

ANNUAL REPORT OVERSIGHT REPORT 2019/20

This Oversight Report is based on the Annual Report 2019/20 and is drafted and submitted in accordance with the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003)



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1. INTRODUCTION

The annual report is one of the key instruments of transparent governance and accountability. It is a post-financial year document which provides an overview of the process of financial and non-financial performance in respect of the previous financial year, which in this instance relates to the 2019/20 financial year. The tabling and adoption of the annual report is a legislative requirement in terms of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA).

1.1 PURPOSE

The purpose of this report is to present to Council for adoption, the Annual Report 2019/20 as well as the Oversight Report on the Annual Report 2019/20 as required in terms of Section 129 of the MFMA.

2. ANNUAL REPORT 2019/20

2.1 LEGAL FRAMEWORK

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

121. Preparation and adoption of annual reports.

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

127. Submission and tabling of annual reports

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

129. Oversight reports on annual reports.

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

2.2 COMPONENTS OF THE ANNUAL REPORT

The format of the Annual Report 2019/20 is based on the annual report template issued by National Treasury in terms of the MFMA Circular 63 of 2012, which differs significantly from the Annual Report Guidelines (MFMA Circular 11) issued by National Treasury in 2005.

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



3. ANNUAL REPORT 2019/20 CONSULTATION AND ADOPTION PROCESS

3.1 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

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

The schedule of MPAC meetings was presented in Council on **31 March 2021** and published on the Municipal Website and in the local newspaper. As required by the MFMA, the Municipal Manager attended the Council Meeting where the Annual Report 2019/20 was tabled (31 March 2021) to be released for public comment as well as the MPAC Meeting to answer questions posed by MPAC Members and to respond to written and oral representations from the community.

Two members of the community were also co-opted to assist with the oversight process.

The attendance of MPAC members for the purpose of compiling the Oversight Report is recorded as follows:

TABLE 3:1: MPAC MEETING ATTENDANCE

| Name | MPAC Meetings | | | | | | | |
|---|---------------|---------------|--------------------------------|---------------|---------------|-----------------------------|-------------|-------------|
| | 09 April 2021 | 13 April 2021 | 15 April 2021 (Public Hearing) | 20 April 2021 | 22 April 2021 | 29 April 2021 (Site Visits) | 03 May 2021 | 07 May 2021 |
| Cllr Wilfred Pietersen (MPAC Chairperson) | 😊 | 😊 | 😊 | 😊 | 😊 | 😊 | 😊 | 😊 |
| Cllr Malcolm Johnson (MPAC Member) | 😊 | 😊 | 😊 | 😊 | 😊 | 😞 | 😞 | 😞 |
| Cllr Siegfried Schäfer (MPAC Member) | 😊 | 😊 | 😊 | 😊 | 😞 | 😞 | 😊 | 😊 |
| Cllr Nokuthula Gugushe (MPAC Member) | 😊 | 😊 | 😊 | 😊 | 😞 | 😊 | 😊 | 😊 |
| Cllr Emily Fredericks (MPAC Member) | 😊 | 😊 | 😊 | 😊 | 😊 | 😊 | 😊 | 😊 |
| Irmela Alberts (Co-opted Member) | 😊 | 😊 | 😊 | 😊 | 😊 | 😊 | 😊 | 😊 |
| Jacobus Davids (Co-opted Member) | 😊 | 😊 | 😊 | 😊 | 😊 | 😊 | 😊 | 😊 |

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

3.2 ADOPTION AND PUBLIC CONSULTATION PROCESS

The Annual Report 2019/20 was tabled to Council on 31 March 2021 in accordance with the MFMA, which requires under Section 127(2) that:

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

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

- The Annual Financial Statements as submitted to the AGSA (Section 121(3)(a));
- the AGSA's audit report in terms of section 126(3) on those financial statements (Section 121(3)(b));



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

The Minister of Finance issued a Ministerial Exemption in terms of section 177(1)(b) of the MFMA on 05 August 2020, exempting municipalities and municipal entities from submitting their annual financial statements and related reports for auditing at the end of August 2020. The notice allowed for a two-month delay in the submission of Annual Financial Statements, Annual Reports, Audit opinions, and oversight reports. Hence, the reason why the Draft Annual Report 2019/20 was submitted to Council on 31 March 2021, and not within 7 months (January each year) after the end of the financial year, as normally required.

It must, therefore, be noted that the AGSA commenced with its audit later than usual. As a result, the AGSA has not yet concluded on its audit of the Annual Financial Statements 2019/20 and the Annual Performance Report 2019/20 of the municipality. The municipality is therefore not in a position to fully comply with Section 121(3)(d) and (g) of the MFMA. For this reason, the municipality will have to follow the process and procedure forthright as prescribed in terms of Section 133 of the MFMA.

The Draft Annual Report 2019/20 was made public on the Municipal Website within five (5) days and within seven (7) days in the local newspaper after it was approved by Council on 31 March 2021. In addition, the Annual Report 2019/20 was also made available at all Municipal Libraries and other identified offices where the public could access the report.

Members of the community and other stakeholders were invited to submit written comments/inputs on the Draft Annual Report 2019/20. The community and other stakeholders were also invited to attend the public hearing which was held on **15 April 2021** to present the MPAC with any oral or written inputs on the Draft Annual Report 2019/20.

The Draft Annual Report 2019/20 was furthermore submitted in terms of Section 127(5)(b) to the Auditor General of South Africa (AGSA), Provincial Treasury (Western Cape) and the Department of Local Government (Western Cape).

The closing date for public comments was on 29 April 2021. No written submissions from the public were received.

The Provincial Treasury: Western Cape submitted written comments on the Draft Annual Report 2019/20 on 29 April 2021. These comments were tabled on considered by the MPAC on 03 May 2021.

3.3 MATTERS DISCUSSED BY THE MPAC

The MPAC Members discussed the Draft Annual Report 2019/20 in detail. The Municipal Manager, Directors and Senior Managers attended the MPAC meetings and provided the MPAC Members with constructive feedback on all matters raised.

The MPAC focused on various matters reported on in the Draft Annual Report 2019/20. In particular, **financial sustainability** of the municipality was an important focus area during discussions. In particular, the impact of the COVID-19 pandemic.



Safety and security and the municipality's response to these issues were also discussed at length. The MPAC submitted various inputs which the municipality could consider to enhance safety and security in the Stellenbosch Municipal Area. The partnership with the various stakeholders in this regard were also discussed in detail.

Local economic development initiatives implemented by the municipality in the 2019/20 financial year were well praised by the MPAC Members. However, the MPAC noted that much still needs to be done and that all stakeholders should participate to facilitate the enabling environment as created by the Municipality.

The MPAC Members also paid particular attention to the **biodiversity** aspect reported on the Draft Annual Report 2019/20. The efforts of the Municipality in this regard give effects to its Strategic Focus Area (SFA), **Green and Sustainable Development**.

The management of **human resources** and the vacancy rates in the various directorates were discussed at length. The MPAC expressed particular concerns with the vacancy rates the service departments. The municipality assured the MPAC that optimum staffing levels are being attended to and that the critical vacancy list is frequently being reviewed to ensure staff is being appointed where needed the most. The municipality also noted that this must be done having due regard for the financial resources of the municipality, especially in view of the current pandemic.

The MPAC also noted with concern the impact of the **COVID-19** pandemic and the effects it had on the human and financial resources of the municipality. Particular attention was directed at the financial sustainability of the municipality and its ability to provide uninterrupted services to the community.

A summary of the detailed discussions and feedback from Directorates is attached hereto as Annexure A.

3.4 MPAC SITE VISITS

On **29 April 2021**, the MPAC members of the did an oversight visit to some of the completed projects outlined in the Draft Annual Report 2019/20. The following projects were visited:

1. The Material Recovery Facility;
2. Agricultural Property Small Farmers Allocation: Mr Hilton Arendse;
3. Kayamandi, Zone O, Temporary Relocation Area;
4. Ida's Valley Housing Project;
5. Klapmuts Waste Transfer Station; and
6. 76 temporary units in Klapmuts, Mandela City.

Some of the highlights were the agricultural land that was awarded to Mr Hilton Arendse. This led to planting fresh produce and the creation of job opportunities. After many years of putting his farming skills to test, this young farmer supply produce to one of the leading retail stores; Woolworths. He is planning to upscale his farming activities and in the process, also create more jobs. His social contributions, soup kitchens, are also illustrative of his efforts to gives back to the community.

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



The completion of the Ida's Valley Housing Development Project created so much joy and enabled the beneficiaries to become homeowners. Not only did it bring tears of joy, some of the homeowners established green and food gardens within their backyards. Further detail can be found on the municipal website of the handover of title deeds.

The members of MPAC found the visit to the various sites very impressive, including the professionalism of managing these sites.

4. CONCLUSION

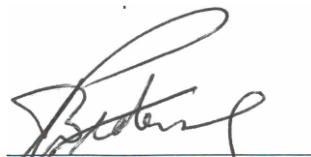
As MPAC, we are of the opinion that the Annual Report 2019/20 is a **true and accurate reflection** of the Stellenbosch Municipality's financial and non-financial performance for the 2019/20 financial year.

The oversight process on the Annual Report 2019/20 is herewith concluded and as Chairperson of the MPAC, I would like to thank the MPAC Committee Members, the Executive Mayor and Mayoral Committee, the Municipal Manager, Directors, Senior Managers, as well as all the officials for their contribution to the development and finalisation of the Annual Report 2019/20. Their diligence and constructive commitment during this oversight period is noted and appreciated.

5. RECOMMENDED RESOLUTION TO BE ADOPTED BY COUNCIL

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

1. That Council, having fully considered the Oversight Report on the Annual Report 2019/20 of the Stellenbosch Municipality, **ADOPTS** the Oversight Report 2019/20;
2. That Council, having fully considered the Annual Report 2019/20, attached hereto as Annexure B, **APPROVES** the Annual Report 2019/20 with the following reservations:
 - (a) That AGSA Report 2019/20 be submitted to the MPAC as soon as it is available; and
 - (b) That the MPAC submits a separate report to Council after the MPAC considered the AGSA Report 2019/20;
3. That the Oversight Report 2019/20 be made public in accordance with Section 129(3) of the MFMA, and;
4. That the Oversight Report 2019/20 on the Annual Report for the 2019/20 financial year be submitted in accordance with Section 129(2) and 132(2) of the MFMA to the Auditor General of South Africa, Provincial Treasury: Western Cape, Department of Local Government: Western Cape and the Provincial Legislature: Western Cape.


CLLR WILFRED PIETERSEN
MPAC CHAIRPERSON

DATE: 07 May 2021



MPAC Site Visits



Visited the farm of Mr Hilton Arendse who received agricultural land from the Stellenbosch Municipality in order to farm with fresh produce. He is an emerging farmer who supply fresh produce to Woolworths.



The MPAC members makes a visit to the Material Recovery Facility and were very impressed with the recycling and the management of the site.



Klapmuts Waste Transfer Station.



Housing development in Ida's Valley.



Annexure A:

**MPAC Comments and Feedback from
Directorates**



STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNISIPALITEIT • UMASIPALA • MUNICIPALITY



STELLENBOSCH MUNICIPALITY

MPAC OVERSIGHT ON THE ANNUAL REPORT

2019/20



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MPAC COMMENTS AND FEEDBACK FROM DIRECTORATES

1. Office of the Municipal Manager

| EXECUTIVE MAYORS FOREWORD AND EXECUTIVE SUMMARY | | | |
|---|---|---|---------------------------------|
| Page no. | Comment/s | Response | Responsible Department |
| 17-21 | The MPAC chairperson takes cognisance of the completion of the housing project in Ida's Valley and that residence are very pleased. | | Office of the MM |
| 17-21 | The MPAC chairperson takes note of the land policy and the content relating to COVID-19 in the forewords. | | Office of the MM |
| 27 | Second paragraph relating to municipal cover of 900km ² should be re-looked at. | The statistics were extracted from the LGSEP where a model was used to calculate the data. | Office of the MM: Governance |
| 28 | Why is the statistics out-dated as it does not show any growth? The statistics are recorded the same as the previous year in the Annual Report. | It should take into account that LG is bound to statistical act to use the official statistics by STATSSA as it was the formal census process at the time. Once the Census commence it will make planning much better ito demographics. | Office of the MM: Governance |
| 32 | The last paragraph is a duplication of what is repeated on p27 – the paragraph can be consolidated into the page 27. | The AR has been updated accordingly. | Office of the MM: Governance |
| | The sector departments must quantify the unemployment rate stated in this section. | Some of the projections were obtained from STATSSA but will acquire the latest and update the statistics throughout the document. | Office of the MM: Governance |
| 36 | Learner enrolment, the learner teacher ratio and retention rate paragraph must be rephrased with the correct content as depicted in the graphs: Learner enrolment: in the paragraph, Langeberg's stats are used instead of Stellenbosch. It is proposed throughout the document that rather figures be used to display a more readable story rather than percentages. | The AR has been updated accordingly. | Office of the MM: Governance |
| 36, 37 | Is the years outlined in the AR calendar or financial years. | This will be clarified by the Provincial Government who drafts the LGSEPs. | Office of the MM: Governance |
| 37 | There is a repeat in paragraphs under schools with libraries and media centres: "schools with libraries and media centres have remained at 29..." (must delete the paragraph). | The AR has been updated accordingly. | Office of the MM: Governance |
| 39 | The number of TB cases are recorded incorrectly in the graphs – in 2018 it was at 1176 an din the graph it shows 1175 | The AR has been updated accordingly. | Office of the MM: Governance |
| | Under HIV/AIDS, the information in the table should be recalculated. | Unfortunately, this was calculated by the Provincial Department. However, with the next socio economic profile the municipality will ensure the document is carefully verified. | Office of the MM: Governance |
| 49 | Clarify the duplication of statistics for Stellenbosch under table 1.17 | It should be noted, the highlighted row is the correct statistics for Stellenbosch, and the row below makes reference to Witzenberg. | Office of the MM: Governance |
| 51 | Under figure 1.17, should make reference whether it refer to thousands or millions? | As per the socio economic profile for Stellenbosch, the figures refer to millions: | Office of the MM: Governance |



| EXECUTIVE MAYORS FOREWORD AND EXECUTIVE SUMMARY | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|--|------------------------------|---------|------------------|--------|------------------------|----------|-------|---------|-------------|---------|--------|----|---------|---------|---------------|--------|-----------------------|---------|--------------------|--------|--------------------------|--------|----------------|---------|--------------------------|---------|--|
| Page no. | Comment/s | Response | Responsible Department | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | <p>Municipal infrastructure spend (R'000)</p> <p>[CATEGORY NAME] [PERCENTAGE]</p> <p>Other 5%</p> <p>Social Infrastructure 7%</p> <p>Economic Infrastructure 29%</p> <table border="1"> <tr><td>Other</td><td>R18 540</td></tr> <tr><td>Waste Management</td><td>R7 745</td></tr> <tr><td>Waste Water Management</td><td>R105 000</td></tr> <tr><td>Water</td><td>R53 380</td></tr> <tr><td>Electricity</td><td>R39 275</td></tr> <tr><td>Health</td><td>R0</td></tr> <tr><td>Housing</td><td>R10 361</td></tr> <tr><td>Public Safety</td><td>R6 700</td></tr> <tr><td>Sports and Recreation</td><td>R14 330</td></tr> <tr><td>Social Development</td><td>R3 190</td></tr> <tr><td>Environmental Protection</td><td>R1 800</td></tr> <tr><td>Road transport</td><td>R54 020</td></tr> <tr><td>Planning and Development</td><td>R52 540</td></tr> </table> <p>The socio economic profile is attached to see a clear version (p18-19)</p> | Other | R18 540 | Waste Management | R7 745 | Waste Water Management | R105 000 | Water | R53 380 | Electricity | R39 275 | Health | R0 | Housing | R10 361 | Public Safety | R6 700 | Sports and Recreation | R14 330 | Social Development | R3 190 | Environmental Protection | R1 800 | Road transport | R54 020 | Planning and Development | R52 540 | |
| Other | R18 540 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Waste Management | R7 745 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Waste Water Management | R105 000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Water | R53 380 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Electricity | R39 275 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Health | R0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Housing | R10 361 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Public Safety | R6 700 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sports and Recreation | R14 330 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Social Development | R3 190 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Environmental Protection | R1 800 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Road transport | R54 020 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Planning and Development | R52 540 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 63 | The content of table 2.1 must reflect the correct information as stated in the heading, "National KPIs – Good Governance and Public Participation Performance. | This is the correct information – The KPIs can be fully read under the performance report. The indicators are aligned with the National KPIs per the section 46 report. | Office of the MM: Governance | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | The chairperson of MPAC request for reports on the Municipal Planning Tribunal (Table 2.2 – Functioning of the Municipal Planning Tribunal). | On page 183 it states meetings held but will supply reports on request. | Office of the MM: Governance | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 75 | The last paragraph under 2.3.1.1 must be deleted as it does not read clear or list all of the National intergovernmental structures to structure the paragraph more effectively. | Admin take note. | Office of the MM: Governance | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 96 | Under strategic risk identified, the colour coding per the calculation must be corrected. SR1 – must be changed to Amber SR7 – must be changed to yellow OR 1,2,3,5 must be changed to amber as the risks are higher. | The AR has been updated accordingly. It should be noted that the risk register is a document approved by Council. | Office of the MM: Governance | | | | | | | | | | | | | | | | | | | | | | | | | | |



