to the municipality.*
 - (c) that Council take note of the special terms and conditions to be introduced for ICT-related Agreements effective from 01 July 2015, to ensure full compliance to all regulatory compliance requirements:
 - (i) Regardless of the effective date of this Agreement and any of its Annexures, this Agreement will terminate not later than **30 June 2017**;
 - (ii) The Municipality, at its sole discretion will have the option to extend this Main Agreement for a subsequent period of twelve months, for a maximum of two extensions effective from 01 July 2016.
 - (iii) The term in respect of each Service Annexure, and/or Service shall be specified in the Service Annexure and;
 - (iv) Notwithstanding any term expressed in any Service Annexure (or as it may be renewed), shall not extend beyond the termination or cancellation of this Main Agreement, and
 - (d) that Council advertise its intention to amend all one year contractual agreements for ICT-related systems and services for a period of three (3) years for public input, and that any public comment received must be considered by Council before a final decision is made.

**(DIRECTOR: STRATEGIC AND
CORPORATE SERVICES TO ACTION)**

39TH COUNCIL MEETING: 2016-03-30: ITEM 8.2

RESOLVED (nem con)

- (a) that Council take note of the item;
- (b) that the applicable ICT contracts be extended on a monthly basis to a maximum period of six (6) months pending research and assessment of alternative ERP Solutions in compliance with Treasury Requirements; and
- (c) that Council advertise its intention to amend all one year contractual agreements for ICT-related systems and services for a period of six (6) months for public input, and that any public comment received must be considered by Council before a final decision is made.

**(DIRECTOR: STRATEGIC AND
CORPORATE SERVICES TO ACTION)**

8.3 MFMA s116(3) AMENDMENT TO INSURANCE AGREEMENT

File number : 8/1/Financial
Compiled by : Manager: Treasury Office
Report by : Chief Financial Officer
Delegated Authority : Council

Strategic intent of item

Preferred investment destination
 Greenest municipality
 Safest valley
 Dignified Living
 Good Governance

1. PURPOSE OF REPORT

To obtain approval from council to follow the process stipulated in Section 116(3) of the MFMA in order to amend the short term insurance agreement and extend it by a period of two years.

2. BACKGROUND

During the previous financial year of 2014/15 a tender process as stipulated by SCM processes was followed in order to obtain the most advantageous short term insurance for the municipality.

Three bids were received and after a thorough evaluation, the short term insurance tender was awarded to AON for the period 1 July 2015 – 30 June 2016.

3. DISCUSSION

As the short term insurance agreement with AON expires on 30 June 2016, it has become necessary to commence with a new process with the view of ensuring that Council assets are sufficiently ensured as of 1 July 2016.

When conducting initial research in this regard, it became apparent that the claims lodged with AON are already at 159% of the total premiums paid for the financial year.

Claims history of the previous three years is one of the major factors considered by insurance companies when calculating and quoting new premiums and excess payments.

It stands to reason then that the relatively poor claims history of the municipality during the current financial year will have a substantial effect on premiums and excess payments for the next financial year which will be to the detriment of the municipality.

Section 116(3) of the MFMA reads as follows:

“A contract or agreement procured through the SCM policy of the municipality may be amended by the parties but only after:

1. the reasons for the proposed amendment have been tabled in council of the municipality or in the case of a municipal entity in the council of the of its parent municipality AND

2. the local community (a) has been given reasonable notice of the intention to amend the contract or agreement AND

(b) has been invited to submit representations to the municipality or municipal entity“

Legislation allows for the insurance agreement with AON to be amended and given the circumstances, it is believed that it would be the most advantageous for council to adopt this approach rather than going out on tender and having to pay significantly higher premiums and excesses.

When the market was tested during the previous competitive bidding process, AON premiums were found to be significantly lower than its competitors. Premiums quoted were as follows for 2015/16:

TENDERER	PRICE
AON	R2 974 021
INDWE	R3 484 195
MARSH	R3 596 612

By amending the current agreement and extending it by a period of two years, the municipality would ensure that its insurance premiums remain competitive and as low as possible.

Excess payments in the event of claims as quoted by AON were also the lowest amongst the three bidders.

4. LEGAL IMPLICATION

Section 116(3) of the MFMA allows for contracts or agreements to be amended, provided the stipulated process is followed.

5. FINANCIAL IMPLICATION

Amending the insurance agreement will in all likelihood ensure substantial savings for the municipality as the recent claims history will significantly impact on premiums when new tenders are obtained for the 2016/17 financial year.

Extending the agreement by a further two years will also ensure a continuous relationship between the municipality and its broker as well as lower premiums over the long run. It is a known fact that insurance companies quote lower premiums for longer term appointments.

6. COMMENTS FROM OTHER RELEVANT DEPARTMENTS

Not requested.

7. CONCLUSION

Amending the existing short term insurance agreement with AON for a further period of two years is provided for by legislation and all indications are that it would be the most beneficial route for the municipality to follow in ensuring prudent financial management.

RECOMMENDED

that council note that the short-term insurance agreement with AON Insurance Brokers be amended and extended for a further period of two years ending on 30 June 2018 after duly following the process as stipulated in Section 116(3) of the MFMA.

(CHIEF FINANCIAL OFFICER TO ACTION)

**FINANCE AND STRATEGIC AND CORPORATE SERVICES COMMITTEE:
2016-03-08: ITEM 6.1.3****RECOMMENDED**

- (a) that Council note that the short-term insurance agreement with AON Insurance Brokers be amended and extended for a further period of two years ending on 30 June 2018 after duly following the process as stipulated in Section 116(3) of the MFMA; and
- (b) that Council advertise its intention to amend and extend the AON insurance agreement for public input, and that any public comment received must be considered by Council before a final decision is made.

(CHIEF FINANCIAL OFFICER TO ACTION)

MAYORAL COMMITTEE MEETING: 2016-03-23: ITEM 5.1.8**RECOMMENDED BY THE EXECUTIVE MAYOR**

- (a) that Council note that the short-term insurance agreement with AON Insurance Brokers be amended and extended for a further period of two years ending on 30 June 2018 after duly following the process as stipulated in Section 116(3) of the MFMA; and
- (b) that Council advertise its intention to amend and extend the AON insurance agreement for public input, and that any public comment received must be considered by Council before a final decision is made.

(CHIEF FINANCIAL OFFICER TO ACTION)

39TH COUNCIL MEETING: 2016-03-30: ITEM 8.3**RESOLVED** (nem con)

- (a) that the current insurance contract be extended by 6 months; and
- (b) that the Administration go out on tender and advertise for a new insurance contract.

(CHIEF FINANCIAL OFFICER TO ACTION)

8.4 PROPOSED DISPOSAL OF VARIOUS CHURCH SITES IN KLAPMUTS

File number : 17/4/4/2
Report by : Director: Planning, HS and Property Management
Compiled by : Manager: Property Management
Delegated Authority : Council

Strategic intent of item

Preferred investment destination	<input checked="" type="checkbox"/>
Greenest municipality	<input type="checkbox"/>
Safest valley	<input type="checkbox"/>
Dignified Living	<input type="checkbox"/>
Good Governance	<input checked="" type="checkbox"/>

1. PURPOSE OF REPORT

To consider the market values of the various erven and to approve the disposal thereof.

2. BACKGROUND**2.1 In principle decision to dispose of portions of a number of church sites in Klappmuts**

On 2014-08-20 Council considered a report, recommending the disposal of various sites in Klappmuts.

Having considered the report, and after taking into account the recommendations of the Mayoral committee, i.e. not to dispose of erven 1082; 2413; 2593 and 2905, Council resolved as follows:

- “(a) that the erven mentioned in par.3 (supra) be identified as property not needed to provide the minimum level of basic municipal services, i.e surplus properties;*
- (b) that Council, in principle, approve the disposal of the properties listed in par. 3 (supra); excluding erven 1082, 2413, 2893 and 2903 earmarked for businesses and crèches;*
- (c) that the minimum prices be determined by two (2) independent valuations (weighted average);*
- (d) that the Municipal Manager be authorised to approve the evaluation criteria and place the necessary notices, calling for tenders for the properties listed in paragraph 3;*
- (e) that, following the conditional awarding of tenders, a report be submitted to Council to decide on the final disposal of the properties in question, taking into account that tenders may well be below market value; and*

- (f) *that Council approve the disposal of properties zoned for institutional (eg. churches) in Klapmuts and that preference be given to the local previously disadvantaged residents in Klapmuts and also provide discount on the market related prices within the framework of the relevant legislation”.*

A copy of the agenda item that served before Council is attached as **APPENDIX 1**.

2.2 Valuations

Following the above decision two independent valuers were appointed to determine the fair market value of the property. Attached hereto as **APPENDICES 2** and **3** are copies of the said valuation.

They valued both properties as follows:

Pendo property valuers:

Description	Extent	Estimated	Value in terms of NPO market value Policy (25% of market value)
Erf 913	649m ²	R80 000	R20 000
Erf 932	1006m ²	R120 000	R30 000
Erf 2414	2518m ²	R300 000	R75 000

Knight Frank

Description	Extent	Estimated	Value in terms of NPO market value Policy (25% of market value)
Erf 913	649m ²	R50 000	R12 500
Erf 932	1006m ²	R75 000	R18 750
Erf 2414	2518m ²	R150 000	R37 000

Weighted Average:

Erf 913	R 65 000	R16 250.00
Erf 932	R 97 500	R24 375.00
Erf 2414	R 225 000	R56 250.00

2.3 Invitation for Bids

In March 2015 a notice was published in the Burger and Argus, calling for bids for the sale of the various erven in Klapmuts. A copy of the Tender Notice is attached as **APPENDIX 4**.

2.4 Tender Evaluation points

The following points system was applicable:

Status which includes race, gender, disability and locality.	20
Development concept	10
Bidders capacity and capability which entails Economic and Financial Standing and readiness	20
Size of local congregation	20
Price	30
Total	100

2.5 Bid received

The closing date for bids was 13 April 2015 at 12.00. At the closing date various bids were received, the highest bidders offering the following:

Erf 913, Klappmuts	:	R 57 000.00
Erf 932, Klappmuts	:	R 75 000.00
Erf 2414, Klappmuts	:	R125 000.00

3. DISCUSSION**3.1.1 Reserve price**

In terms of of the Tender Document, the following reserve prices were set, based on the weighted average of the two (2) valuations.

Erf 913: R13 000

Erf 932: R19 500

Erf 2414:R45 000

The offers received, were in excess of the reserve prices.

3.2 Conditional award of bid

On 2015-07-31 the Bid Adjudication Committee considered the matter and decided to award the bids to the only bidders, scoring the highest points as the offer received were higher than the reserve price. This award, however were conditional upon Council approving the disposal in terms of section 14 of the MFMA.

3.3 Legal requirements

In terms of section 14(1) 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.

In terms of subsection (2), a municipality may transfer ownership or otherwise dispose of a capital asset other than those 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.

***Please note** that Council has already made the determination contemplated in (a) (*supra*), when they considered the matter on 2014-08-20

Council must, however, still consider the **fair market value** of the assets, as contemplated in (b) (*supra*).

3.3.2 Asset Transfer Regulations (ATR)

In terms of Regulation 5(1)(b) a municipal Council may transfer or dispose of a non-exempted capital asset only after-

- a) the municipal council-
- i) has made the determination required by Section 14(2)(a) and (b) of the MFMA; and
 - ii) has, as a consequence of those determinations approved in principle that the capital asset may be transferred or disposed of.

In terms of Regulation 11, an approval in principle may be given subject to any condition, including conditions specifying a floor price* or minimum compensation for the capital asset.

***Please note** that Council has made this a condition, i.e. that a floor price be based on the weighed average of two independent valuers.

3.3.36 SCM Policy

In terms of Paragraph 5.4 of the Supply Chain Management Policy, assets may be disposed of by sale or other agreement, after a process which is fair, equitable, transparent and competitive, an which may include a tender process.

4. INPUTS BY OTHER DEPARTMENTS

4.1 CFO

Finance supports the Item.

4.2 Legal Services

The item and recommendations are supported.

5. CONCLUSION

From the above it is clear that the bids received comply with the minimum requirements (floor prices) set by Council.

RECOMMENDED

- (a) that Council determine the fair market value of the properties based on the weighted average of the two (2) independent valuations as follows:

Erf 913, Klapmuts: R16 250.00

Erf 932, Klapmuts: R24 375.00

Erf 2414, Klapmuts: R56 250.00

- (b) that Council authorise the disposal of erven 913, 932 and erf 2414, Klapmuts; and
- (c) that the Bidders be responsible for all costs associated with and incidental to the transfer of the properties.

(DIRECTOR: HUMAN SETTLEMENTS TO ACTION)

**ENGINEERING SERVICES AND HUMAN SETTLEMENTS COMMITTEE MEETING:
2016-03-02: ITEM 5.1.1**

RESOLVED (nem com)

that the evaluation criteria be attached as an **ANNEXURE** to the agenda item, for information of Council.(see **APPENDIX 5**)

RECOMMENDED

- (a) that Council determine the fair market value of the properties based on the weighted average of the two (2) independent valuations as follows:

Erf 913, Klapmuts: R16 250.00

Erf 932, Klapmuts: R24 375.00

Erf 2414, Klapmuts: R56 250.00

- (b) that Council authorise the disposal of erven 913, 932 and erf 2414, Klapmuts; and
- (c) that the Bidders be responsible for all costs associated with and incidental to the transfer of the properties.

(DIRECTOR: HUMAN SETTLEMENTS TO ACTION)

MAYORAL COMMITTEE MEETING: 2016-03-23: ITEM 5.1.2

RECOMMENDED BY THE EXECUTIVE MAYOR

- (a) that Council determine the fair market value of the properties based on the weighted average of the two (2) independent valuations as follows:

Erf 913, Klapmuts: R16 250.00

Erf 932, Klapmuts: R24 375.00

Erf 2414, Klapmuts: R56 250.00

- (b) that Council authorise the disposal of erven 913, 932 and erf 2414, Klapmuts; and
- (c) that the Bidders be responsible for all costs associated with and incidental to the transfer of the properties.