2. Directorate: Infrastructure Services

| INFRASTRUCTURE SERVICES | | | |
|-------------------------|---|---|-------------------------------|
| Page no. | Comment/s | Response | Responsible Department |
| 113 | Other Municipal Personnel – first paragraph formulate to individual performance “management”. | The AR has been updated. | IDP/PMS/IGR |
| | Structure the last paragraph of 3.6.5.1 in bullet format. | The AR has been updated. | IDP/PMS/IGR |
| 114 | Monthly projections of revenue to be collected for each source must be bulleted. | The AR has been updated. | IDP/PMS/IGR |
| 116 | Under Municipal Function, 3.8.1.1, the table 3.4, the first heading, must be changed to “Constitution Schedule 4, Part A functions, follows by second heading to “B functions”. | The AR has been updated. | IDP/PMS/IGR |
| 116 - 117 | In the same table, third heading must be changed to “Constitution Schedule 5, Part A function, follows by fourth heading to “B functions”. | The AR has been updated. | IDP/PMS/IGR |
| 118 | Last paragraph refers to plural form – indicate to which areas are referred too? | MM indicated it refers to both Ida's Valley and Franschhoek. | IDP/PMS/IGR |
| 119 | What is meant by IWA water balance sheet – and that it must be indicated in the heading under figure 3.1. | The AR has been updated. | IDP/PMS/IGR |
| | In the second last paragraph, the last sentence; “The following diagrams were used... “– should be referred to figure 3.1. | The AR has been updated. | IDP/PMS/IGR |
| 120 | Indicate what levels the municipality is operating on in terms of water restrictions. | Level 6 B (implemented 19 Feb 2018 – 31 October 2020). Restrictions lifted w.e.f 1 Nov 2020. | Water Services |
| 124 | Delete figure 3.11 as it is a duplication of figure 3.6. | The AR has been updated. | Water Services IDP/PMS/IGR |
| 125 | Under table 3.8. Clarify why was the service delivery levels for piped water inside yard (but not dwelling), the same since 2015/16 till 2019/20? | Since 2015/2016 no piped water was installed inside yards (properties). A formal metered connection was given with a meter that is registered to the property on the billing system. | Water Services |
| 127 | Under table 3.11, why were the service delivery levels for flush toilets (with septic tank), the same since 2015/16 till 2019/20? | Since 2015/2016 no new septic tank installations have been approved. The septic tanks in new applications were replaced with conservancy tanks that are on regular intervals emptied or emptied when needed be emptied by tankers. | Sanitation Services |
| 129 | Identify the areas which were electrified and receives free basic electricity (100kWh) –under the heading “Electrification of Informal Settlements”. | 142 informal structures were provided with electricity in the 2019/20 financial year. Informal settlements that receive 100kWh free basic electricity are in: <ol style="list-style-type: none"> 1. Kayamandi 2. Langrug According to Finance, everyone who resides in areas where electricity is supplied directly by Eskom, they register with Eskom as indigent and Eskom provides the municipality with an account at the end of the month. Follow up with Eskom on the status of free basic electricity provision to informal settlements will be done. | Electricity |



| INFRASTRUCTURE SERVICES | | | |
|-------------------------|---|---|------------------------|
| Page no. | Comment/s | Response | Responsible Department |
| | Under the Pniël take over heading: Enquiries from the public w.r.t the responsibility of the current grid (Is it Stellenbosch Municipality or Eskom)? Will all problem areas be the first on the municipal grid once the project kicks off. | Each financial year, the municipality will work from the report, starting / addressing the worst Infrastructure first. | Electricity |
| | Which towns does the municipality service in terms of the take over? | <ol style="list-style-type: none"> 1. Pniël. 2. Hollandsche Molen. 3. Johannesdal. 4. Surrounding farms. | Electricity |
| | Explain the meaning of table 3.14. Explain the abbreviations and give a brief overview thereof: (NMD and MVA). | <p>MVA- Megavolt Amperes. Megavolt Amperes power is the unit used for measuring apparent power. The apparent power refers to the total current and voltage in an electrical circuit. The term is preferred in description of total electrical power installations and it captures both true and reactive power in an electrical circuit.</p> <p>NMD- Notified Maximum Demand is the contractual value of demand which binds the utility and its customer.</p> <p>It is expressed in kVA/MVA and based on a 30-minute integrating period per point of delivery. It is agreed upon in writing between the utility and the customer based on the requirements of the customer and the network capacity reserved. In this case, the utilities are Eskom and Drakenstein Municipality and the customer is Stellenbosch Municipality.</p> <p>The figures in table 3.14 indicate the capacity that the municipality has applied for from the utility (Eskom or Drakenstein Municipality) that supplies the municipality.</p> | Electricity |
| | Are there any mitigations or mechanisms in place to address the alarming identified 48% electricity losses? List the measurements in the Annual Report. | <p>The municipality had meetings with all the role players in terms of the 48% in losses. The meters that Drakenstein Municipality have installed were investigated and a comparison was made with the own set of meters Stellenbosch Municipality has put in place which indicated that all meters were correct.</p> <p>Further investigation was to see whether the municipality actually billed those customers (which the municipality took over). If customers paid the accounts to Drakenstein Municipality then it can be claimed from the Drakenstein Municipality.</p> <p>Check meters have been installed at the intake point and more meters will be installed in the mini-substations.</p> <p>The municipality acted on the list received from Drakenstein Municipality, should customers not pay, the municipality can only act in terms of the bylaw.</p> | Electricity |
| | Clarify what the department actions will be on attracting suitable qualified and competent persons? | <p>To attract the staff, the municipality must consider the salary rate per staff level. The budget / income factor must be taken into account.</p> <p>New electricians will be attracted and trained to equip them with the necessary skills.</p> | Electricity |



| INFRASTRUCTURE SERVICES | | | |
|-------------------------|--|--|------------------------|
| Page no. | Comment/s | Response | Responsible Department |
| 130 | Insert a reference caption to the table of electricity service delivery levels All 0 and N/A rows should be deleted. | The AR has been updated. It should be noted that you cannot remove lines as it is a prescribed template from National Treasury. | IDP/PMS/IGR |
| 133 | Insert a heading below the first set of pictures (e.g. Compacting of waste or cleaning of an area). | Updated. | Solid Waste |
| 134 | It is stated that Area Cleaning has no permanent staff, only consist of two Assistant Superintendents and 450 EPWP employees: <ul style="list-style-type: none"> Can there be prioritised by getting more permanent staff – EPWP supervisors? What would the ratio be in terms of 450 employees? Discuss this matter with the CFO to fill the gap as this issue is an outcry from the community. | <ul style="list-style-type: none"> The municipality is in the process of ending the temporary contracts of operators / supervisors by making it permanent by 01 July 2021 and onwards. The supervision for EPWP consists of the 10 operators / supervisors and team leaders that are placed in particular areas - there is a clear line of reporting. <p>In a group of 10 teams there is a team leader which report to the operator / supervisor and there are ± 45 people per team.</p> | Solid Waste |
| 137 | Door to door recycling collection: Did the municipality stop the services of the contractor in the last quarter. | The contractor terminated the service with the municipality. The municipality continued to render this service and transported all recyclables to the City of Cape Town's facility. | Solid Waste |
| | Indicate the cost of having an own cell vs. the transfer of waste to Vissershok. | The Stellenbosch Landfill Sites has cells and all of the cells have become full that is why the municipality transfer the waste to Vissershok. The municipality has identified the need for an own cell as it will decrease the cost factor. The tariffs will be discussed with the CFO. | Solid Waste |
| 140 | What is meant by the last paragraph "A series of new boreholes...."- rephrase it better. | Monitoring of ground water at a landfill is legislated by way of the National Environmental Management Act and is contained in the conditions of a Waste Management License. To ensure effective monitoring of the impact of the landfill 10 new boreholes have been provided upstream and downstream of the landfill and one borehole was re-instated. These boreholes are referred to a series of boreholes. It must be noted that these are for monitoring and not for groundwater abstraction. | Solid Waste |
| 142 | Internal audits: What was the outcome of the May report? | The internal audits reports will be made available to the MPAC panel. | Solid Waste |
| | External Audits: Can the Independent Landfill Compliance Audit Report be presented to the MPAC panel? | The external audits reports will be made available to the MPAC panel. | Solid Waste |
| | The last sentence of the last paragraph indicated that all required boreholes were implemented...(List all the boreholes per area). | Ten new groundwater monitoring boreholes and 1 re-instated borehole were provided on the edges of the landfill inside the fence line. All are thus situated on the area of the landfill. Positions, depth and detail of the boreholes are listed below. | Solid Waste |



| INFRASTRUCTURE SERVICES | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| | | <table border="1"> <thead> <tr> <th>Borehole</th> <th>Position Co-ordinates</th> <th>Depth (m)</th> <th>Detail</th> </tr> </thead> <tbody> <tr> <td>AECM 001225</td> <td>-33.939521 (Lat.) 18.821112 (Long.)</td> <td>13</td> <td>No clay layer detected</td> </tr> <tr> <td>AECM 001226 S</td> <td>-33.940464 18.821548</td> <td>11</td> <td>Drilled into clay layer</td> </tr> <tr> <td>AECM 001226 D</td> <td>-33.9404433 18.8215347</td> <td>21</td> <td>Drilled into granite</td> </tr> <tr> <td>AECM 001227 S</td> <td>-33.9401015 18.8185511</td> <td>3</td> <td>Drilled into clay layer</td> </tr> <tr> <td>AECM 001227 D</td> <td>-33.9401362 18.8185706</td> <td>40</td> <td>Drilled into granite</td> </tr> <tr> <td>AECM 001228</td> <td>-33.938451 18.820850</td> <td>4.5</td> <td>Re-instated BH cell 3</td> </tr> <tr> <td>SBL Drill 1 S</td> <td>-33.94375000 18.822222222</td> <td>9</td> <td>Drilled into clay layer</td> </tr> <tr> <td>SBL Drill 1 D</td> <td>-33.94361111 18.82222222</td> <td>30</td> <td>Drilled into granite</td> </tr> <tr> <td>SBL Drill 2 S</td> <td>-33.94152778 18.82194444</td> <td>12</td> <td>Drilled into clay layer</td> </tr> <tr> <td>SBL Drill 2 D</td> <td>-33.94138889 18.82194444</td> <td>27</td> <td>Drilled into granite</td> </tr> <tr> <td>SBL Drill 3</td> <td>-33.93888889 18.82083333</td> <td>13</td> <td>No clay layer detected</td> </tr> </tbody> </table> | Borehole | Position Co-ordinates | Depth (m) | Detail | AECM 001225 | -33.939521 (Lat.) 18.821112 (Long.) | 13 | No clay layer detected | AECM 001226 S | -33.940464 18.821548 | 11 | Drilled into clay layer | AECM 001226 D | -33.9404433 18.8215347 | 21 | Drilled into granite | AECM 001227 S | -33.9401015 18.8185511 | 3 | Drilled into clay layer | AECM 001227 D | -33.9401362 18.8185706 | 40 | Drilled into granite | AECM 001228 | -33.938451 18.820850 | 4.5 | Re-instated BH cell 3 | SBL Drill 1 S | -33.94375000 18.822222222 | 9 | Drilled into clay layer | SBL Drill 1 D | -33.94361111 18.82222222 | 30 | Drilled into granite | SBL Drill 2 S | -33.94152778 18.82194444 | 12 | Drilled into clay layer | SBL Drill 2 D | -33.94138889 18.82194444 | 27 | Drilled into granite | SBL Drill 3 | -33.93888889 18.82083333 | 13 | No clay layer detected | | |
| Borehole | Position Co-ordinates | Depth (m) | Detail | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| AECM 001226 S | -33.940464 18.821548 | 11 | Drilled into clay layer | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| AECM 001227 S | -33.9401015 18.8185511 | 3 | Drilled into clay layer | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| SBL Drill 1 S | -33.94375000 18.822222222 | 9 | Drilled into clay layer | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| SBL Drill 2 S | -33.94152778 18.82194444 | 12 | Drilled into clay layer | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| SBL Drill 2 D | -33.94138889 18.82194444 | 27 | Drilled into granite | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| SBL Drill 3 | -33.93888889 18.82083333 | 13 | No clay layer detected | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 143 | Was the waste characteristic study approved by Council? | The waste characterisation study is needed from a management perspective. The study identifies the different waste streams and management decisions are made on how these waste streams are handled, disposed or treated. | | | Solid Waste | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 145 | Will awareness be done to all other schools in the future? Awareness on waste management and environmental management awareness must be educated to schools. | Yes, school awareness is important to educate the youth on waste and environmental management. This will be rolled out once the lockdown levels are further reduced. | | | Solid Waste | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 178 | Clarify if the project rolled over from previous year or was completed in prior financial years: <ul style="list-style-type: none"> Upgrading of gravel roads in Wemmershoek and La Motte. | Projects were completed. | | | Road and Storm water | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Traffic calming measures need to put in place at the R45 junction or at least discuss it with the relevant stakeholders. | Meetings with the Provincial Government were held to discuss the matter. The Provincial Government has agreed to commission a speed limit study. On conclusion of the study a decision was made, by the Provincial Government to keep the existing speed limits in place. The municipality will continue to motivate for speed limit reductions and will continue proposing traffic calming interventions. The municipality will also increase speed enforcement campaigns along the R45. | | | Roads and Storm water | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Do the municipality still have gravel roads. | The municipality's gravel road upgrading programme, where gravel roads in densely populated residential communities are upgraded to surface roads standards, is complete. Gravel roads within the urban area that service a few properties and carry low traffic volumes will be upgraded when the area or adjacent properties develop. Roads in residential settlements, such as De Novo, falls within the authority of the Provincial Government. Gravel roads in rural areas such as the Devon Valley agricultural areas will remain as gravel | | | Roads and Storm water | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |



| INFRASTRUCTURE SERVICES | | | |
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| | | roads, due to low traffic volumes that are generated in rural areas. | |
| 181 | Project Management Unit and Asset Management and System: What was done in the financial year in this department? (List the work being done). | During the 2019/20 financial year, the Department successfully completed a Provincial Archives' inspection of the Technical Information Archive at Ecclesia Building. Additionally, an Asset Management Maturity Assessment was facilitated to examine the as-is asset management practices and develop a series of asset management improvement projects. The Department continued to provide operational services assistance in terms of wayleave applications, building plan assessments, land use applications and project management for housing projects. | (Development and Project Management) - PMU |
| | In the first paragraph under PMU, the capex must be converted to a list of projects † (R29m) | Multi-year projects included: <ul style="list-style-type: none"> • Ida's Valley IRDP / FLISP; • Klapmuts: Erf 2181 (298 serviced sites); • Refurbishment underway in Smartie Town in Cloetesville, upgrading of The Steps / Orlean Lounge; • Basic improvements: Langrug; • Kayamandi: Zone O (±711 services); • Klapmuts TRA (298 Nutec Structures); • Longlands, Vlottenburg (±144 services and ±144 units); and • Watergang Farm upgrading. These projects continue into 2020/21 with a capital expenditure budget forecast at R29.2M. | (Development and Project Management) - PMU |
| 183 | The total number of Building Plans commented on in table 3.46, is incorrect (must be 1 173). | The table was double checked against SDBIP submission and corrected. Corrected where required. | (Development and Project Management) - PMU |
| | Indicate what happened to the outstanding amount to be paid on DCs management of R6.4m. | If it is meant the difference between DCs calculated and DCs received, the DCs calculated (R238.7m) are merely the value of the DCs calculated on all the land use applications for the year. The DCs are only received (R6.4m) by the Municipality when the developer implements one of the approved developments. | (Development and project management) - PMU |



3. Directorate: Corporate Services

| CORPORATE SERVICES | | | |
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| 60 | 1.2.10.2 under table 1.29, the wording of "critical post" must be explained. | Posts on the structure must be budgeted to be filled. Due to budget constraints as well as the length in processes to fill positions, the senior management decided to request directors to indicate which vacant positions are critical for operations. The budget was allocated to these posts identified (within budget constraints). This list was then used to plan the advertising and other processes associated with filling of the vacant posts. Due to COVID-19 these processes were placed on hold and the posts had to be scaled down when recruitment restarted. | HRM |
| 64 | Under table 2.3 it is to indicate why the municipality need a tactical response unit if the function resides under SAPS? | It is correct that the function resorts under the SAPS. The community however expects the municipality to fill the void that is left by the SAPS not performing as expected. Council then resolved to approve the unit and the creation of the unit on the structure is under discussion. The acquisition of the vehicle is planned for the 2021/22 financial year's budget as well as financing the filling of the posts. | LE/Finance/HR/ |
| 66 – 67 | The column for table 2.5 "Percentage apologies for non-attendance must be omitted. | The AR has been updated accordingly. | Committee Services |
| 68 | The paragraph above table 2.8 must be rephrased to ensure it correspond to Mayco or Council meetings. Indicate whether it is Mayco or council meeting under table 2.8 heading. | The AR has been updated accordingly. | Committee Services |
| 73 | Cllr Fredericks indicated that she must be removed from the LLF table as by law you cannot serve on the MPAC and LLF concurrently. | The AR has been updated accordingly. | Committee Services |
| 90 – 93 | MPAC took notice that in certain wards, there were no community meetings held per ward? | Due to the COVID-19 regulations various mechanisms were introduced to held meetings, however the IDP/PMS take note of the concern and will address it. | Council Support Services |
| 98 | Delete "June Williams "under table 2.66 as it is a duplication. | IDP/PMS take note and will update the AR accordingly. | Committee Services |
| 126 | Give clarity on table 3.10 as the low vacancy level not being filled and why was the budget not spend against filling on vacancies | The vacancy rate is accurately reflected by only referring to vacant budgeted posts as unbudgeted post cannot be filled. The vacancy rate is the result of many years, prior to the current term of office where the filling of posts was freeze. The structure was also realigned in 2017 and 2019 creating an "ideal structure" for service delivery. This resulted in more posts on the structure than what could be afforded to be filled. Even in 2017 already it was foreseen that the filling of vacant positions will be done as the budget could be allocated to that. | Corporate Services – HR/all Directors |
| 220 | Employee totals. | All employee totals were checked and verified by HR. The AR was updated accordingly. | HR |
| 232 | Give more perspective on the turnover rate in table 4.7 What is the benchmark on the Turnover rate? | There is no "benchmark" on what the ideal turnover rate is. The turnover rate reflects the amount of employees that leaves the employment of the employer in any given year due to retirement; death; taking up other work opportunities | HRM |



| CORPORATE SERVICES | | | |
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| | | <p>outside this municipality; projects coming to an end where those contracts are then terminated. The municipality's turnover rate is not at an unacceptable level given the age of the workforce and the competitive realities of the work environment, in relation to what the municipality can pay employees on certain levels.</p> <p>The previous tables were based on gradings of the Maintenance Phase where employees have been put on T-levels which skewed the true reflection of the grades of posts on the current organogram. The current table is based on the approved organogram of 2017/2019 and where posts would fit in in terms of the TASK grades currently being evaluated. It is further aligned to the number of posts on the 2017/2019 organogram.</p> <p>The vacancy rate is based on the total amount of vacancies as per the organogram although the rate should only be based on funded vacancies existing within the section / department.</p> <p>The funded vacancies as at 30 June 2020 amounted to 97 and present a vacancy rate for funded posts against total posts on organogram of 4.81%.</p> | |
| 233 | A extra column should be add to table 4.9 to indicate the percentage. | Updated. | HRM |
| 234 | Under table 4.11 give a brief description what is consequence management. | Consequence management refers to the process of holding employees and office bearers accountable for their actions especially where those actions do not comply with the expected standard. | All Directorates |



4. Directorate: Community and Protection Services

| COMMUNITY AND PROTECTION SERVICES | | | |
|-----------------------------------|--|--|------------------------|
| Page No. | Comment/s | Response | Responsible Department |
| 199 | <p>The variance from the Adjustment Budget does not seem correct – Please check and update with the correct data – Table 3.56.</p> <p>What is the total budget from Provincial Government?</p> <p>Indicate to what extend does the libraries (all) digitised – the level e-issuing of materials, free internet access to the clientele to the broader Stellenbosch?</p> <p>Explain the low capital expenditure on libraries?</p> | <p>The libraries are underfunded mandate which means both the municipality and Provincial Government (PG) contributes towards this function. There is an agreement in place. The contribution from Province is approximately +- 12 or 13 million and the municipal operating budget is R27 million.</p> <p>In the past Provincial Government only made funds available for salaries and new capital projects. Requests from other municipalities for funding operations and not salaries. PG is in process to review the request of funding operating matters. Business plans will be submitted in order to cover operations in the following financial year.</p> <p>Funding from PG differs from year to year. It must be noted that there was a shortfall on the salary budget and the PG indicated that they will accommodate the municipality with funding for the next coming months for salaries. Municipal agreement in place == R1 213 million that province contribute.</p> <p>Due to COVID-19, the municipality had to adapt to the new way of business. The municipality did a drive by system where customers can book online and just collect it at certain points. Not yet at all libraries. The municipality is in the process to roll this system out to all libraries in the area.</p> <p>All the projects stopped during the lockdown. The upgrading of the Cloetesville Library – The municipality did not have enough funds to complete the project. However, the municipality applied for additional funding for the completion of the project.</p> | Libraries |
| 200 | <p>Under 3.11.1.6: Cemeteries: the last sentence in paragraph one should be elaborated on “a new cemetery at Kylemore is established”.</p> <p>Does it belong to the municipality or was it given back to the community?</p> | <p>The municipality is in the process of establishing a municipal cemetery in Kylemore. The current cemetery in Kylemore belongs to the Church and not to Stellenbosch Municipality. The first step in establishing a municipal cemetery will be to rezone the land, which is currently not zoned for land as a cemetery.</p> | Cemeteries |
| | <p>During the IDP sessions w.r.t cemetery it was raised: what is the hold-up or progress in terms of the rezoning of the area for establishing a new cemetery (does not refer to the church cemetery).</p> | <p>The piece of land is sub divided. The municipal piece of land that will be developed is next to the church cemetery (the entrance). The municipality want to build a building to manage the visits more effectively, and it was informed that the zoning was not for the cemetery.</p> <p>Funding will be available in the next financial for the upgrading of cemeteries. A process has been starting to rezone the land. Should the rezoning be successful, the building plan process can start.</p> | Cemeteries |
| | <p>Is the municipality not going to waste money?</p> <p>The concern is that burial space is becoming a problem as people are already being buried next to the road. The income of the cemetery will be less than the spending thereof or to rebuild a cemetery.</p> | <p>The municipality cannot allow burials that are not zoned as a cemetery. To develop a cemetery was a request from the community.</p> <p>All concerns can be considered for the need for more cemetery space.</p> | Cemeteries |



| COMMUNITY AND PROTECTION SERVICES | | | | | | |
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| | The operation of cemeteries is a municipal function and the MPAC do not hear that any effort was made or engagement with the church to have the land transferred to the municipality. One must look to Pniël as well. When is the municipality taking control of managing the cemeteries? | This will be addressed in the following year. | | | Cemeteries | |
| 201 | The contents in table 3.60 should be based on cemeteries and not libraries. | Capital projects | Adjustment Budget | Actual Expenditure | Variance from Adjustment Budget | Cemeteries |
| | | Extension of Cemetery Infrastructure | R 1 171 000 | R 838 704 | -28,38% | |
| 209 | Under 3.13.1, the third paragraph should not make mention of a zero tolerance approach to safety – the sentence needs to be rephrased. | By taking hands with all the different role players as well as the residents of the Greater Stellenbosch a safer area will be achieved through the Stellenbosch Safety Initiative (SSI) to combat crime. | | | Law Enforcement | |
| 211 | The violations stats needs to be verified under highlight for Traffic Law Enforcement. | As per information required to be verified moving violations for the period 2019/20 there is a major improvement and differences as compared to previous financial year and on verification the total number observed for moving violations is 10 644. During this period there were new initiatives on enforcement that has managed to give the results and additional cases due to Disaster Management Act in respect of COVID-19 offences. Some offences that were included were offences that are not applicable to moving violations. | | | Traffic Law Enforcement | |



5. Directorate: Financial Services

| FINANCE SERVICES | | | |
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| Page no. | Comment/s | Response | Responsible Department |
| 49 | Clarify under "1.2.7.12: Spending on Social Infrastructure" whether the spending of 22.5% (R49.174 million) took place or not. MPAC requested that the expenditure of all grants must be indicated. | The spending refers to what the Provincial Government commits to spend and not the municipality. | Budget Preparation and Management |
| 58 | Under 1.2.9.7 indicate whether the figures are "thousands or millions". | This has been updated in the Annual Report | Budget Preparation and Management |
| 101 | Format the totals in table 2.73. | Finance will update. | Head Financial Statements |
| 103 | The tenders awarded must be included under 2.4.7.5. | This is included in the AR. | Head Financial Statements |
| 117 | Clarify on the source of data in table 3.5. | The MM indicated that the data emanates from the Indigent Register of the municipality for the particular financial year. | Revenue |
| 120 | Chair of MPAC – how many people do not pay for water. | The number of indigent households not paying for water amounts to 6666 households. | Revenue |
| 126 | Clarify the reason for under performance on the capex on water services. The municipality must do in-year planning to ensure that the community can be informed when unpredictable disasters occurs. | MM refers to the mid-year report that speaks to the reasons of under performances and corrective measures to address this factor in future. It should be noted that by 31 December 2020 the expenditure was over 70%. | Revenue |
| 179 | Did Technopark made a financial contribution in table 3.42? | Technopark Access Road is funded by municipal own funding. | Budget Preparation and Management |
| 240 | Verify the percentages under table 5.2. | The table is aligned the variances are calculated by dividing the difference between the actual and original budget by the actual. $(\text{Actual less Original Budget}) / \text{Actual} * 100$. | Budget Preparation and Management |
| 246 | Explain repairs and maintenance in table 5.13. | Informal trading sites were in the construction phase therefore repairs and maintenance expenditure was not incurred. | Budget Preparation and Management |
| 252 | The percentages in table 5.26 and 5.27 should be adjusted. | The table is aligned the variances are calculated by dividing the difference between the actual and original budget by the actual. $(\text{Actual less Original Budget}) / \text{Actual} * 100$. Variances pertaining to repairs and maintenance will be adjusted according to the formula indicated above. | Budget Preparation and Management |
| 261 | The second paragraph "above min... should be replaced with "below minimum...." | The AR has been updated accordingly. | IDP/PMS/IGR |
| 261 | The table 5.40 should be expressed in percentages (the variance budget column). | Variances pertaining to Integrated Urban Development Grant will be adjusted according to percentages. | Budget Preparation and Management |
| AFS | | | |



| FINANCE SERVICES | | | |
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| Page no. | Comment/s | Response | Responsible Department |
| 51 | <p>Note 3: Present a copy of the trust deed or agreement of the La Motte trust to the panel.</p> <p>What is the purpose of this trust account and who will be managing this account?</p> <p>Are all of the houses being occupied and what is the status of the occupants in those houses? Did they all went through the process as outlined and prescribed per the agreement which was entered into between the municipality and the transferring department?</p> <p>To ring-fence that funds specific for the community in the La Motte area if the funds were prioritise for that community.</p> | <p>There is no Trust Deed, as there is only a trust account that was established. The purpose of the trust account is that all proceeds from the sale of the 80 houses would go to the trust account and can only be used for future housing projects and community projects / facilities.</p> <p>There was an agreement entered between the municipality and the transferring department that transfer the houses back to the municipality- the Bergsig houses. Part of the agreement was that a trust account be created for the sale of the houses to manage the processes.</p> <p>The houses are all occupied. The houses being paid for will be transferred to and all other occupants will have to pay a rental amount.</p> <p>The process is being managed – the funding will be used specifically for that community.</p> <p>Rental agreements must be entered into if not bought already as there was a Council decision to do so.</p> | Budget Preparation and Management |
| 69 | Note 14: Delete "Mooiwater" and replace with Franschoek. | Adjustment to be done on the CaseWare AFS file. | Budget Preparation and Management |
| | Explain the decrease for 4 reservoir West – Franschoek. | The reason for decreasing of the value is the depreciation for building portion of the asset. | Budget Preparation and Management |
| 110 | Indicate how far the litigation process is between the Stellenbosch Municipality and Stellenbosch Golf Club? | The process is finalised by way of a settlement agreement. A payment arrangement for monthly instalments was implemented. The payment is being adhered to by the golf club. | Budget Preparation and Management |
| | What is the amount the municipality is claiming from the golf club? | The Stellenbosch Golf Club matter was settled for an amount of R1 586 885. | Budget Preparation and Management |
| 111 | What was the outcome of the De Zalza Golf Club / Valuation Appeal Board of Stellenbosch Municipality? | <p>The court case in the De Zalze matter was finalised and was referred back to the Valuation Appeal Board for reconsideration of the matter afresh.</p> <p>Add comments to the AFS.</p> <p>CFO: The court case between De Zalze and the municipality has been finalised.</p> | Budget Preparation and Management |