(DIRECTOR: HUMAN SETTLEMENTS TO ACTION)

39TH COUNCIL MEETING: 2016-03-30: ITEM 8.4

RESOLVED (nem con)

- (a) that Council determine the fair market value of the properties based on the weighted average of the two (2) independent valuations as follows:
- Erf 913, Klapmuts: R16 250.00
- Erf 932, Klapmuts: R24 375.00
- Erf 2414, Klapmuts: R56 250.00
- (b) that Council authorise the disposal of erven 913, 932 and erf 2414, Klapmuts; and
- (c) that the Bidders be responsible for all costs associated with and incidental to the transfer of the properties.

(DIRECTOR: HUMAN SETTLEMENTS TO ACTION)

8.5 COMMENT ON THE DRAFT ENVIRONMENTAL IMPACT REPORT FOR THE PROPOSED VLOTTENBURG VILLAGE DEVELOPMENT*File number* : P 387 S*Compiled by* : Manager: Spatial Planning, Heritage & Environment*Report by* : Director: Planning, Economic and Community Development*Delegated Authority* : Council**Strategic intent of item**

Preferred investment destination	<input type="checkbox"/>
Greenest municipality	<input type="checkbox"/>
Safest valley	<input type="checkbox"/>
Dignified Living	<input type="checkbox"/>
Good Governance	<input checked="" type="checkbox"/>

1. PURPOSE OF REPORT

To recommend a delegated process for consideration of environmental authorisation applications. There is no clear delegation in the approved system of delegations. It is impractical to submit this item (and any others) to Council, due to time constraints imposed by the relevant legislation.

In the absence of a clear delegation permitting this Department to comment on applications submitted in terms of the National Environmental Management Act, 107 of 1998 (NEMA) the below comment on the Draft Environment Impact Report (EIR) for the proposed Vloottenburg Village Development is submitted for the Committee's consideration.

The process of enquiring Environmental Authorisation in terms of NEMA pre-empted a land use application in terms of the applicable municipal planning legislation which will be submitted to Council for consideration.

The below comment represents this Department's input in the NEMA process as per invitation by the relevant Environmental Assessment Practitioner (EAP) and the Department of Environmental Affairs & Development Planning's requested to submit comment. This Department's comment is premised on formally approved municipal policy.

2. PROPOSED VLOTTENBURG VILLAGE DEVELOPMENT

The Preferred Layout Alternative 1 contained in the above EIR for the proposed Vloottenburg Village mixed-use development, recommended by the EAP for approval, includes the following components¹:

- Residential:
 - Single Erf (600m²) with 2 storey Free Standing Houses [55 units];
 - Single Erf (450m²) with 2 storey Free Standing Houses [225 units];

¹ Draft Environmental Impact Assessment Report and Environmental Management Programme (Withers Environmental Consulting, 2015)

- Single Erf (300m²) with 2 storey Row Housing [75 units];
- Group Housing (60-90m²) with 2 storey Apartment Buildings [150 units];
- Single Erf (300m²) with 2 storey Duplex Housing [25 units];
- Group Housing (45m²) with 2 storey Walk-Up Buildings [100 units];
- Retail Centre;
- Hotel School (accommodation and skills centre);
- Medical Centre (community medical facility with clinic, consultation rooms, pharmacy and parking);
- Mixed Use Buildings (retail and crafts, restaurants and deli's, showrooms and galleries, live/work studios, offices and apartments);
- Hotels (boutique hotel and 150 key hotel);
- Education Facilities (new private school and sports fields);
- Community Facilities (church, community centre and sports club house);
- Sport and Recreation;
- Green Open Space;
- Parking; and
- Associated Infrastructure i.e. potable water supply, bulk sewage infrastructure, storm water management infrastructure, external and internal roads and bulk electricity infrastructure.

The EIR summarizes the following potential negative impacts associated with the proposed development:

- Impact on the scenic rural context and landscape as a result of development on agricultural land;
- Visual change from an open, rural area to a built area with an urban character, visual intrusion on the Vredenheim and Neethlingshof historic homesteads/ access gateways, visibility from sensitive receptors and visual intrusion of night lighting on the rural landscape.
- Impact on sense of place for current and future residents of the surrounding area, due to a relatively large and higher density development within a rural setting;
- Impact on traffic flows with large numbers of additional vehicles using access routes that are already experiencing high traffic flows during peak hours;
- Bulk infrastructure requirements, with essential upgrades related to potable water, sewerage and road intersections;
- Potential increase in crime levels, which is already a problem due to unemployed residents in the area; and
- With respect to cumulative impacts, the potential negative impacts would be compounded if additional developments were introduced in the immediate and surrounding areas.

The most significant positive impacts associated with the proposed development are the following:

- Large contribution towards employment and local economy income during both the construction and operational phases.
- With respect to cumulative impacts, the employment and economic income benefits of a number of developments in the greater Vlothenburg

area could also be compounded, especially with regard to the provision of housing and social development of communities in the area.

- The economic benefits of new employment opportunities, economic income and the associated social benefits of embarking on the project are significant given the nature and scope of the proposed Vlottenburg Village development.
- The rehabilitation of severely degraded river corridors and ongoing monitoring and maintenance of the riparian and wetland vegetation on the development site will have a positive long term impact on freshwater features.

The relevant Environmental Assessment Practitioner has recommended the authorisation of the proposed Vlottenburg Village Development under the condition that the mitigation measures as described in the Environmental Management Plan submitted along with the EIR be implemented and that regular audits in this regard be undertaken to ensure compliance.

3. COMMENTS

- 3.1 Vlottenburg is indicated in Stellenbosch's Municipal Spatial Development Framework (MSDF) as one of fourteen (14) interconnected urban nodes within Stellenbosch Municipality. This is due to its located at the intersection of the R310, Vlottenburg Road and the railway line. Vlottenburg is therefor recognised for urban development.

This Department, however, is concerned about the proposed development in its current form. This is due to the following factors:

- 3.2 Substantial portions of the proposed development are planned to occur outside of the demarcated urban edge of Vlottenburg. The current proposal represents urban sprawl. Whilst Vlottenburg is identified in the MSDF as a rural node, development around Vlottenburg should not occur laterally, but instead be densified within the current footprint and designated urban edge of Vlottenburg, in particular along Vlottenburg Road and the existing railway station.
- 3.3 In terms of the Draft Stellenbosch Development Framework that expands on the MSDF Vlottenburg forms one of several urban nodes built around integrated public transport services. Vlottenburg has immense potential in this regard with particular reference to the existing railway station within Vlottenburg and its location next to the railway line. The current proposal does not support or enhance this principle but remains dependant on private transport modes.
- 3.4 The development in its current form seems to have been planned in isolation with reference to Polkadraai Smallholdings and the proposed Woodmill development.
- 3.5 The current proposal is exclusive rather than inclusive and will not address the housing backlog in the municipality where the greatest need is for affordable housing and security of tenure. Provision should be made for a spectrum of housing typologies that include and integrate all income groups. This includes gapp housing, social housing and possibly farm worker housing.
- 3.6 The scale and characteristics of the current proposal, i.e. sprawl, low density, private vehicle orientated development makes the proposed development a suburb of Stellenbosch rather than a consolidation and a development of a rural village or hamlet that are self-sustaining as is envisaged by the MSDF.