6. Directorate: Planning and Economic Development

| PLANNING AND DEVELOPMENT | | | |
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| Page No. | Comment/s | Response | Responsible Department |
| 151 | Indicate if the Kayamandi Town Centre is an old project, rolled over from prior fy or a planned project? | Yes, the Kayamandi Town Centre project has been developed over a number of years. The project is still in its planning stage whereby development rights must be obtained; this project must be viewed as a multi-year project. The funding source that the Municipality receives is from the Human Settlements Development Grant (HSDG). | Housing |
| 158 | Who are the owners of De Novo? | The Provincial Department of Public Works (PDoPW) is the land-owners of the De Novo property, but a Power of Attorney has been signed with Provincial Department of Human Settlements (PDoHS) to deal with the housing challenges on the site. | Housing |
| | What is going to happen of the portion of the houses is legitimately inhabitant. What will happen to the illegal occupants in the houses? | The provincial department of Public Works provided the Department of Human Settlements an agreement on dealing with De Novo. The Municipality does not have properties or we not managing anything there. The Provincial Department is dealing with all of those challenges. They have split the process into two phases namely the rectification of the houses whereby the goal would be to transfer those units into the names of the people occupying the houses for a number of years; A link to a bigger development of 300 farmer houses opportunities but the two provincial departments are dealing with De Novo. | Housing |
| 160 | Is there any private land part of the circle? Would it be feasible and affordable to rent rental stock if we need to acquire the land from private owners? | The exact area is the green area – there is no private owned land and will be develop for social housing to allow families to reside in proper houses. | Housing |
| | Figure 3.30: Indicate the amount of land available and if vacant can it be used for social housing or rentals in future? (The circle on the diagram 3.30) | The area as depicted in the circle on page 10 is indeed part of a rental initiative from Council. To be more specific, the area in the circle that is shown in green, would be the exact area whereby the Municipality would develop Social Housing (rental stock managed by an external company) for families earning between R1 500 – R15 000 per month. | Housing |
| | Adam Tas Corridor is a private initiative and should make reference in the paragraph of it. | The Adam Tas Corridor is a private and public initiative since land-owners within the Adam Tas Corridor comprise of public and private sectors. The comment of MPAC is noted but should also take cognisance of the fact that the Northern Extension, Kayamandi is also included in the Adam Tas Corridor. | Housing |
| | The ATC is a private development and in the Annual Report tis speaks to the Droë Dyke Land. A total private entity is now forming part of the Annual Report and is the municipality now forfeiting the land to the ATC developers or did they pay for the land | The ATC is an area identified by the Municipality as a restructuring urban transformation. There is huge number of land owners with the public and private that is contained within that studied area. It should be noted that municipal planning as per the constitution in terms of schedule 4 and 5 is the mandate of the municipality. Council determines policy and decides what can happen in the Adam Tas Corridor. The land is Droë Dyke is owned by National Department of Public Works and have appointed a housing development agency to look at the development of that land. Note: The statement that the ATC is a private entity is incorrect. | |



| PLANNING AND DEVELOPMENT | | | | | | | | | | | | | | | | | | | | | |
|--------------------------|--|---|------------------------|-------|-----------|----|--------------|----|-------------|----|----------|----|----------|---|-------|----|--------------|----|--------------|------------|------------------------|
| Page No. | Comment/s | Response | Responsible Department | | | | | | | | | | | | | | | | | | |
| | | There are various land owners and the idea from a municipal planning point of view we must guide what happens in that zone and in terms of restructuring and transforming the Stellenbosch town. It is a Public partnership between various organisations and there is a working committee that has been established to make sure whatever the municipality is planning it is for the benefit of the town. | | | | | | | | | | | | | | | | | | | |
| | Was there any agreement between Adam Tas Corridor, the Municipality and or Provincial Government, on land (Droë Dyke Precinct). | A formal agreement has not been reached with any of the land-owners (National Department of Public Works, Stellenbosch Municipality and private owners). An official letter has been submitted to the National Department of Public Works for the release of the land in favour of Stellenbosch Municipality to initiate mixed-use development. | Housing | | | | | | | | | | | | | | | | | | |
| 169 | Under table 3.29, indicate if it is the correct statistics. If it is the case, what will the municipality do to address the low number of transfer of housing stock? | <table border="1"> <thead> <tr> <th>AREA</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>Kayamandi</td> <td>37</td> </tr> <tr> <td>Cloetesville</td> <td>12</td> </tr> <tr> <td>Franschhoek</td> <td>56</td> </tr> <tr> <td>Klapmuts</td> <td>14</td> </tr> <tr> <td>Kylemore</td> <td>2</td> </tr> <tr> <td>Pniël</td> <td>17</td> </tr> <tr> <td>Ida's Valley</td> <td>77</td> </tr> <tr> <td>TOTAL</td> <td>215</td> </tr> </tbody> </table> <p>The table above indicates the total number of title deeds transferred from 01 July 2020 to date.</p> <p>The Department is conducting continuous Housing Consumer Education Programmes with affected beneficiaries and addressing issues around title deeds. The Municipality has also appointed temporary field workers to assist with beneficiary administration which includes tracing of beneficiaries and conducting occupation surveys to ensure that title deeds are registered in the correct person. There is also a panel of attorneys appointed to specifically deal with the title deeds restoration programme.</p> | AREA | TOTAL | Kayamandi | 37 | Cloetesville | 12 | Franschhoek | 56 | Klapmuts | 14 | Kylemore | 2 | Pniël | 17 | Ida's Valley | 77 | TOTAL | 215 | Housing Administration |
| AREA | TOTAL | | | | | | | | | | | | | | | | | | | | |
| Kayamandi | 37 | | | | | | | | | | | | | | | | | | | | |
| Cloetesville | 12 | | | | | | | | | | | | | | | | | | | | |
| Franschhoek | 56 | | | | | | | | | | | | | | | | | | | | |
| Klapmuts | 14 | | | | | | | | | | | | | | | | | | | | |
| Kylemore | 2 | | | | | | | | | | | | | | | | | | | | |
| Pniël | 17 | | | | | | | | | | | | | | | | | | | | |
| Ida's Valley | 77 | | | | | | | | | | | | | | | | | | | | |
| TOTAL | 215 | | | | | | | | | | | | | | | | | | | | |
| | Verify the statistics in table 3.27. | The statistics are data from Stats SA. However the previous years has been omitted – only from 17/18 reflects in the Annual Report | Housing Administration | | | | | | | | | | | | | | | | | | |



Annexure B:

Annual Report 2019/20



STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

STELLENBOSCH MUNICIPALITY

ANNUAL REPORT

2019/20 Financial Year

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



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List of Abbreviations

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



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



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



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



CHAPTER 1: EXECUTIVE MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

1.1 COMPONENT A: EXECUTIVE MAYOR'S FOREWORD



It is important to note that this report provides feedback for the financial year stretching from 01 July 2019 and ending 30 June 2020 and will be my last reflection in an annual report produced in this term of Council. The budget for this year was informed by the needs expressed by our entire community, not only through the IDP process, but through the constant communication and interaction that we have had with our residents throughout the year. On a daily basis, we engaged, formally and informally, with our residents and stakeholders, listening and incorporating what they have said. This was incorporated into our short, medium and long term planning.

Throughout all our interaction, our residents expressed the need for ongoing provision of dignified living spaces, safer communities, more economic opportunities, excellent and sustainable service delivery and the redressing of past inequalities. These needs also form the cornerstone of our IDP and inspired a budget that creates opportunities throughout our Municipality, as far as is achievable with the resources available. As we all know, 2020 was a game changing year, locally and internationally, due to the global COVID-19 pandemic. The resulting hard lockdown, resulted in the loss of the entire last quarter of the financial year under discussion. Despite the severe impact of the pandemic, we however still managed to make significant progress in service delivery for the benefit of our community. I will take this opportunity to share some of my favourite highlights with you.

One of our flagship projects in terms of infrastructure was definitely the upgrading of the Stellenbosch Waste Water Treatment Works (WWTW).

The opening of this facility was a wonderful highlight for me as Mayor. At the start of my term in 2016, the existing facility was no longer of sufficient capacity for the needs of the Stellenbosch town and it had a serious impact on the ecology and economy of the area.

Today, we can proudly boast with a world class water treatment facility that makes use of innovative technology. It is the single biggest capital project in the history of Stellenbosch, at a total value of R382 million, (excluding VAT). The new facility makes use of UV disinfection technology, uses a biological membrane reactor, an advanced ultrafiltration membrane that delivers a better final product and is also more energy efficient and environmentally friendly.



Of importance is that it includes a new laboratory with trained staff that monitors our water quality continuously as well as the operations at the treatment plant, ensuring that we are delivering the best possible service.

Throughout my tenure we have focused on empowering, restoring and promoting access to property and land for historically disadvantaged communities in particular. Our Ida's Valley mixed housing development is the first housing project in Ida's Valley in decades and provided a unique combination of fully subsidised, lower GAP, middle income, higher GAP, entry level and affordable housing units for the community of Ida's Valley. In December 2019 we were privileged to hand over the keys to the first buyers in this project, assisting residents with their first steps into the property market and providing a secure future for themselves and their families. We have also been able to hand over the keys for some of the fully subsidised houses to residents who have been patiently waiting for years.

To empower our aspiring local small farmers, we crafted and adopted a new Land Policy in 2018, so that we could make land available to emerging farmers as agricultural land became available.

In December 2019 we handed over the first five contracts to emerging farmers. The contracts range between 9 – 11 year leases at a subsidised rate structure, with the option to renew should the land be used productively. Our goal is to enable emerging farmers to access municipal agricultural land, to enhance economic opportunities and job creation and to ensure the optimal use of available agricultural land. This demonstrates our commitment to creating a conducive environment for farming enterprises, especially for those emerging farmers who have historically been excluded from economic opportunities.

The successful applicants were selected following a strict and detailed evaluation process during which experience in farming / agriculture, a business plan and the financial readiness of all applicants were evaluated. This is an ongoing process and as more agricultural land becomes available we will make sure to empower more of our residents through agriculture.

We have continued to expand on our partnerships to bring about economic change and opportunities as well as aid during times of crisis. During this financial year we partnered with *Ranyaka* to develop the once neglected old Victoria Street clinic into an economic hub. This project is ongoing and when completed, it will provide a space for entrepreneurs to launch their businesses from. This historic site will finally have a meaningful purpose again and is ideally located in the heart of our Stellenbosch town centre.

We also hosted our first ever *Get Started* entrepreneurship summit. This amazing event helped to unite the various stakeholders at government and NGO level with potential and existing entrepreneurs, to provide guidance and support in a challenging economic environment.

Our focus on cooperation and partnership has been most beneficial with the outbreak of the global COVID-19 pandemic. In a very short space of time many, many residents were left without an income, jobless and without resources due to the hard lockdown. The collaboration brought together Stellenbosch Municipality, Stellenbosch University, Visit Stellenbosch (civil society), SCAN (Stellenbosch Civil Advocacy Network, representing the non-profit sector) and the Greater Stellenbosch Development Trust (administrators) to provide aid and relief to residents who were especially hard hit financially during the pandemic. With the assistance of the Provincial Government we managed to donate R1,2 million in aid of our most vulnerable and affected residents during the Level 5 lockdown period.



This financial year we have also stepped up our use of technology to connect to our residents by making use of mobile applications to create greater connectivity and communication.

In August 2019 we launched a new housing application. The VOIS Housing App is an added tool developed for housing applicants to easily gain access to the database, apply for opportunities and update their information. The App increases accessibility but also caters to the many residents who work full time and find it difficult to travel to and queue at the housing office. This was done as part of our Housing Demand Database update and upgrade so as to ensure that we have access to the most current and updated information, to aid us in our future planning and projects.

With the worldwide COVID-19 pandemic hitting South Africa in March of 2020, the government landscape changed very quickly and very fast. COVID-19 resulted in a complete national lockdown, but government processes and service delivery simply had to continue. To aid our communication efforts, we designed and launched the Stellenbosch Citizens Application. This App allows for public participation as well as regular and emergency communication via smart phone as well as feature phones such as Motorola or Nokia. The App allows residents to contact us directly and provide platforms for electronic communication. The application has allowed us to share information and news during COVID-19 without having to rely on public and private news companies.

As Mayor, I would like to thank the Municipal Manager, all staff members, Councillors, residents, interest groups, associations and forums for working with us to better our municipality and the lives of all our people. Constructive criticism remains a pillar of public participation and is always welcomed. I also want to express my sincere appreciation for all the positive comments and support from all over WC024.

Although the municipality faces many challenges, we are a sustainable and financially stable municipality. We have successfully managed many challenges and we are en route to position Stellenbosch as one of the most successful municipalities in South Africa.

I want to thank our Municipal Manager, all our staff and our residents for working with us, challenging and encouraging us to make this dream come true.

ADV GESIE VAN DEVENTER
EXECUTIVE MAYOR



1.2 COMPONENT B: EXECUTIVE SUMMARY

1.2.1 MUNICIPAL MANAGER'S OVERVIEW



As we table the Annual Report 2019/20, I am reminded of the great progress that has been made in our aim to strengthen the integration of service delivery across the greater municipal area. The year under review has provided the municipality with the opportunity to establish itself as a frontrunner and example of best practice in the local government sphere.

Despite several challenges, the most pressing of which being the worldwide COVID-19 pandemic that affected us during the last quarter of the financial year. The pandemic changed our way of life, the way in which we interact, do business, deliver services and go about our daily activities. Our organisation however remained fully committed to ensuring that

the strategic intent is responsive to what our communities need and that service delivery could continue uninterrupted throughout the lockdown period.

This has been a year like no other, with the COVID-19 pandemic and subsequent national lockdown placing immense pressure on our resources, staff complement and ability to provide municipal services in an uninterrupted manner. With the start of the national lockdown in March 2020, the two immediate objectives of the municipality were to ensure that essential and emergency service delivery could continue unabated and that our municipal officials were safe and protected.

Despite these and many other challenges, the 2019/20 financial year proved very busy and exceptionally rewarding. As this annual report will show, the Stellenbosch Municipality has made steady progress towards realising its vision of becoming a valley of opportunity and innovation. We have consistently strived towards creating more opportunities and delivering quality services to our residents while staying true to our values of innovation, transformation, integrity and accountability.

Delivering our vision requires the dedicated application of many resources, ranging from the municipality's own financial inputs and ongoing investment by those who recognise our valley's growth potential, to the hard work of our capable and devoted officials, managers and executives. The Annual Report 2019/20 offers an overview of the extent of that work and investment for the past financial year, and more importantly, of the positive outcomes that the municipality has delivered.

To achieve our goals, we have been guided by our main strategic planning document – the Integrated Development Plan (IDP). We have gone to great lengths to ensure that our IDP is a true reflection of the needs of all our residents, implementing several innovative solutions to ensure that we reach as many residents and stakeholders as possible even during the months of the initial Level 5 lockdown restrictions. We also recognise the role of provincial and national government and regularly engage on various platforms to share information and best practices. These platforms include SALGA, ISAMAO, CIGFARO, the Premier's Coordinating Forum and Municipal Managers Forum.



One of the highlights during the 2019/20 financial year, and indeed a personal highlight for me since assuming the role as Municipal Manger, was the opening of the brand new Stellenbosch Waste Water Treatment Works (WWTW). This project is the single biggest capital expenditure in the history of the Stellenbosch Municipality and is expected to serve our communities for generations to come. The new facility has greatly improved our wastewater treatment capacity, making use of a membrane biological reactor (MBR) process – an advanced wastewater treatment process that uses ultrafiltration membranes for liquid solid separation instead of conventional clarifiers. The use of these new technologies has significantly improved the state of the downstream river and the quality of water available to residents. The facility was also designed to be energy efficient by tailoring the technologies used and minimising pumping through the works – making this an eco-friendlier plant that saves a lot on energy costs.

During the course of the 2019/20 financial year, the municipality continued to experience stability at senior management level, which has fostered even greater organisational wellbeing. All Senior Management posts are filled and fully functional. The municipality also invested in new communication platforms by developing the Stellenbosch Citizen App, expanding our WhatsApp service lines and launching a new municipal website to improve user experience and two-way communication. We have maintained a healthy payment rate of consumers as a result of effective credit control and debt collection measures. Financial sustainability, as reflected by the financial ratios, indicates that the municipality is in a healthy financial position.

What we have achieved in the municipality is as a result of our commitment to working together, good governance practices, transparency and organisational stability. It is a privilege to be a public servant and to have the opportunity of working with our residents to improve the lives of all. It is through this spirit of cooperation that we continue to be a destination of choice for investors, business, industry, visitors and students.

Thank you Stellenbosch.

It is a pleasure to present the Annual Report 2019/20 of the Stellenbosch Municipality.

The years ahead should be a significant period of growth and development for our residents, now that so much groundwork has been completed. Together with the residents and stakeholders of the Stellenbosch Municipality, we can make our towns places of excellence and opportunities for all. Let us work together on this plan to leave a lasting legacy for future generations.

GERALDINE METTLER
MUNICIPAL MANAGER



1.2.2 INTRODUCTION

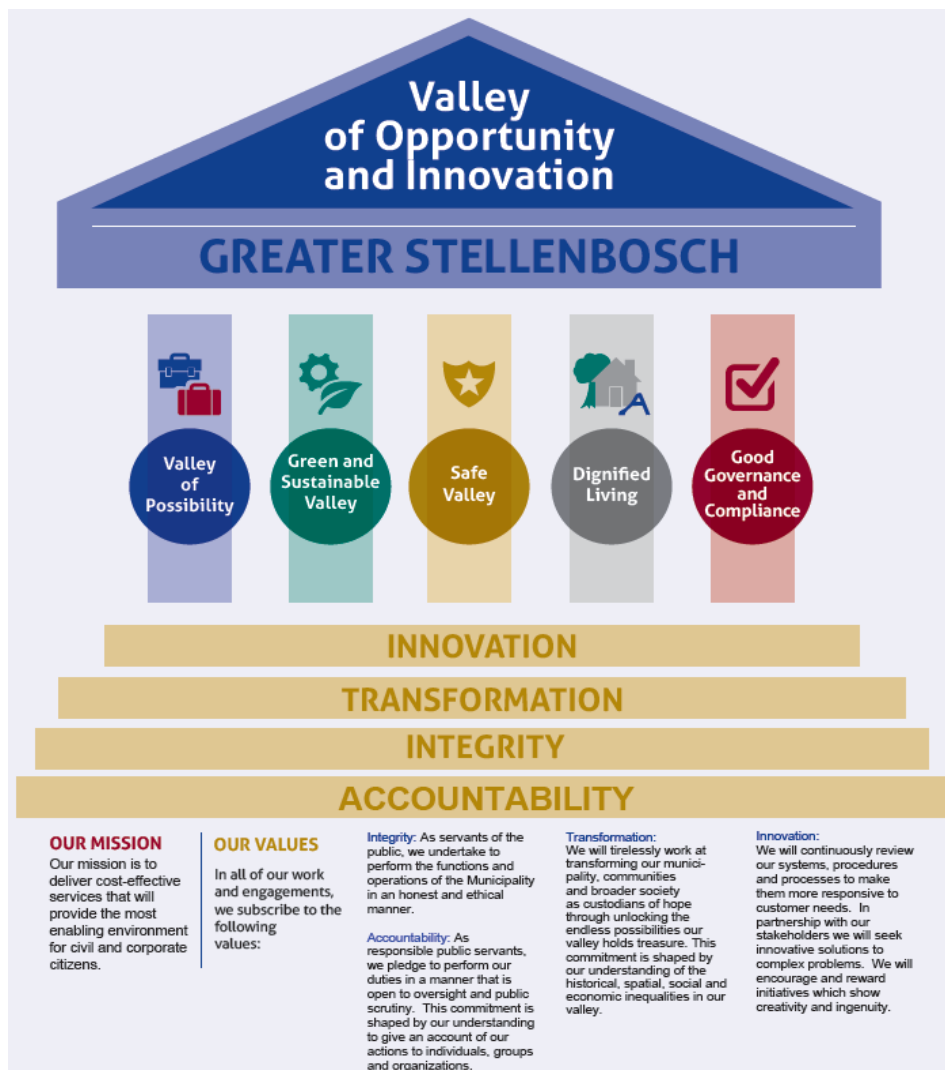
This report addresses the performance of the Stellenbosch Municipality, in the Western Cape, South Africa, in respect of its core legislative obligations. Local government must create the participatory framework that defines and enhances the relationship between elected leaders and their communities.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

The Annual Report 2019/20 reflects on the performance of the Stellenbosch Municipality for the period of 01 July 2019 to 30 June 2020. The Annual Report is prepared in terms of section 121(1) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA), in terms of which the municipality must prepare an Annual Report for each financial year.

1.2.3 VISION, MISSION AND VALUES OF THE STELLENBOSCH MUNICIPALITY

The figure below illustrates our overarching strategy of Stellenbosch Municipality.

Figure 1:1: House of Values





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

VISION

We describe the vision of where we want to be as a municipality and the Greater Stellenbosch area as the **“Valley of Opportunity and Innovation.”**

MISSION

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

VALUES

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

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

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

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

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

1.2.4 STRATEGIC FOCUS AREAS

1.2.4.1 Strategic Focus Area 1: Valley of Possibility

The Stellenbosch area offers ample possibilities to their stakeholders. The unlocking of these possibilities to encourage opportunity for enterprise, creativity and business development in our cities, towns and villages are an urgent issue in South Africa. Unemployment, poverty, income inequality, and skills shortages are major concerns impacting the economy. This strategic focus area has three broad dimensions that address these challenges: The first relates to the provision of services to citizens, and how these services can assist them to facilitate development and job creation. The second relates to the internal working of the Municipality and how municipal procurement of services aids in fostering opportunity for enterprise development and creativity. The third dimension asserts that efficient infrastructure and services lie at the heart of the municipality's mandate. Infrastructure and services of different kinds fulfil the basic needs of citizens, and also enable enterprise and business development. Without appropriate, well-maintained infrastructure, the greater Stellenbosch area will fail as a place of living, work and learning.



1.2.4.2 Strategic Focus Area 2: Green and Sustainable Valley

There are a number of dimensions to the environment that underpin its importance for the greater Stellenbosch area and for the people living within it. The first is an ecological dimension, which recognises that the natural environment and its processes provide the setting in which, and the basic resources with which, human life is played out.

The second is an economic and productive dimension, which recognises that the natural environment underpins a vitally important tourism and agricultural economy. The third is a psychological, social, and recreational dimension, which recognises that human life is qualitatively affected by a sense of place, and the need for places of 'escape' from urban life. The fourth is a cultural dimension, which recognises the inextricable relationship between the characteristics of a place, peoples' activities in that place, and the emergence of cultural expressions and forms.

There are at least three reasons why spatial direction is important. Firstly, we live our lives in geographic spaces; how activities and infrastructure are organised in space fundamentally impact on people's access to opportunity. For example, prioritising new urban development on agricultural land may harm the overall viability of agriculture and food security of an area. Another example is the location of housing for poor people far away from work opportunities, which impacts on disposable income, work productivity and transport infrastructure provision. Secondly, the municipal strategy has over the last decade taken a strong sectoral approach. The approach looks at development in sectors as reflected in the LED plans, plans for creative industries, small enterprises, tourism, and so on. Unfortunately, much of this work is silent on the impact of space on specific sectors and has assisted to hide spatial inequity in our settlements. Thirdly, municipal government has considerable influence over the space economy of settlements. By virtue of its mandate, local government can determine the nature and location of key infrastructure and where settlement is to occur and where not. Local government cannot grow the economy, but it impacts on economic success through the provision and maintenance of infrastructure and how activities are organised in space.

1.2.4.3 Strategic Focus Area 3: Safe Valley

Establishing safety and law abiding behaviour in greater Stellenbosch is an absolute priority. All our efforts to improve services, opportunity and a sound financial position – including affordable rates – will come to nothing if by-laws are not respected, our assets are vandalised, or our neighbourhoods, roads, business areas and recreational facilities are not safe. Safety and security, together with cleanliness, are often cited as the most important factors in getting investment into a city or town. A safe and secure greater Stellenbosch area is thus not only a functional necessity, but underpins elements of economic and social development strategies.

1.2.4.4 Strategic Focus Area 4: Dignified Living

All our citizens should have access to a dignified life, irrespective of their relative material wealth or their background. By a dignified life we mean, inter alia, access to shelter, pursuit of ethical administration of municipal housing, and sufficient choice in housing opportunity for different income groups, including young people. We also mean neighbourhoods with accessible public facilities and services. Support for vulnerable groups, including the youth, women and the elderly is critical, as is a close working relationship with other government and social agencies that focus on the needs of these groups.



1.2.4.5 Strategic Focus Area 5: Good Governance and Compliance

As more people become urbanised, towns and cities have become increasingly important foci of political and economic power and service provision. As the 13th largest economy nationally, the greater Stellenbosch area and municipality is a significant seat of power and deliverer of services. Deciding what to do, when, where and to whose benefit, however, is a difficult task. The range of services to be provided is wide in scope, and the needs of citizens and enterprises vary significantly. Given the depth of need in many communities and limited resources, tough choices have to be made. To succeed, municipalities have to develop appropriate policy- and decision-making structures and plan carefully for the long and short term (across territorial areas and sectors). They should also ensure synergy between the work of the political and administrative spheres of the municipality, their own work and that of other spheres of government, civil society and the business sector. Municipalities should communicate well; and monitor processes and procedures in a structured manner. It is also important that excellence in service delivery contributions, external and internal to the organisation, needs to be recognised and built upon.

We cannot service the needs of our citizens without a skilled and customer-focused administration in all the different functional areas and at all levels of the municipality. Given rapid change in all facets of society, the opportunity must exist for staff to develop their skills, whether in specific functional areas or management. To ensure best use of public resources, regular performance management is essential. Information must be readily available, and contact between citizens and the municipality should be responsive and as efficient as possible.

The facilities that house the administration also need to be organised in a manner that facilitates integrated and joint work among the staff themselves, and between staff, political leadership and other sectors of the community.

A sound financial basis is central to implementing any strategy. The greater Stellenbosch area is no exception. In order to deliver on the needs of its citizens, the municipality is required to manage revenue streams in a sustainable manner. It also needs to ensure that funds available are utilised for identified projects and that value for money is achieved. In procuring goods and services, ethical conduct is essential to ensure the integrity of the municipality. It is most important that the use of municipal resources supports agreed upon objectives; in other words, the municipal budget and on-going expenditure must be strategy-led.

1.2.5 CORE PRINCIPLES IN EXECUTING THE STRATEGY

This section refers to the linkage between political leadership, the administration and community.

The municipality encompasses three core components:

- † Democratically-elected political leadership;
- † The administration, comprising officials; and
- † Citizens, as individuals, interest groups and organisations (public, community-based and private).

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



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

A component of community participation focuses on ward-based planning, where the desired outcome is to have a ward-based plan for each of the 22 wards. Ward-based plans are a form of participatory planning designed to promote community action, with clear linkages to the IDP. Such plans mobilise communities and citizens to take responsibility for their own destiny and capture what communities see as their desired outcomes. They also help to speed up the implementation of the IDP. This ensures that the IDP objectives become the collective responsibility of community members, ward councillors, ward committees, the business community, NGOs and CBOs and all other stakeholders in the greater Stellenbosch. This presents an opportunity for visionary local leaders to implement a shared agenda and show tangible and measurable results through collectively addressing the above-mentioned ward priorities.

1.2.6 ALIGNMENT WITH INSTITUTIONAL STRUCTURES AND PROCESSES

Conventional strategic planning processes aimed at guiding development and management decisions are time-consuming. Preparing a detailed strategic framework and implementation programme can take months. Unfortunately, these processes do not provide for the “now” – the need to guide decisions today. For municipalities, the “now” has become extremely important. Every month counts. We believe that our challenges have become so significant that if we do not find an integrated and commonly shared response to them fast, we may lose much of what is special about an area and be poorly prepared to meet future challenges successfully. We often find that the fact that a strategy is “under preparation” is used as an excuse for inaction or even poor decision-making. The arm's length approach also appears to neglect local experiential knowledge – what people know through working with services issues on a daily basis. With this in mind we have provided for regular, informal but structured engagements between the MayCo and Director's Forum to discuss strategic matters and how to best respond to these issues.

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



1.2.7 DEMOGRAPHIC AND SOCIO-ECONOMIC INFORMATION

1.2.7.1 Municipal Geographical Information

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

This convergence of environmental resources, scenic quality and business opportunities has two other mutually reinforcing spin-offs: The largest number of JSE-listed companies based in any small South African town have their headquarters in Stellenbosch and the town is home to a disproportionately high number of corporate CEOs and executives, which in turn means that it is able to sustain a comparatively high level of economic activity and consumer services for a town of its size. This results in other benefits throughout the value-chain and for employment. The municipality's area of jurisdiction includes the towns of Stellenbosch and Franschhoek, as well as a number of rural hamlets such as Wemmershoek, La Motte, De Novo, Kylemore, Pniël, Johannesdal, Languedoc, Groot Drakenstein, Muldersvlei, Klapmuts, Elsenburg, Raithby, Jamestown, Koelenhof and Vlottenburg (most with a population of less than 5 000). Apart from formal settlement areas, the municipal area also includes a number of informal settlements.

Stellenbosch town is the second oldest town in South Africa, dating back to 1679 when an island in the Eerste River was named Stellenbosch by the then Governor of the Cape, Simon van der Stel. The first farming activities in the area were started in 1679. Today, the area has become primarily known for its extraordinary wines and fruits.

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



1.2.7.2 Wards

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

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

Table 1:1 Municipal Wards

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

Source: StatsSA



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

Figure 1:2: Locality of Cape Winelands District in relation to Provincial Boundaries



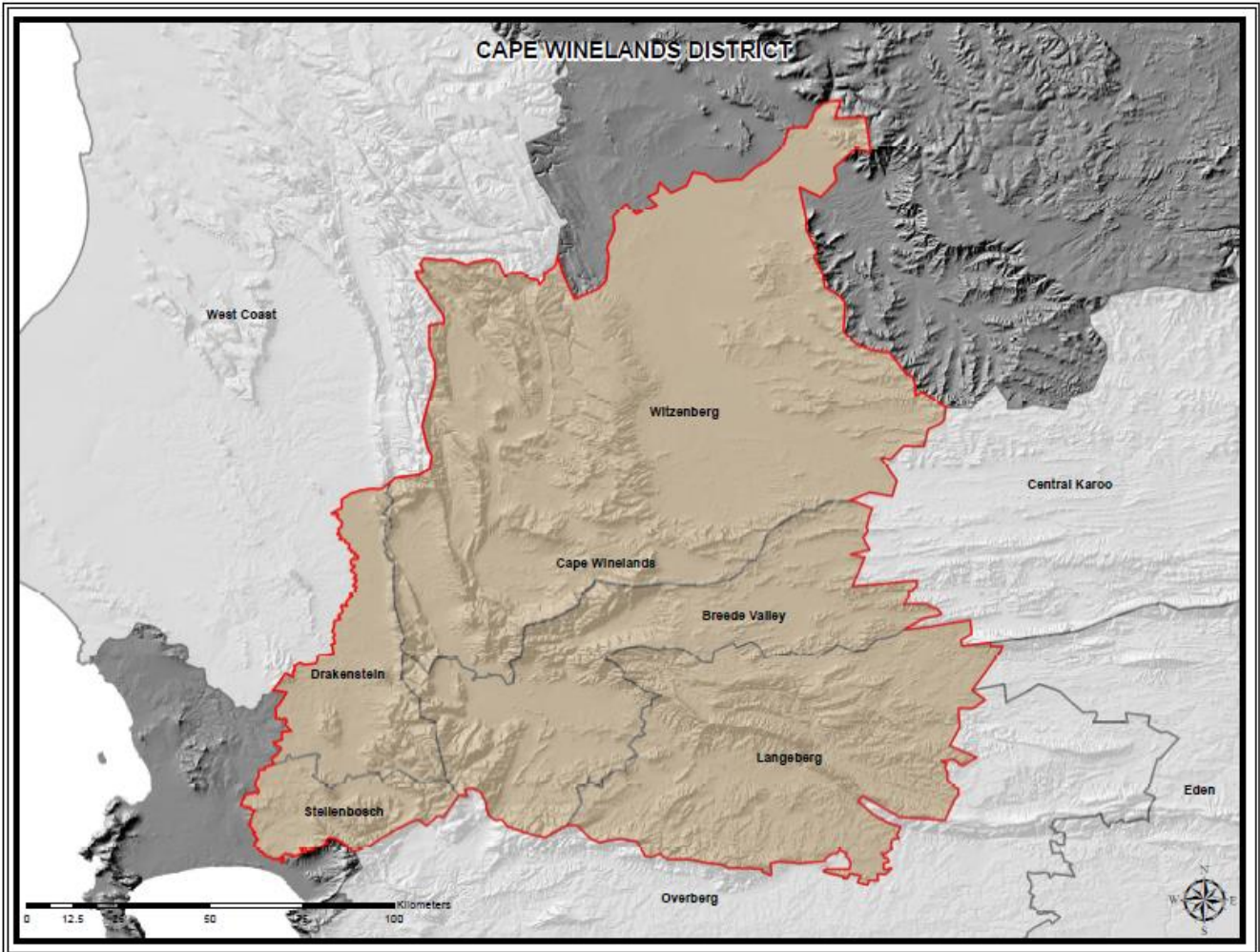
Source: Western Cape provincial Spatial Development Framework