-
- 3.7 The above EIR states that with respect to cumulative impacts, the potential negative impacts would be compounded if additional developments were introduced in the immediate and surrounding areas. However, the current Spatial Development Plan of Stellenbosch Municipality does not suggest any further/additional development earmarked for the Vlottenburg area. The MSDF already does not make provision for the development of Vlottenburg to the extent proposed. This Department therefor has to consider the increase of development pressure on the agricultural, yet vacant land between Vlottenburg and Stellenbosch and the unintended consequence of the development of a Vlottenburg Village as is currently proposed.
- 3.8 This Department does not support the proposed Vlottenburg Village development in its current form due to the above. This Department will support a development proposal that is in line with the intended character and scale of Vlottenburg rural node, a plan that will be less costly in terms of transportation and social equity and a plan that supports the achievement of an integrated, compact, high density urban area inclusive of housing opportunities for forum workers and lower income (primarily tenants) citizens.

RECOMMENDED

- (a) that Delegation be granted to the Director: Planning and Economic Development to submit comment on environmental authorization applications to the competent authority in instances where no substantive objections were received to the proposal and to the Planning and Economic Development Committee in instances where substantive objections were raised; and
- (b) that the above comment be submitted in response to the invitation for comments on the Draft Environmental Impact Report for the proposed Vlottenburg Village Development submitted in the terms of the National Environmental Management Act, 107 of 1998.

**(DIRECTOR: PLANNING AND ECONOMIC
DEVELOPMENT TO ACTION)**

PLANNING AND ECONOMIC DEVELOPMENT COMMITTEE: 2016-03-01: ITEM 5.1.1**RECOMMENDED**

- (a) that Delegation be granted to the Director: Planning and Economic Development to submit comment on environmental authorization applications to the competent authority in instances where no substantive objections were received to the proposal and to the Planning and Economic Development Committee in instances where substantive objections were raised; and
- (b) that the above comment be submitted in response to the invitation for comments on the Draft Environmental Impact Report for the proposed Vlottenburg Village Development submitted in the terms of the National Environmental Management Act, 107 of 1998.

**(DIRECTOR: PLANNING AND ECONOMIC
DEVELOPMENT TO ACTION)**

MAYORAL COMMITTEE MEETING: 2016-03-23: ITEM 5.1.1**RESOLVED**

that the Concept Plan on the Vlottenburg Village Development be submitted to the Council meeting scheduled for 2016-03-30 for information.

RECOMMENDED BY THE EXECUTIVE MAYOR

- (a) that Delegation be granted to the Director: Planning and Economic Development to submit comment on environmental authorization applications to the competent authority in instances where no substantive objections were received to the proposal and to the Planning and Economic Development Committee in instances where substantive objections were raised;
- (b) that the above comment be submitted in response to the invitation for comments on the Draft Environmental Impact Report for the proposed Vlottenburg Village Development submitted in the terms of the National Environmental Management Act, 107 of 1998;
- (c) that Council be informed of any administrative comments, decisions and outcomes on the matter on a quarterly basis until concluded.

**(DIRECTOR: PLANNING AND ECONOMIC
DEVELOPMENT TO ACTION)**

**FURTHER COMMENTS BY THE DIRECTOR: PLANNING AND ECONOMIC
DEVELOPMENT**

Subsequent to the Mayoral Committee resolution above, the Concept Plan on the Vlottenburg Village Development is hereby attached as **APPENDIX 1**.

FOR CONSIDERATION

**(DIRECTOR: PLANNING AND ECONOMIC
DEVELOPMENT TO ACTION)**

39TH COUNCIL MEETING: 2016-03-30: ITEM 8.5**RESOLVED (nem con)**

- (a) that the Delegation be granted to the Director: Planning and Economic Development to submit comment on environmental authorization application;
- (b) that Council does not support the proposed Vlottenburg Village development.

**(DIRECTOR: PLANNING AND ECONOMIC
DEVELOPMENT TO ACTION)**

8.6 STELLENBOSCH RIVER COLLABORATIVE

File number : 8/1/1 Engineering Services

Compiled by : Manager: Transport, Roads and Stormwater

Report by : Acting Director: Engineering Services

Delegated Authority : Council

Strategic intent of item

Preferred investment destination	<input checked="" type="checkbox"/>
Greenest municipality	<input checked="" type="checkbox"/>
Safest valley	<input type="checkbox"/>
Dignified Living	<input type="checkbox"/>
Good Governance	<input checked="" type="checkbox"/>

1. PURPOSE OF REPORT

For Council to note the existence of the Stellenbosch River Collaborative and to commit to participate in this initiative.

2. BACKGROUND

The condition of the Plankenbrug River is of serious concern and will lead to environmental and health risks for the community. The river is highly polluted by industrial run-off, raw sewerage, polluted stormwater and solid waste. As a landowner and a Local Authority the Municipality has the responsibility to intervene and remedy the situation.

Mrs Charon Marais, a Stellenbosch University student from the Business School, is studying governance of complex societal systems and how governance approaches can integrate with local ecology from a system perspective as part of her doctorate thesis. Her research forms part of the Sustainable Stellenbosch Initiative doctorate programme with TsamaHUB at the School of Public Leadership partnering with the Sustainability Institute.

Her research is action-based, participating with influencers and decision-makers across sectors on different scales to develop a collective understanding about deteriorating condition of the Plankenbrug River and the inability of all spheres of Government to address the problem as her field of study. Through this process a workgroup was formed that later became known as the Stellenbosch River Collaborative (SRC). The SRC approaches these issues in partnership to improve governance approaches through improved relationships.

The purpose of this group is: The Stellenbosch River Collaborative is a collaborative of like-minded organisations and people concerned about the deteriorating water quality and riverine environment of the rivers in the Eerste River catchment. As stewards of this space the Directorate's aim is to develop a collaborative governance response to the water quality issues and the environment in the catchment. Guided by this long-term view, this Directorate will investigate and implement agreed actions and adopt a "learning by doing" approach to meet the action orientation of the group.

The SRC has compiled a Terms of Reference (TOR) (**APPENDIX 1**). The TOR dictates the purpose, mandate, composition, functions, responsibilities and administrative functioning of the SRC

During the past year, the collaborative has had numerous engagements and successes i.e.:

- Developing a community of practice by forcing relationships between the relevant Government Departments and various sector departments;
- Learning journey with WWF and DUCT in Howick, and learn more about eco-champion system and street theatre education in mPopomeni informal settlement, various education and awareness initiatives to monitor Duzi-Umgeni pollution and work with governance agencies;
- Learning journey in Kayamandi and Enkanini with Kim Kieser, visitor guest of SUWI, to learn more about the Jukskei River initiative.
- Forced partnerships with Livinglands, Wildlands and Isidima
Projects underway to address pollution challenges in Kayamandi/Enkanini and the Plankenbrug River are:
 - Plankenbrug Restorer project
 - Alien-clearing
 - Rehabilitation of the water-quality
 - Monitoring of sources of water pollution
 - River restoration
 - Eco-awards in collaboration with the Municipality

3. DISCUSSION

This initiative is in line with Council's strategic goals of:

- Dignified living
- Greenest Valley
- Safest Valley
- Preferred invest destination

The SRC has been formulated as such that projects can be done by the individual parties and/or by groups of organizations. The municipality is therefore not obliged to partake in any project should it not be priority for the municipality. It was discussed that all projects that will take place on Council owned land will be submitted to the Municipality for approval.

This initiative is supported. In order to build on the success of this group it is important to involve all roleplayers in the municipality to ensure that projects are planned in an integrated approach.

4. BENEFITS

The benefits for Council to partake in this initiative can be summarized in the following key points:

- Foster community participation
- Integrated planning between all stakeholders
- Action led involvements

- Shared resources
- Potential external resources
- Links to Million Trees project
- In line with Councils strategic goals

5. COMMENTS FROM OTHER RELEVANT DEPARTMENTS

5.1 Director Corporate and Strategic Services – Legal (Elizabeth Williams)

Item is supported. Thought the municipality is not obligated to participate, due consideration ought to be given to various funding options for the projects listed in point 2 and that the municipality apply for same if it did not do so to date for possible job creation. It is furthermore recommended that a representative from the LED section be nominated to partake in this Collaborative. It is imperative that if the projects are implemented and the municipality obtain funding that there is adherence to the legislative framework and that the process is open and transparent.

5.2 Finance Department

Finance supports the item. Implementation is budget dependent.

5.3 Director Public Safety and Community Services (Gerald Esau)

Community & Protection Services supports the item. Note should be taken that the Department Community Services will be a partner in the Collaborative and will be able to support projects with resources available to their disposal

5.4 Directorate: Human Settlements & Property Management (Piet Smit)

The recommendations contained are supported.

RECOMMENDED

- (a) that the Municipality participate in the Stellenbosch River Collaborative;
- (b) that the Municipal Manager assigns representatives of the following Departments to the Collaborative:
 - Community Services
 - Housing
 - Transport, Roads and Stormwater
 - Water and Waste Water
 - Spatial Planning, Heritage and Environment; and
- (c) that all projects that will take place on Council owned land be submitted to the Municipal Manager for consideration in terms of delegated authority.

(ACTING DIRECTOR: ENGINEERING SERVICES TO ACTION)

**ENGINEERING SERVICES AND HUMAN SETTLEMENTS COMMITTEE MEETING:
2016-03-02: ITEM 6.1.1****RECOMMENDED**

- (a) that the Municipality participate in the Stellenbosch River Collaborative;
- (b) that the Municipal Manager assigns representatives of the following Departments to the Collaborative:
 - Community Services
 - Housing
 - Transport, Roads and Stormwater
 - Water and Waste Water
 - Spatial Planning, Heritage and Environment; and
- (c) that all projects that will take place on Council owned land be submitted to the Municipal Manager for consideration in terms of delegated authority.

(ACTING DIRECTOR: ENGINEERING SERVICES TO ACTION)

MAYORAL COMMITTEE MEETING: 2016-03-23: ITEM 5.1.3**RECOMMENDED BY THE EXECUTIVE MAYOR**

- (a) that the Municipality participate in the Stellenbosch River Collaborative;
- (b) that the Municipal Manager assigns representatives of the following Departments to the Collaborative:
 - Community Services
 - Housing
 - Transport, Roads and Stormwater
 - Water and Waste Water
 - Spatial Planning, Heritage and Environment; and
- (c) that all projects that will take place on Council owned land be submitted to the Municipal Manager for consideration in terms of delegated authority.

(ACTING DIRECTOR: ENGINEERING SERVICES TO ACTION)

39TH COUNCIL MEETING: 2016-03-30: ITEM 8.6

After deliberations, the Speaker **RULED**

that this matter be referred back to allow the Municipal Manager to provide further clarifying input, whereafter same be resubmitted at the next meeting of Council scheduled for April 2016.

(ACTING DIRECTOR: ENGINEERING SERVICES TO ACTION)

8.7 PREFERENTIAL PROCUREMENT POLICY

File number : 6/4/3
Report by : Chief Financial Officer
Compiled by : Chief Financial Officer
Delegated authority : Council

Strategic intent of item:

Preferred investment destination	<input type="checkbox"/>
Greenest municipality	<input type="checkbox"/>
Safest valley	<input type="checkbox"/>
Dignified Living	<input type="checkbox"/>
Good Governance	<input checked="" type="checkbox"/>

1. PURPOSE OF REPORT

To inform Council of a draft Preferential Procurement Policy (**APPENDIX 1**).

2. DISCUSSION

The draft policy will form part of the Draft Budget Related policies for public comment to serve before Council in April and for Council's final approval at the Council meeting at the end of May 2016.

RECOMMENDED

that Council note this report.

(CHIEF FINANCIAL OFFICER TO ACTION)

**FINANCE AND STRATEGIC AND CORPORATE SERVICES COMMITTEE:
2016-03-08: ITEM 6.1.2**

RECOMMENDED

that Council note this report.

(CHIEF FINANCIAL OFFICER TO ACTION)

MAYORAL COMMITTEE MEETING: 2016-03-23: ITEM 5.1.7

RECOMMENDED BY THE EXECUTIVE MAYOR

that the report on the Preferential Procurement Policy, be noted.

(CHIEF FINANCIAL OFFICER TO ACTION)

39TH COUNCIL MEETING: 2016-03-30: ITEM 8.7

RESOLVED (nem con)

that the report on the Preferential Procurement Policy, be noted.

(CHIEF FINANCIAL OFFICER TO ACTION)

9. CONSIDERATION OF NOTICES OF QUESTIONS AND NOTICES OF MOTIONS RECEIVED BY THE SPEAKER**9.1 MOTION BY COUNCILLOR F ADAMS: REQUEST FOR HONORARY CITIZENSHIP**

File number : 3/4/1/4

Report by : Office of the Speaker

Compiled by : Office of the Speaker

Delegated Authority : Council

A Notice of a Motion, dated 2016-03-10 was received from Councillor F Adams regarding a request for honorary citizenship.

The said Motion is attached as **APPENDIX 1**.

FOR CONSIDERATION**39TH COUNCIL MEETING: 2016-03-30: ITEM 9.1**

The Speaker allowed Councillor F Adams to put his Motion, duly seconded. After the Motion was motivated, the Speaker allowed debate on the matter.

The Speaker **RULED**

that this matter be referred to the existing Advisory Panel whereafter the Mayor will report back at the next Council meeting scheduled for April 2016.

**(DIRECTOR: STRATEGIC AND CORPORATE
SERVICES TO ACTION)**

9.2 MOTION BY COUNCILLOR F ADAMS: DEBATE THAT FOCUS ON RACISM, DISCRIMINATION AND XENOPHOBIA WITHIN THE GREATER STELLENBOSCH

File number : 3/4/1/4
Report by : Office of the Speaker
Compiled by : Office of the Speaker
Delegated Authority : Council

A Notice of a Motion, dated 2016-03-10 was received from Councillor F Adams regarding a debate that focus on racism, discrimination and xenophobia within the Greater Stellenbosch.

The said Motion is attached as **APPENDIX 1**.