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



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

Figure 1:3: Locality map of Stellenbosch Municipality in relation to Cape Winelands District Boundaries

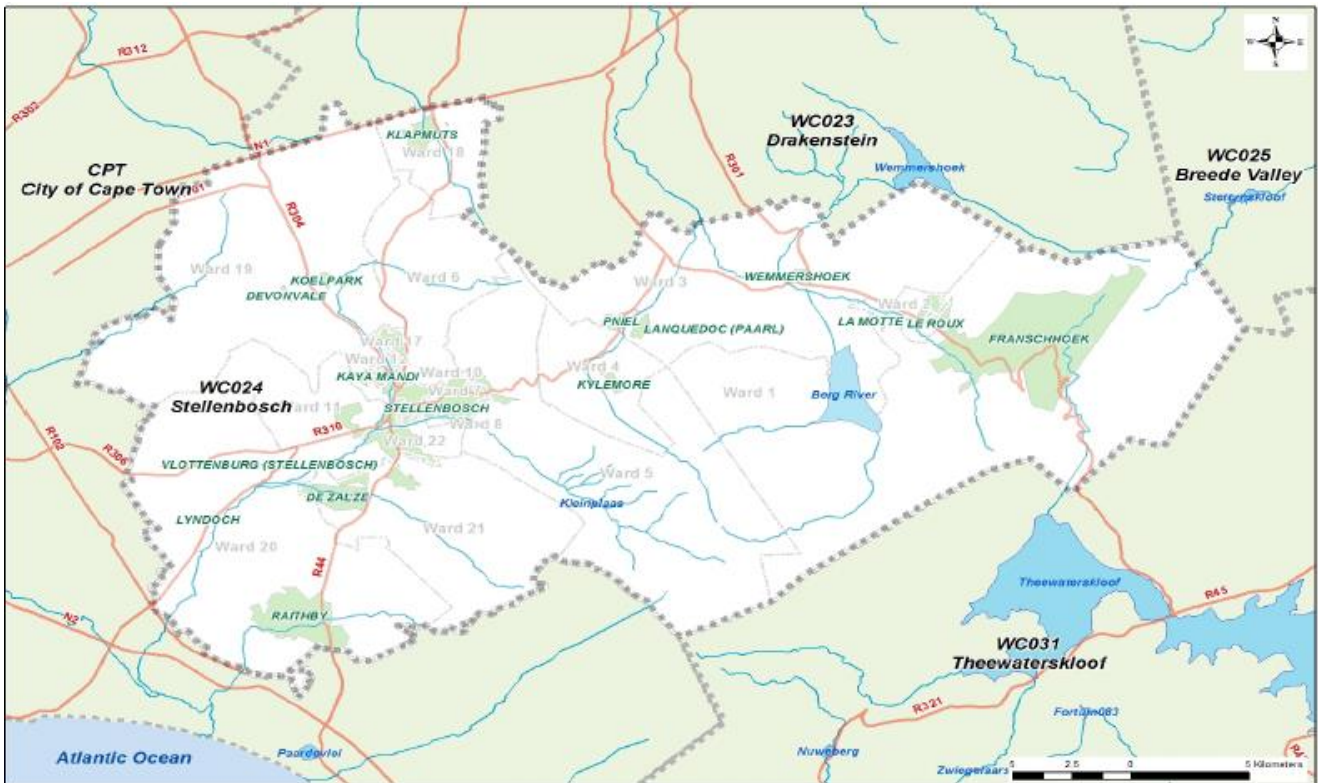


The Cape Winelands District Municipality is located within close proximity of the City of Cape Town, which offers excellent access to trade opportunities, routes and infrastructure such as expanding broadband networks, an international airport (with direct flights to international cities), the second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



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

Figure 1:4: Locality map of Municipal Boundaries



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

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

1.2.7.3 State of the Greater Stellenbosch

Stellenbosch is situated about 50 km from Cape Town and is flanked by the N1 and N2 main routes. According to population growth estimates, of the Community Survey the population figures for Stellenbosch for 2020 indicates 192 879 people and 52 374 households. The municipality's area of jurisdiction includes the town of Stellenbosch and stretches past Jamestown to Raithby in the South, Bottelary, Koelenhof, and Klapmuts to the North, and over the Helshoogte Pass to Pniël, Kylemore, Groendal and Franschhoek in the East.



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

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

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

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

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

The following municipalities share their borders with Stellenbosch Municipality:

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



1.2.7.4 Stellenbosch at a Glance

Table 1.2: Stellenbosch Municipality: Summarised Statistics

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

Source: DLG 2020 Socio- Economic Profile- Stellenbosch Municipality



1.2.7.5 Socio-Economic Context

Population

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

Table 1:3: Age Cohorts and Dependency Ratio

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

Source: Western Cape, Socio-Economic Profile 2020

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

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

Sex Ratio

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

Age Cohorts

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

Household sizes

Household size refers to the number of people per household. The actual size of households remains steady at 3.7 from 2020 to 2024. Contributing factors to a stagnation in household size growth could include, but are not limited to, lower fertility rates, divorce, ageing population, etc.

Population density

Amidst rapid urbanisation across the Western Cape, population density figures will aid public sector decision makers to mitigate environmental, individual health and service delivery risks. In 2020, the



population density of the Cape Winelands District (CWD) was 44 persons per square kilometer. In order of highest to lowest, the various local municipal areas in the CWD compare as follows:

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

1.2.7.6 Education

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

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

Table 1:4: Early Childhood Development – attendance levels

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

Source: Western Cape, Socio-Economic Profile 2018

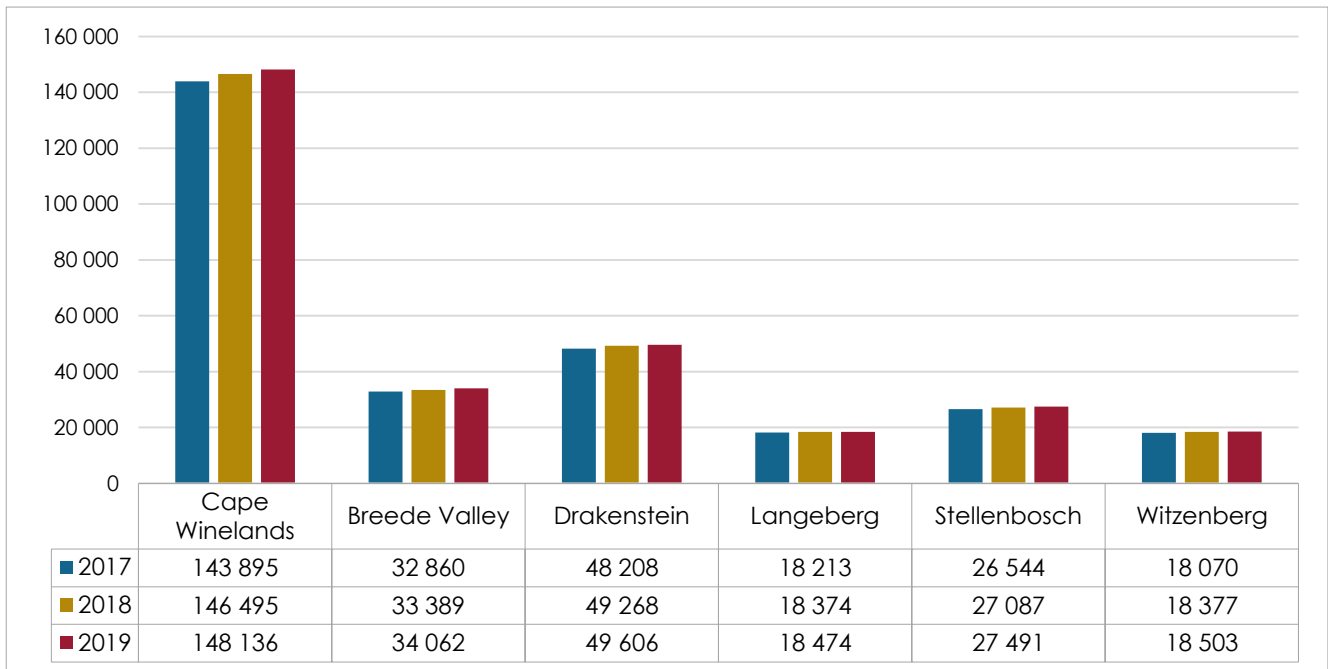
Attendance of children between 1 and 2 years old at educational facilities fluctuates and is largely attributed to working parents in need of child care. Attendance between 3 and 5 years old shows a promising increase of attendance at early childhood facilities, with attendance of 73% for age group 3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



Learner enrolment, the learner-teacher ratio and learner retention rate

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

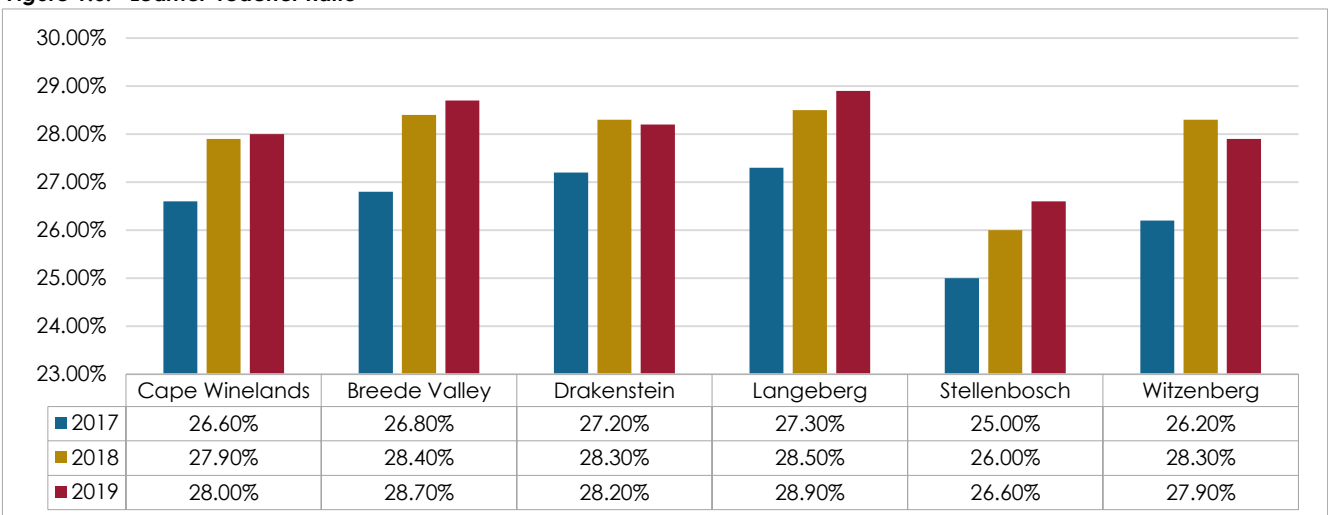
Figure 1:5: Learner enrolment



Source: Western Cape, Socio-Economic Profile 2020

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

Figure 1:6: Learner-Teacher Ratio



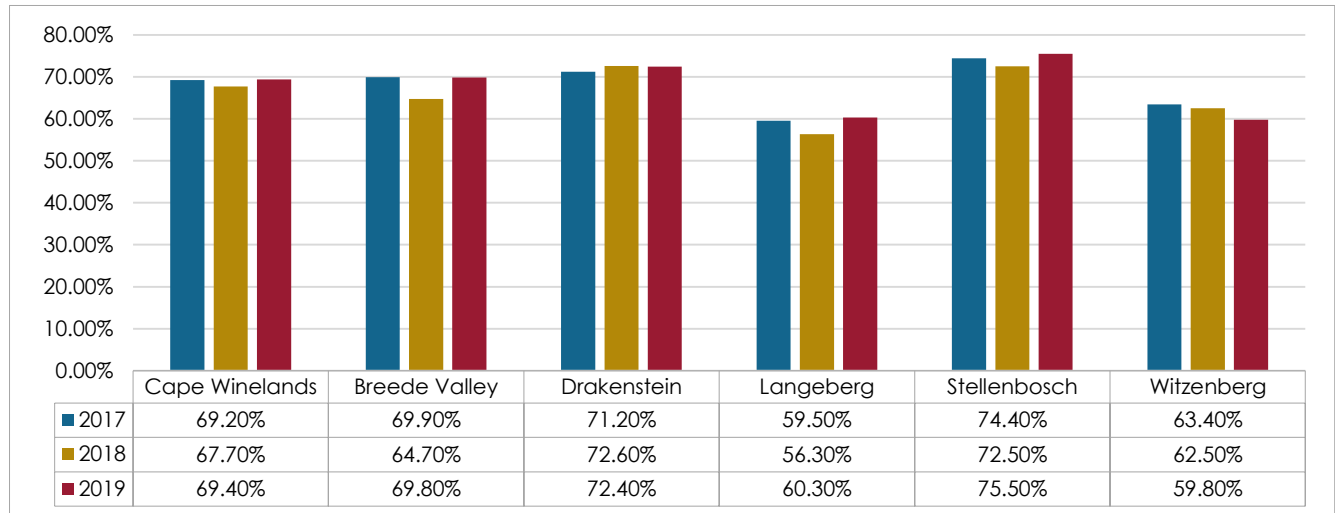
Source: Western Cape, Socio-Economic Profile 2020

The learner-teacher ratio also reflected an increase from 26 in 2018 to 26.60 percent in 2019. Stellenbosch has the lowest learner-teacher ratio in the District, which bodes well for educational outcomes.



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

Figure 1:7: Learner retention



Source: Western Cape, Socio-Economic Profile 2020

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

Number of schools and no-fee schools

In 2019, Stellenbosch had a total of 39 ordinary public schools¹, of which 25 are no-fee schools. In an effort to alleviate some of the funding challenges the Western Cape Department of Education (WCED) offered the opportunity to become fee-paying schools to no-fee schools. This means that almost two-thirds of the schools in Stellenbosch, 52 per cent, are registered with the Western Cape Department of Education as no-fee schools.

Schools with libraries and media centres

There was no change in the number of schools with libraries in the Stellenbosch area from 2016 to 2020. The availability of library facilities within schools contribute towards narrowing the academic attainment gap by allowing students access to information which in turn directly links to improved education outcomes.

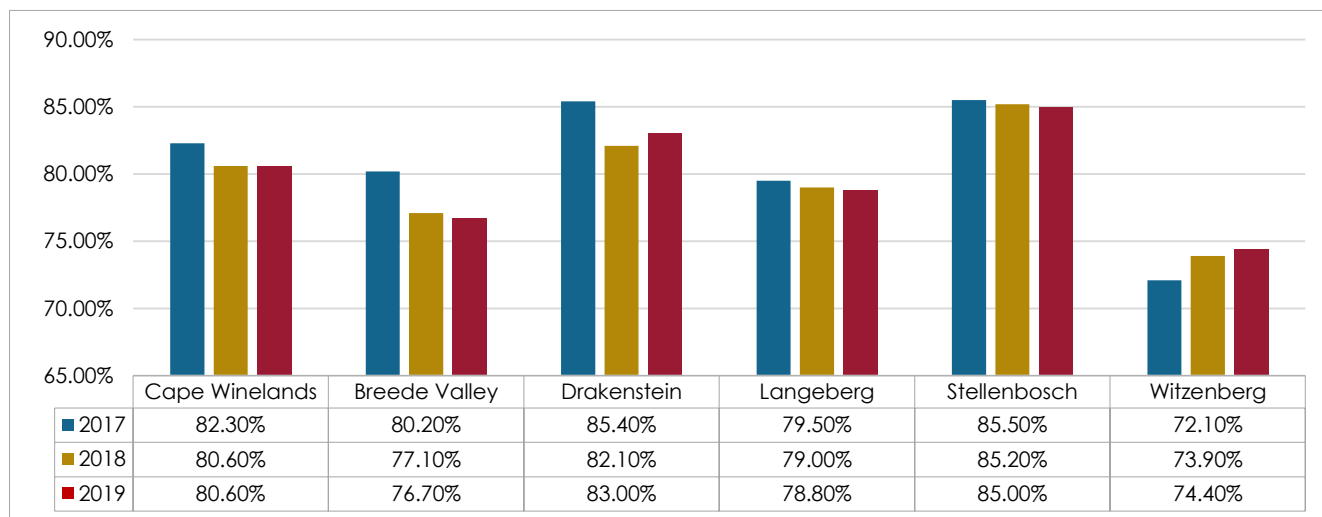
¹ An **ordinary public school** is a school contemplated in Chapter 3 of the South African Schools Act, 1996 (Act No. 84 of 1996). Public schools and private schools are collectively known as ordinary schools. *Dictionary of Education Concepts and Terms, June 2011. Government Gazette, 6 June 2011.*



Education Outcomes (Matric Pass Rates)

Education remains one of the key avenues through which the state is involved in the economy. In preparing individuals for future engagement in the labour market, policy choices and decisions in the sphere of education play a critical role in determining the extent to which future economic and poverty reduction plans can be realised. Stellenbosch's matric outcomes have declined slightly from 85.2 per cent in 2018 to 85.0 per cent in 2019.