FOR CONSIDERATION**39TH COUNCIL MEETING: 2016-03-30: ITEM 9.2**

The Speaker allowed Councillor F Adams to put his Motion, duly seconded. After the Motion was motivated, the Speaker allowed debate on the matter.

RESOLVED (nem con)

that a Workshop be held to formulate a stance on racism, discrimination and xenophobia.

**(DIRECTOR: STRATEGIC AND CORPORATE
SERVICES TO ACTION)**

10. CONSIDERATION OF MOTIONS OF EXIGENCY

NONE

11. MATTERS FOR INFORMATION**11.1 REPORT BY THE EXECUTIVE MAYOR ON DECISIONS TAKEN BY THE MAYORAL
COMMITTEE AND STANDING COMMITTEES FOR THE PERIOD MARCH 2016
(3/5/2/5)**

NONE

**11.2 DECISIONS TAKEN IN TERMS OF DELEGATED AUTHORITY BY THE EXECUTIVE
MAYOR FOR THE PERIOD MARCH 2016**

NONE

12. OTHER URGENT MATTERS SUBMITTED BY THE MUNICIPAL MANAGER

NONE

13. CONSIDERATION OF REPORTS SUBMITTED BY THE SPEAKER**13.1 REPORT ON DISCIPLINARY HEARINGS****13.1.1 INVESTIGATION INTO ALLEGATION OF BREACH OF THE CODE OF CONDUCT FOR COUNCILLORS: COUNCILLOR F ADAMS***File number* : 3/6/4*Compiled by* : Admin Officer: Office of the Speaker*Report by* : Speaker*Delegated Authority* : Council**Strategic intent of item**

Preferred investment destination	<input type="checkbox"/>
Greenest municipality	<input type="checkbox"/>
Safest valley	<input type="checkbox"/>
Dignified Living	<input type="checkbox"/>
Good Governance	<input checked="" type="checkbox"/>

1. PURPOSE OF REPORT

To report to Council on the outcome of an investigation done by an external investigator, Ald A Coetsee from SALGA on allegations received against Clr F Adams.

2. BACKGROUND

At the Council meeting held on 25 February 2015 the Speaker requested Clr Adams to leave the Council Chambers according to item 27.1 and 2 of the Stellenbosch Municipality Rules of Order By-Law which states that:

“27. IRRELEVANCE, TEDIOUS REPETITION, UNBECOMING LANGUAGE OR BEHAVIOR AND BREACH OF ORDER

27.1 The Speaker must call the attention of the member to irrelevant, tedious repetition, unbecoming language or behaviour or any breach of order on the part of a member, and shall direct such member, if speaking, to discontinue his/her speech until the member has come to order. Such direction shall be regarded as a warning. Upon 2 warnings, of which the second warning will be final, during the deliberations of the Council meeting, the provisions of rule 28 shall apply and the Speaker may decide to take disciplinary action against such member in terms of the Code of Conduct for Councillors.

27.2 The Speaker shall direct a member to apologise or withdraw an allegation if it is unbecoming or injures or impairs the dignity or honour of a member or officer of the Council.”

Councilor Adams refused to leave the Council Chambers and the Speaker relied on item 28.1 of the Stellenbosch Municipality Rules of Order By-Law to remove Clr Adams from the Council Chambers. Item 28.1 state that:

“28. REMOVAL OR EXCLUSION OF COUNCILLOR

28.1 If a member refuses to comply with a direction in terms of rule 27, the Speaker may direct an officer to remove the member or to cause his/ her removal and to take steps to prevent his / her return to the meeting, provided that the Speaker may, in his / her sole and absolute discretion, permit the return of the member to the meeting on the submission by the said member to the Speaker of a written expression of regret, such expression of regret must be part of the minutes of the meeting.”

On 04 March 2015 the Speaker wrote to Clr Adams to inform him of the alleged breach. The letter was hand delivered by Law Enforcement officers but Clr Adams refuses to accept it. The Law Enforcement officers made a statement and affidavit to the refusal of acceptance by Clr Adams.

On 12 March 2015 the same letter were send to Clr Adams by registered post but the addressee never collect the registered letter and it was returned. All the above documents are attached.

3. DISCUSSION

Section 13 of the Code of Conduct for Councilors prescribes that:

“13. Duty of chairpersons of municipal councils

- (1) *If the chairperson of a municipal council, on reasonable suspicion, is of the opinion that a provision of this Code has been breached, the chairperson must-(a) authorise an investigation of the facts and circumstances of the alleged breach;*
- (b) *give the councilor a reasonable opportunity to reply in writing regarding the alleged breach; and*
- (c) *report the matter to a meeting of the municipal council after paragraphs (a) and (b) have been complied with.*
- (2) *A report in terms of subitem (1) (c) is open to the public.”*

An investigation into the facts and circumstances of the alleged breach was done by Ald A Coetsee. The legal opinion is attached hereto as **APPENDIX 2** and he advise that the matter be referred to a disciplinary committee to be dealt with.

RECOMMENDED

- (a) that Council take note of the advice from Ald A Coetsee: and
- (b) that this matter be referred to the Disciplinary Committee to be dealt with.

(OFFICE OF THE SPEAKER TO ACTION)

36TH COUNCIL MEETING: 2015-11-28: ITEM 13.1.1

Before debate on the matter, the Speaker requested Councillor F Adams to recuse himself for the duration of the matter, as he is implicated in the matter. Councillor F Adams then left the Chamber during discussion on the matter.

The Senior Legal Advisor, Ms Elizabeth Williams raised her concern that the item was not distributed to her for legal input. The Speaker responded that, according to legislation, the issue of disciplinary hearings resort under him. When a matter is brought to his attention he must consider whether or not there is reasonable suspicion to proceed with an investigation.

RESOLVED (majority vote)

- (a) that Council take note of the advice from Ald A Coetsee: and
- (b) that this matter be referred to the Disciplinary Committee to be dealt with.

The following Councillors requested that their votes of dissent be minuted:

Councillors JA Davids; DA Hendrickse; S Jooste (Ms); C Moses (Ms); RS Nalumango (Ms); MM Ngcofe; N Ntsunguzi (Ms); L Ronoti; P Sitshoti (Ms); LN Siwakamisa (Ms) and AT van der Walt.

(OFFICE OF THE SPEAKER TO ACTION)**FURTHER DISCUSSION: DISCIPLINARY HEARING HELD ON 16 MARCH 2016**

On 16 February 2016 the Speaker gave notice of a disciplinary hearing to Clr Adams.

Officials try to serve the notice on him on but he refuse to accept it. On 24 February 2016 the said notice was again served on Clr Adams which he then accepted and signed for.

On 26 February 2016 Clr Adams sent an email to the Speaker informing him that he won't attend the hearing as scheduled **APPENDIX 1**.

The Speaker respond to him by email on 02 March 2016 that the hearing will go ahead as scheduled and that he have to attend **APPENDIX 2**.

At the start of the disciplinary hearing Clr Adams was not in attendance and the Disciplinary Committee decided that the hearing will go ahead in the absence of the Councillor.

The charge sheet is attached hereto as **APPENDIX 3**.