Figure 1:8: Education Outcomes



Source: Western Cape, Socio-Economic Profile 2020

1.2.7.7 Health

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

Table 1:5: Health care facilities

| Area | PHC facilities (Fixed clinics, CHCs and CDCs) | | Community Health Centres ² | Community Day Centres ³ | Hospitals | | Treatment Sites | |
|-------------------------|---|-----------|---------------------------------------|------------------------------------|-----------|----------|-----------------|------------|
| | Fixed | Non-fixed | | | District | Regional | ART Clinics | TB Clinics |
| Stellenbosch | 7 | 6 | 0 | 1 | 1 | 0 | 8* | 15* |
| Cape Winelands District | 39 | 33 | 0 | 6 | 4 | 2 | 49* | 100* |

*Source: Western Cape, Socio-Economic Profile 2020

² **Community Health Centre:** A facility that normally provides primary health care services, 24 hour maternity, accident and emergency services and beds where health care users can be observed for a maximum of 48 hours and which normally has a procedure room but not an operating theatre.

³ **Community Day Centre:** A health facility that provides a comprehensive health care services during day hours, including mother and child health, chronic diseases care, women's health, HIV and TB care, men's health, acute services, physio therapy, mental health services and oral health care.



Emergency Medical Services

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

HIV / AIDS / TB

Stellenbosch's total registered patients receiving ARTs increased by 896 patients between 2018 and 2019. A total of 32 366 registered patients received antiretroviral treatment in the Cape Winelands District in 2019. Stellenbosch, at 6 960 patients, represent 21.5 per cent of the patients receiving ART in the Cape Winelands District. The number of new antiretroviral patients decreased from 637 to 538 in 2019.

Stellenbosch experienced an increase of tuberculosis (TB) cases in 2019. According to the socio economic profile a total of 1 176 TB patients were registered in 2019 compared to registered cases of 1 175 in 2018.

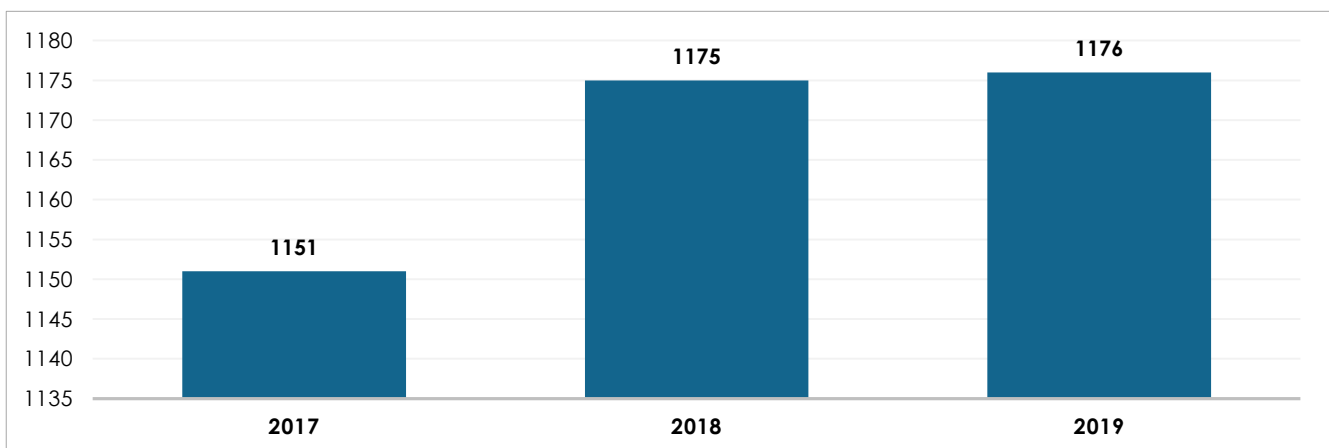
HIV / AIDS management is crucial given its implications for the labour force and the demand for healthcare services.

Table 1:6: HIV/AIDS Management

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

Source: Western Cape, Socio-Economic Profile 2020

Figure 1:9: Tuberculosis



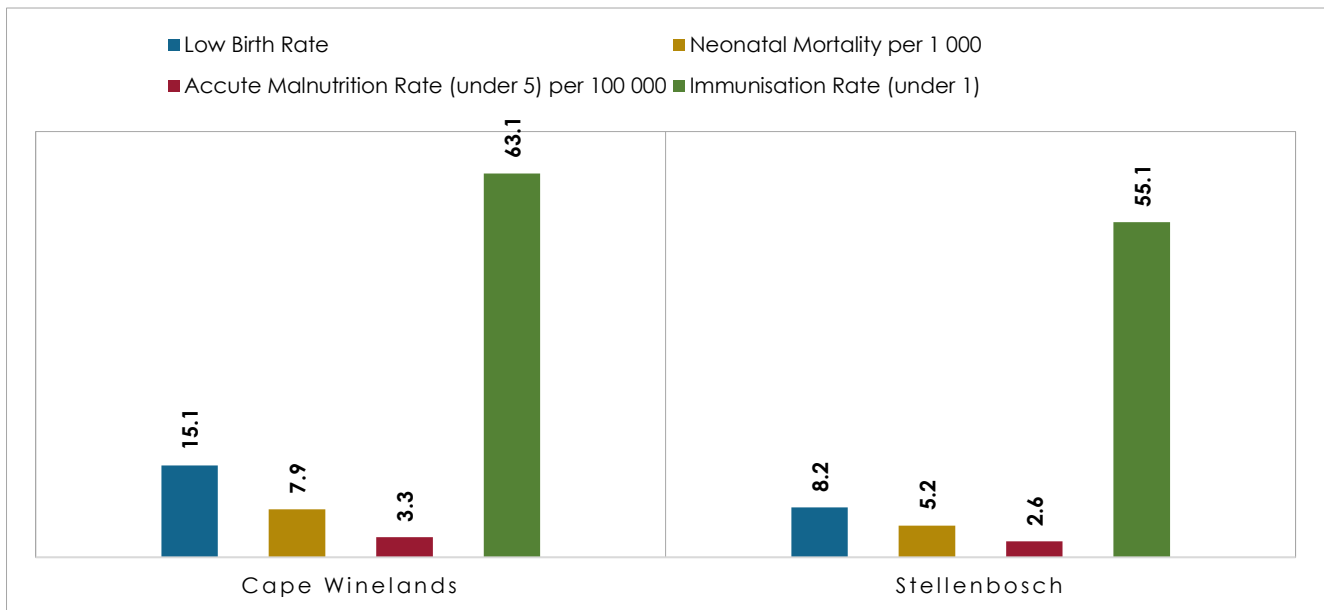
Source: Western Cape, Socio-Economic Profile 2020



Child Health

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

Figure 1:10: Child Health, 2019



Source: Western Cape, Socio-Economic Profile 2020

Maternal Health

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

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

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

Table 1:7: Maternal Health

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

Source: Western Cape, Socio-Economic Profile 2020



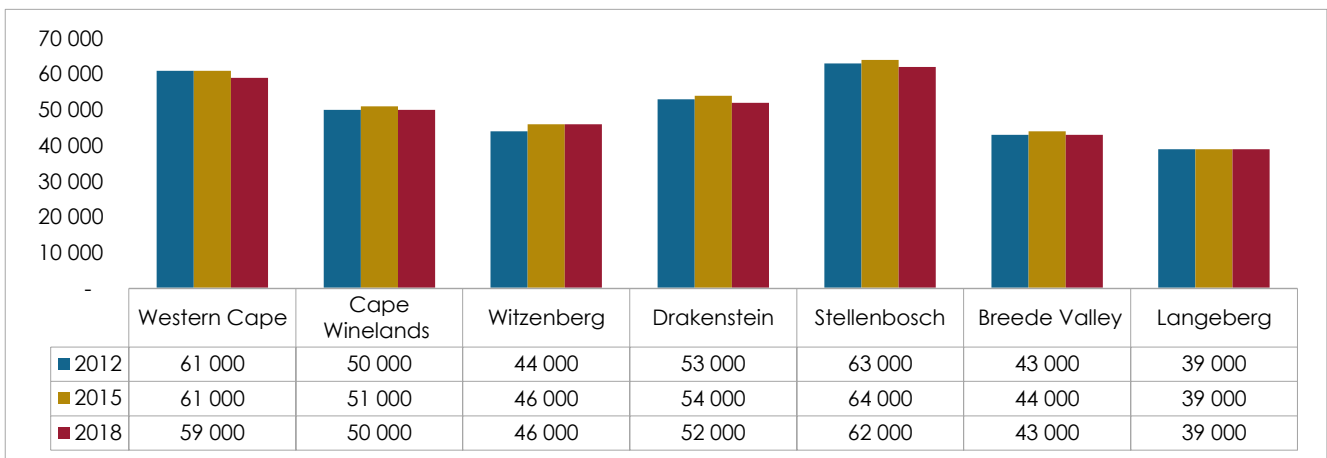
1.2.7.8 Poverty

GDPR Per Capita

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

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

Figure 1:11: GDPR Per Capita



Source: Western Cape, Socio-Economic Profile 2020

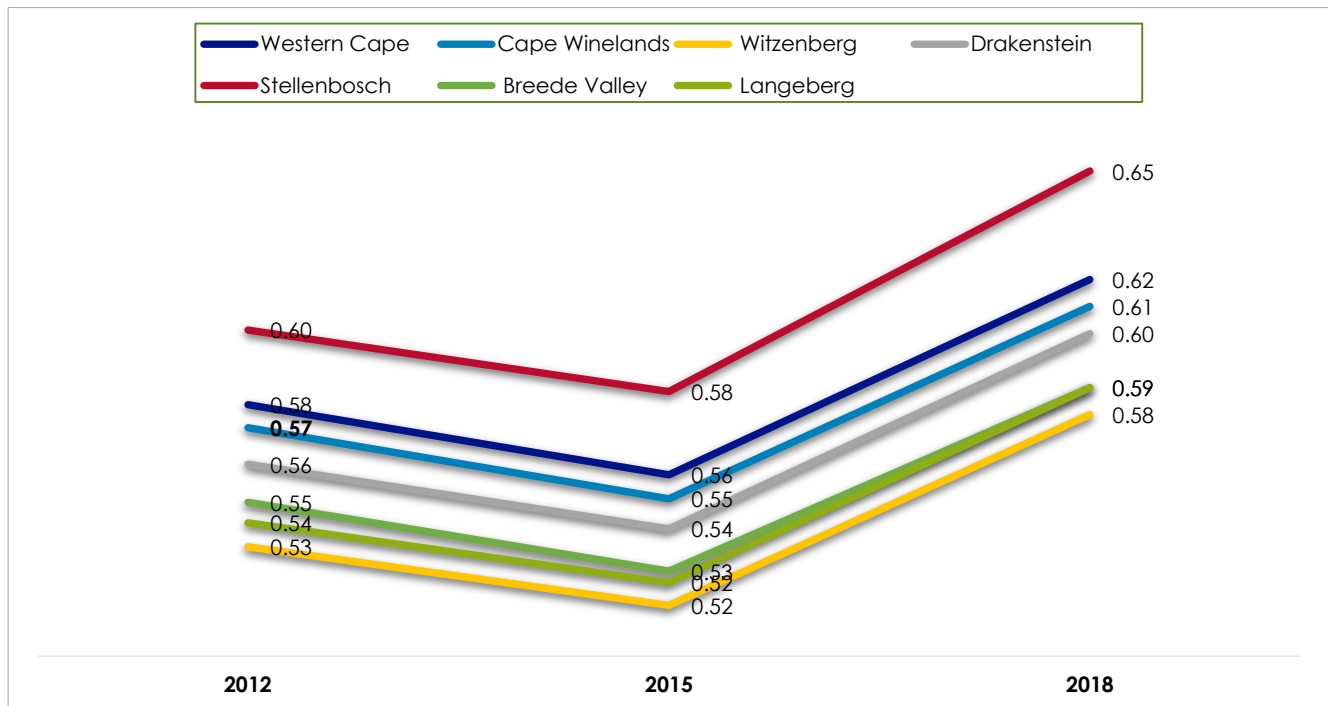
Income Inequality

The National Development Plan (NDP) has set a target of reducing income inequality in South Africa from a Gini coefficient of 0.7 in 2010 to 0.6 by 2030. Income inequality has increased in Stellenbosch between 2012 (0.60) and 2018 (0.65) with the exception of 2012, when it dropped below 0.58.

Furthermore, income inequality levels were the highest in Stellenbosch for 2018 with a Gini coefficient of 0.60 when compared to neighbouring municipalities across Cape Winelands District and the Western Cape. These disparities in income are certain to worsen across the next MTREF given the potential aftereffects of the COVID-19 pandemic.



Figure 1:12: Income Inequality



Source: Western Cape, Socio-Economic Profile 2020

Human Development

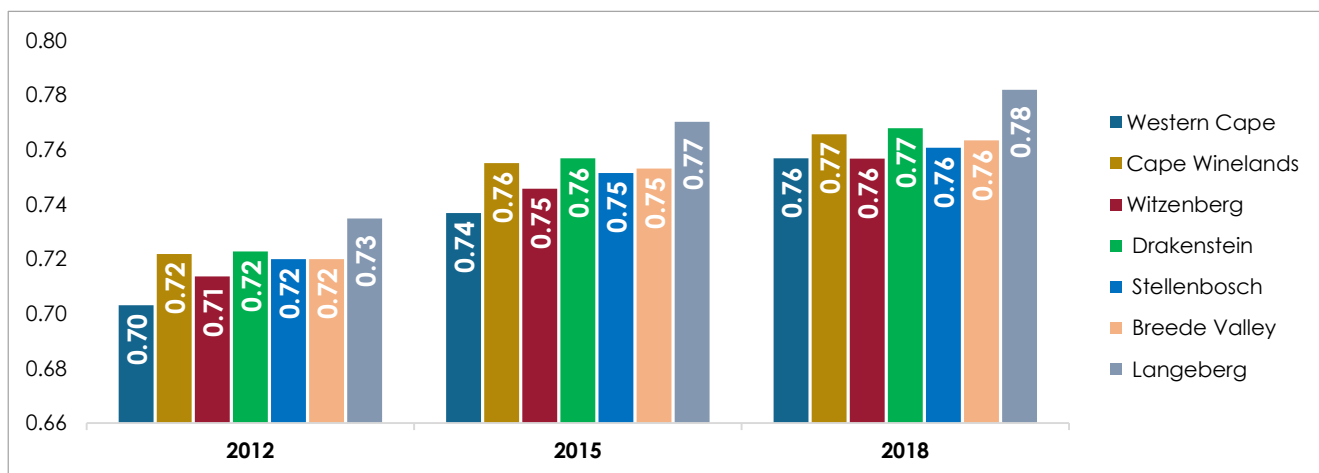
The United Nations uses the Human Development Index (HDI) to assess the relative level of socio-economic development in countries. Indicators that measure human development are education, housing, access to basic services and health.