The Code of Conduct for Councillors section 2 state that:

*"2. General conduct of councillors
A councillor must-*

- (a) *perform the functions of office in good faith, honestly and a transparent manner; and*

- (b) *at all times act in the best interest of the municipality and in such a way that the credibility and integrity of the municipality are not compromised.*"

The Disciplinary Committee considered all evidence presented to it and found that Clr Adams indeed breach the said Code.

The Code of Conduct for Councillors section 14(2) state that:

"14. Breaches of Code

- (2) *If the council or a special committee finds that a councillor has breached a provision of this Code, the council may-*
- (a) *issue a formal warning to the councillor;*
 - (b) *reprimand the councillor;*
 - (c) *request the MEC for local government in the province to suspend the councillor for a period;*
 - (d) *fine the councillor; and*
 - (e) *request the MEC to remove the councillor from office."*

The Disciplinary Committee found Clr Adams guilty and recommended that he must be fined with one month's net salary payable/deductible over a two month period.

RECOMMENDED

- (a) that Clr Adams is guilty as charged
- (b) that a fine of one month's net salary be deducted from the Councillor payable over a consecutive two month period; and
- (c) that the administration be mandated to deduct 50% of net salary from his April 2016 salary and 50% from his May 2016 salary.

39TH COUNCIL MEETING: 2016-03-30: ITEM 13.1.1

Before the matter was debated, the Speaker requested Councillor F Adams to recuse himself, as he is implicated in the matter.

RESOLVED (majority vote with abstentions)

- (a) that Councillor F Adams is guilty as charged;
- (b) that a fine of one month's net salary be deducted from the Councillor payable over a consecutive two month period; and
- (d) that the Administration be mandated to deduct 50% of net salary from his April 2016 salary and 50% from his May 2016 salary.

(OFFICE OF THE SPEAKER TO ACTION)

13.1.2 INVESTIGATION INTO ALLEGATION OF BREACH OF THE CODE OF CONDUCT FOR COUNCILLORS: COUNCILLOR DD JOUBERT

File number : 3/6/4
Compiled by : Admin Officer: Office of the Speaker
Report by : Speaker
Delegated Authority : Council

Strategic intent of item

Preferred investment destination	<input type="checkbox"/>
Greenest municipality	<input type="checkbox"/>
Safest valley	<input type="checkbox"/>
Dignified Living	<input type="checkbox"/>
Good Governance	<input checked="" type="checkbox"/>

1. PURPOSE OF REPORT

To report to Council on the outcome of an investigation done by an external investigator, Ald A Coetsee from SALGA on allegations received against Clr DD Joubert.

2. BACKGROUND

The Speaker received a memorandum with appendices dated 13 May 2015 from the Municipal Manager in which she alleged that Clr DD Joubert interfere in the supply chain processes. On the 25th of May 2015 the Speaker wrote to Clr Joubert, informing him of the alleged breach and also afforded him the opportunity to reply on the alleged breach to which the Councillor replied per email on 01 June 2015.

It is alleged that the Councillor contravened Item 11 of the Code of Conduct for Councillor as well as Item 118 of the Municipal Finance Management Act, No 56 of 2003 which state that:

“11. Intervention in administration

A councillor may not, except as provided by law-

- (a) interfere in the management or administration of any department of the municipal council unless mandated by council;*
- (b) give or purport to give any instruction to any employee of the council except when authorised to do so;*
- (c) obstruct or attempt to obstruct the implementation of any decision of the council or a committee by an employee of the council; or*

- (d) *encourage or participate in any conduct which would cause or contribute to maladministration in the council”.*

“Interference

118. No person may—

- (a) *interfere with the supply chain management system of a municipality or municipal entity; or*
- (b) *amend or tamper with any tenders, quotations, contracts or bids after their submission.”*

3. DISCUSSION

Section 13 of the Code of Conduct for Councillors prescribes that:

“13. Duty of chairpersons of municipal councils

- (1) *If the chairperson of a municipal council, on reasonable suspicion, is of the opinion that a provision of this Code has been breached, the chairperson must-*
- (a) *authorise an investigation of the facts and circumstances of the alleged breach;*
- (b) *give the councilor a reasonable opportunity to reply in writing regarding the alleged breach; and*
- (c) *report the matter to a meeting of the municipal council after paragraphs (a) and (b) have been complied with.*
- (2) *A report in terms of subitem (1) (c) is open to the public.”*

An investigation into the facts and circumstances of the alleged breach was done by Mr. Coetsee. The matter has been referred to the disciplinary committee to hear evidence and to afford Clr Joubert an opportunity to prove his innocence.

RECOMMENDED

- (a) that Council take note of the advice from Mr. Coetsee; and
- (b) that this matter be referred to the Disciplinary Committee to be dealt with.

(OFFICE OF THE SPEAKER TO ACTION)

36TH COUNCIL MEETING: 2015-11-28: ITEM 13.1.2

Before debate on the matter, the Speaker requested Councillor DD Joubert to recuse himself for the duration of the matter, as he is implicated in the matter. Councillor DD Joubert then left the Chamber during discussion on the matter.

RESOLVED (majority vote)

- (a) that Council take note of the advice from Mr. Coetsee; and
- (b) that this matter be referred to the Disciplinary Committee to be dealt with.

The following Councillors requested that their votes of dissent be minuted:

Councillors F Adams; JA Davids; DA Hendrickse; S Jooste (Ms); C Moses (Ms); RS Nalumango (Ms); MM Ngcofe; N Ntsunguzi (Ms); L Ronoti; P Sitshoti (Ms); LN Siwakamisa (Ms) and AT van der Walt.

(OFFICE OF THE SPEAKER TO ACTION)**FURTHER DISCUSSION: DISCIPLINARY HEARING HELD ON 11 MARCH 2016**

The disciplinary hearing was held on 11 March 2016 **APPENDIX 1**. The Disciplinary Committee considered all evidence presented to it but due to a lack of substantial evidence the Disciplinary Committee found Clr Joubert not guilty of the alleged breach.

RECOMMENDED

- (a) that Councillor DD Joubert is not guilty of the alleged breach

(OFFICE OF THE SPEAKER TO ACTION)**39TH COUNCIL MEETING: 2016-03-30: ITEM 13.1.2**

Before the matter was debated, the Speaker requested Councillor DD Joubert to recuse himself, as he is implicated in the matter.

RESOLVED (majority vote with abstentions)

that Councillor DD Joubert is not guilty of the alleged breach

(OFFICE OF THE SPEAKER TO ACTION)

13.1.3 INVESTIGATION INTO ALLEGATION OF BREACH OF THE CODE OF CONDUCT FOR COUNCILLORS: COUNCILLOR DA HENDRICKSE

File number : 3/6/4
Compiled by : Admin Officer: Office of the Speaker
Report by : Speaker
Delegated Authority : Council

Strategic intent of item

Preferred investment destination	<input type="checkbox"/>
Greenest municipality	<input type="checkbox"/>
Safest valley	<input type="checkbox"/>
Dignified Living	<input type="checkbox"/>
Good Governance	<input checked="" type="checkbox"/>

1. PURPOSE OF REPORT

To report and seek Council's approval, that a previous investigation against Cllr DA Hendrickse be re-opened.

2. BACKGROUND

A disciplinary hearing against Councillor DA Hendrickse was held on 3 August 2015 and 14 September 2015 where a finding of not guilty on a **technicality but not on the merit** of the case were impose.

On 22 October 2015 the Speaker wrote to Councillor Hendrickse informing him of the alleged breach. On 27 October 2015 Councillor Hendrickse responded per email on the alleged breach, send to different persons but the Councillor never address or make no reference to the alleged breach.

The allegations against Councillor DA Hendrickse is that he breached the Code of Conduct for Councillors, Section 3 in that he failed to attend the Community and Protection Services Committee meetings of which he is a member.

Section 3 of the Code of Conduct for Councillors state that:

"3. Attendance at meetings.

A councillor must attend each meeting of the municipal council and of a committee of which that councillor is a member, except when

- (a) leave of absence is granted in terms of an applicable law or as determined by the rules and orders of the council; or*
- (b) that councillor is required in terms of this Code to withdraw from the meeting."*

Attached hereto, as, is the attendance registers for the Community and Protection Services committee.

3. DISCUSSION

Section 13 Of the Code of Conduct for Councillors prescribe that:

“13. Duty of chairpersons of municipal councils

- (1) *If the chairperson of a municipal council, on reasonable suspicion, is of the opinion that a provision of this Code has been breached, the chairperson must-*
 - (a) *authorise an investigation of the facts and circumstances of the alleged breach;*
 - (b) *give the councillor a reasonable opportunity to reply in writing regarding the alleged breach; and*
 - (c) *report the matter to a meeting of the municipal council after paragraphs (a) and (b) have been complied with.*
- (2) *A report in terms of subitem (1) (c) is open to the public.”*

An investigation into the facts and circumstances of the alleged breach was done by Mr A Coetsee from SALGA. The legal opinion is attached hereto and he advise that if Clr Hendrickse did not resign or was remove by Council from said committee, further disciplinary steps should be taken against the Councillor.

Further to the above it is advisable that the Disciplinary Committee who handled the previous hearing (03-08-15 & 14-09-15) be replace by a new committee, approved by Council, to preside over this hearing.

Section14 of the Code of Conduct prescribe that:

“14. Breaches of Code.

- (1) *A municipal council may*
 - (a) *investigate and make a finding on any alleged breach of a provision of this Code; or*
 - (b) *establish a special committee:*
 - (i) *to investigate and make a finding on any alleged breach of this Code; and*
 - (ii) *to make appropriate recommendations to the council.”*

Section 4 of the Code of Conduct state that:

“4. Sanctions for non-attendance of meetings

- (1) *A municipal council may impose a fine as determined by the standing rules and orders of the municipal council on a councillor for:*
 - (a) *not attending a meeting which that councillor is required to attend in terms of item 3; or*

- (b) *failing to remain in attendance at such a meeting.*
- (2) *A councillor who is absent from three or more consecutive meetings of a municipal council, or from three or more consecutive meetings of a committee, which that councillor is required to attend in terms of item 3, must be removed from office as a councillor.*
- (3) *Proceedings for the imposition of a fine or the removal of a councillor must be conducted in accordance with a uniform standing procedure which each municipal council must adopt for the purposes of this item. The uniform standing procedure must comply with the rules of natural justice."*

RECOMMENDED

- (a) that Council elect a new Disciplinary Committee to preside over this hearing;
- (b) that after the new Disciplinary Committee report their finding to Council, said Committee be dissolved;
- (c) that Council approve that the Disciplinary Committee investigate and make a finding if the Code of Conduct was breached; and
- (d) that the Disciplinary Committee report back to Council on the outcome of the investigation and the finding.

(OFFICE OF THE SPEAKER TO ACTION)**36TH COUNCIL MEETING: 2015-11-28: ITEM 13.1.5**

Before debate on the matter, the Speaker requested Councillor DA Hendrickse to recuse himself for the duration of the matter, as he is implicated in the matter. Councillor DA Hendrickse then left the Chamber during discussion on the matter.

RESOLVED (majority vote)

- (a) that Council elect a new Disciplinary Committee to preside over this hearing;
- (b) that after the new Disciplinary Committee report their finding to Council, said Committee be dissolved;
- (c) that Council approve that the Disciplinary Committee investigate and make a finding if the Code of Conduct was breached; and
- (d) that the Disciplinary Committee report back to Council on the outcome of the investigation and the finding.

The following Councillors requested that their votes of dissent be minuted:

Councillors F Adams; JA Davids; S Jooste (Ms); C Moses (Ms); RS Nalumango (Ms); MM Ngcofe; N Ntsunguzi (Ms); L Ronoti; P Sitshoti (Ms); LN Siwakamisa (Ms) and AT van der Walt.

(OFFICE OF THE SPEAKER TO ACTION)

FURTHER DISCUSSION: DISCIPLINARY HEARING HELD ON 07 MARCH 2016

The disciplinary hearing was held on 07 March 2016. Attached as per **APPENDIX 1** is the charge sheet. Although Clr Hendrickse was in attendance at the start of the hearing he left early on his own accord, as he believed that he won't get a fair trial. The Disciplinary committee decided to go ahead with the hearing in the absence of Clr Hendrickse.

The finding of the Disciplinary committee was as follows.

Charge 1:

Absent without leave, Community and Protection Services meeting 09 April 2014:
Guilty.

Charge 2:

Absent without leave, Community and Protection Services meeting 14 May 2014:
Guilty.

Charge 3:

Absent without leave, Community and Protection Services meeting 11 June 2014:
Guilty.

Section 4(2) of the Code of Conduct for Councillors state that:

"4. Sanctions for non-attendance of meetings

(2) A councillor who is absent from three or more consecutive meetings of a municipal council, or from three or more consecutive meetings of a committee, which that councillor is required to attend in terms of item 3, must be removed from office as a councillor."

After all evidence presented to the Disciplinary Committee was considered, the said committee recommended that Clr Hendrickse are indeed guilty as charged and that he must be removed from office as a Councillor.

RECOMMENDED

- (a) that Councillor D Hendrickse are guilty on the three counts as charged
- (b) that Councillor D Hendrickse be removed from office as prescribe by the Code of Conduct for Councillors Section 4(2) and
- (c) that the matter be reported to the provincial MEC for Local Government.

39TH COUNCIL MEETING: 2016-03-30: ITEM 13.1.3**RESOLVED** (majority vote with abstentions)

- (a) that Councillor D Hendrickse is guilty on the three counts as charged;

- (b) that Councillor D Hendrickse be removed from office as prescribed by the Code of Conduct for Councillors Section 4(2); and
- (c) that the matter be reported to the provincial MEC for Local Government in order for the MEC to finalise the disciplinary process in terms of Section 14(2) of the Code of Conduct for Councillors".

(OFFICE OF THE SPEAKER TO ACTION)

13.2 CONSIDERATION OF REPORTS SUBMITTED BY THE EXECUTIVE MAYOR

NONE

14. MATTERS TO BE CONSIDERED IN-COMMITTEE

NONE

Meeting adjourned at 23:15.

CONFIRMED

CHAIRPERSON

(Signature & date)