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

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



Figure 1:13: Human Development



Source: Western Cape, Socio-Economic Profile 2020

1.2.7.9 Basic Service Delivery

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

This section considers to what extent this has been achieved by reflecting on the latest available information from Quantec Research for 2019. The latest official statistics was collected by Statistics South Africa for the 2016 Community Survey; the 2021 Census will provide the updated official statistics. The information on free basic services is obtained from Statistics South Africa's Non-Financial Census of Municipalities survey findings.

Housing and Household Services

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

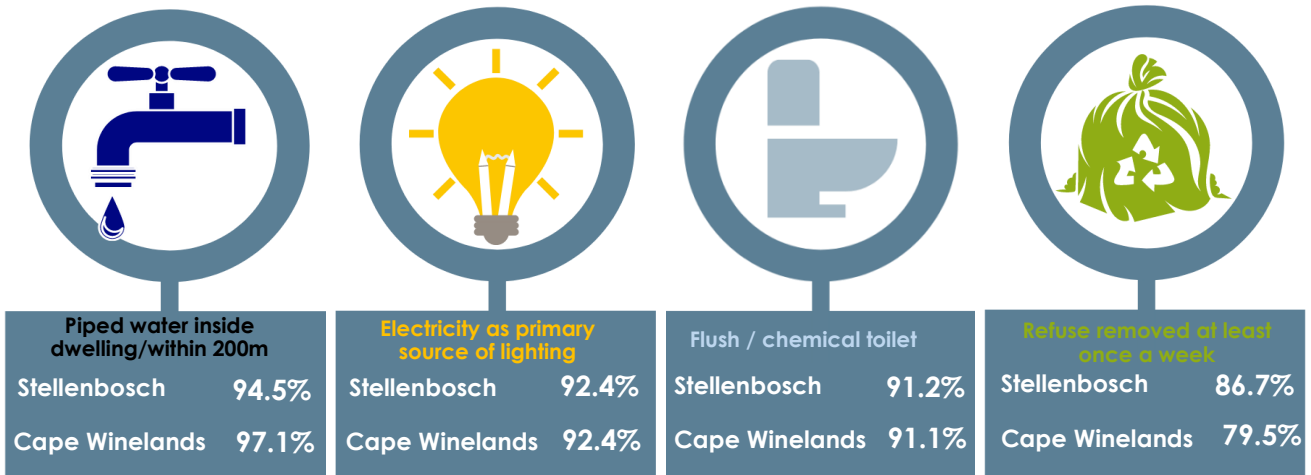
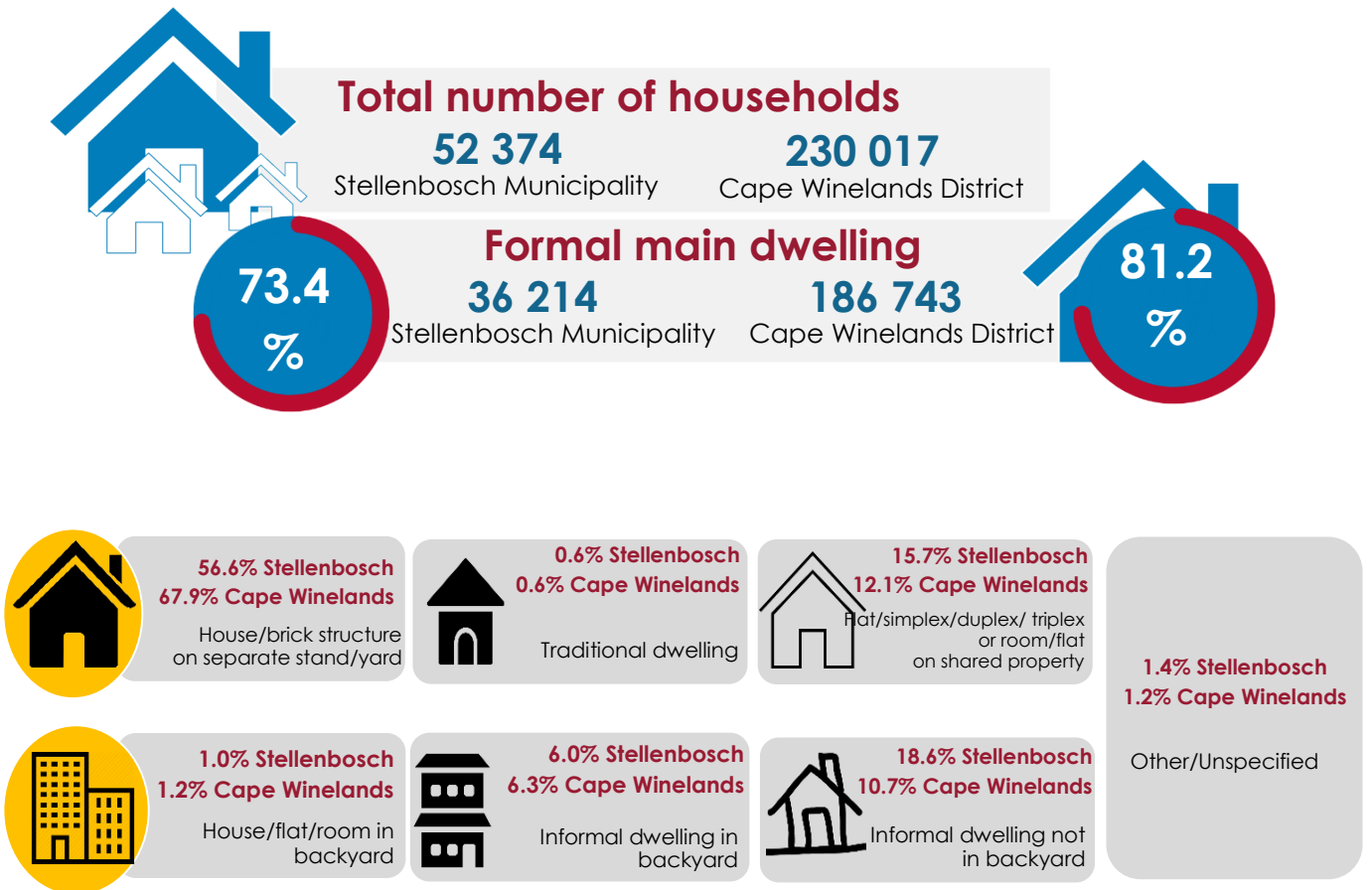
Subsequently, service access levels were high in the area, with access to piped water inside / within 200m of the dwelling at 94.5 per cent, access to a flush or chemical toilet at 91.2 per cent, access to electricity (for lighting) at 92.4 per cent and the removal of refuse at least weekly by local authority at 86.7 per cent of households. Please refer to Table 1:14 below.

Free Basic Services

Municipalities also provide a package of free basic services to households who are financially vulnerable and struggle to pay for services. The number of households receiving free basic services in the Stellenbosch municipal area has shown a generally increasing trend up to 2018. The stressed economic conditions are anticipated to exert pressure on household income levels, which is in turn likely to see the number of indigent households and the demand for free basic services increase.



Figure 1:14: Total number of household



Source: Western Cape, Socio-Economic Profile 2020



1.2.7.10 Safety and Security

Murder

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

Within the Stellenbosch area, the actual number of murders increased from 69 in 2019 to 76 in 2020. The murder rate (per 100 000 people) also increased from 37 in 2019 to 39 in 2020. The murder rate for the CWD increased from 39 in 2019 to 42 in 2020 (per 100 000 people).

Table 1:8: Murder (per 100 000)

| Murder (per 100 000) | | |
|----------------------|---------|---------|
| 2017/18 | 2018/19 | 2019/20 |
| 39 | 39 | 42 |

Source: Western Cape, Socio-Economic Profile 2020

Sexual Offences

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

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

Table 1:9: Sexual Offences (per 100 000)

| Sexual Offences (per 100 000) | | |
|-------------------------------|---------|---------|
| 2017/18 | 2018/19 | 2019/20 |
| 114 | 108 | 120 |

Source: Western Cape, Socio-Economic Profile 2020

Drug-related Offences

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

Drug-related incidences within the Stellenbosch area decreased from 2 563 cases in 2019 to 2 166 cases in 2020. The CWD's drug-related offences decreased sharply from 11 225 in 2019 to 7 895 in 2020. When considering the rate per 100 000 people, at 1 123 crimes per 100 000 people in 2020, the Stellenbosch area rate is above that of the District (837).

Table 1:10: Drug Related Offences (per 100 000)

| Drug Related Offences (per 100 000) | | |
|-------------------------------------|---------|---------|
| 2017/18 | 2018/19 | 2019/20 |
| 1 754 | 1 358 | 1 123 |

Source: Western Cape, Socio-Economic Profile 2020



Driving under the influence (DUI)

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

The number of cases of driving under the influence of alcohol or drugs in the Stellenbosch area shows a decrease from 309 in 2018/19 to 237 in 2019/20. This translates into a rate of 123 per 100 000 people in 2019/20, which is above the District's 100 per 100 000 people in 2019/20.

Table 1:11: Driving under the influence (per 100 000)

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

Source: Western Cape, Socio-Economic Profile 2020

Road user fatalities

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

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

Table 1:12: Road user fatalities (actual cases)

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

Source: Western Cape, Socio-Economic Profile 2020

Residential Burglaries

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

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

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

Table 1:13: Residential burglaries (per 100 000)

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

Source: Western Cape, Socio-Economic Profile 2020



1.2.7.11 Economy and Labour Market Performance

Sectoral Overview

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

In terms of sectoral contribution, the wholesale and retail trade, catering and accommodation (R3.3 billion), finance, insurance, real estate and business services (R3.5 billion), and manufacturing (R2.7 billion) sectors were the main drivers that contributed to the positive growth in the local economy. These sectors are also estimated to have performed well in 2019, particularly the finance, insurance and real estate services and the wholesale and retail trade, catering and accommodation sectors, which are both estimated to have grown by 2.4 per cent. Employment creation in the wholesale and retail trade, catering and accommodation sector mirrored the high growth rate, with 400 new jobs created. In 2019, the transport, storage and communication sector was also an important source of job creation (169 jobs).

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

Formal and Informal Employment

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

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

Unemployment

Stellenbosch (11.3 per cent) has the second highest unemployment rate in the Cape Winelands District. It is also higher than the District average (11.3 per cent) but considerably lower than the Western Cape rate of 19.4 per cent.⁴ Stellenbosch's high unemployment rate is based on the narrow definition of unemployment i.e. the percentage of people that are able to work, but unable to find employment. The broad definition generally refers to people that are able to work, but not actively seeking employment.

⁴ Western Cape, Socio-Economic Profile 2020.



Table 1:14: Economic Sector Overview

| Sector | GDP | | | Employment | | |
|--|----------------------|-------------------|-----------------------|---------------------|-----------------------------------|------------------|
| | R Million value 2018 | Trend 2014 - 2018 | Real GDP growth 2019e | Number of jobs 2018 | Average annual change 2014 - 2018 | Net change 2019e |
| Primary Sector | 931,4 | -1,0 | -8,9 | 10 725 | 55 | -113 |
| Agriculture, forestry and fishing | 901,2 | -1,1 | -9,1 | 10 694 | 55 | -111 |
| Mining and quarrying | 30,2 | 1,8 | -2,6 | 31 | 0 | -2 |
| Secondary sector | 3 755,6 | -0,3 | -1,6 | 12 224 | 121 | -443 |
| Manufacturing | 2 651,6 | -0,9 | -1,5 | 7 965 | -8 | -138 |
| Electricity, gas and water | 234,3 | -0,3 | -1,9 | 156 | 3 | -1 |
| Construction | 869,8 | 2,1 | -1,9 | 4 103 | 126 | -304 |
| Tertiary sector | 11 489,0 | 2,1 | 1,4 | 55 752 | 1 304 | 449 |
| Wholesale and retail trade, catering and accommodation | 3 344,9 | 2,4 | 0,9 | 20 460 | 603 | 400 |
| Transport, storage and communication | 1 782,3 | 3,9 | 1,5 | 3 432 | 95 | 169 |
| Finance, insurance, real estate and business services | 3 489,6 | 2,4 | 2,3 | 13 577 | 427 | 35 |
| General government | 1 770,1 | 0,1 | 0,7 | 7 925 | 62 | 124 |
| Community, social and personal services | 1 102,2 | 0,9 | 0,3 | 10 358 | 117 | -279 |
| Stellenbosch | 16 176,0 | 1,4 | 0,1 | 78 701 | 1 480 | -107 |

Source: Western Cape, Socio-Economic Profile 2020
e- denotes estimate

Table 1:15: Skill Levels Formal employment

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

Source: Western Cape, Socio-Economic Profile 2020

**Table 1:16: Informal Employment**

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

Source: Western Cape, Socio-Economic Profile 2020

Table 1:17: Unemployment rates

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

Source: Western Cape, Socio-Economic Profile 2020

1.2.7.12 Public Infrastructure Spending

Spending on Social Infrastructure

Spending on social infrastructure aids in social development and has the spill-over effect of enabling economic growth. The Western Cape Government (WCG) will spend 22.5 per cent (R49.174 million) of its infrastructure budget on social infrastructure (kindly note that the 22.5% is the commitment from WCG and not what the municipality will spend)

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

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

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



Spending on Economic Infrastructure

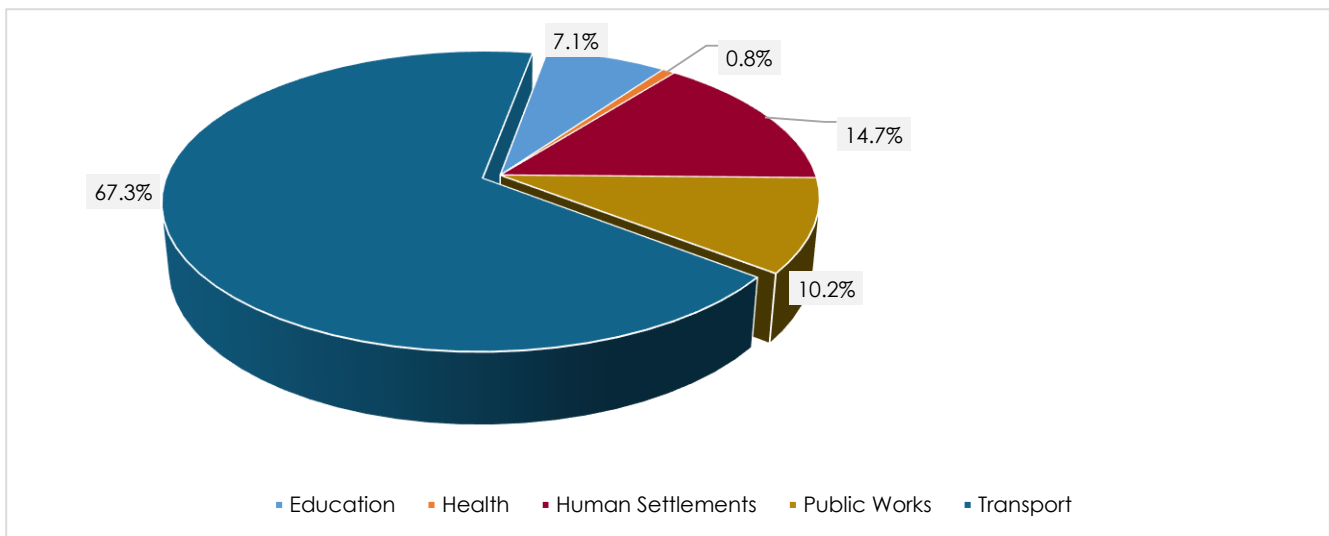
Economic infrastructure is defined as infrastructure that promotes economic activity. Considering the sluggish economic growth throughout the country, spending on economic infrastructure is crucial to stimulating economic activity.

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

Spending on Trading Services

Basic services are crucial to improving the living conditions of citizens within the municipal area and enabling economic activity for businesses via access to water, electricity, sanitation and refuse removal. The majority of the municipality's infrastructure budget is allocated towards the provision of basic services. The majority of spending on trading services have been allocated towards waste water management (R109.7 million). This was followed by water management (R53.4 million), electricity (R39.3 million) and waste management (R7.7 million).

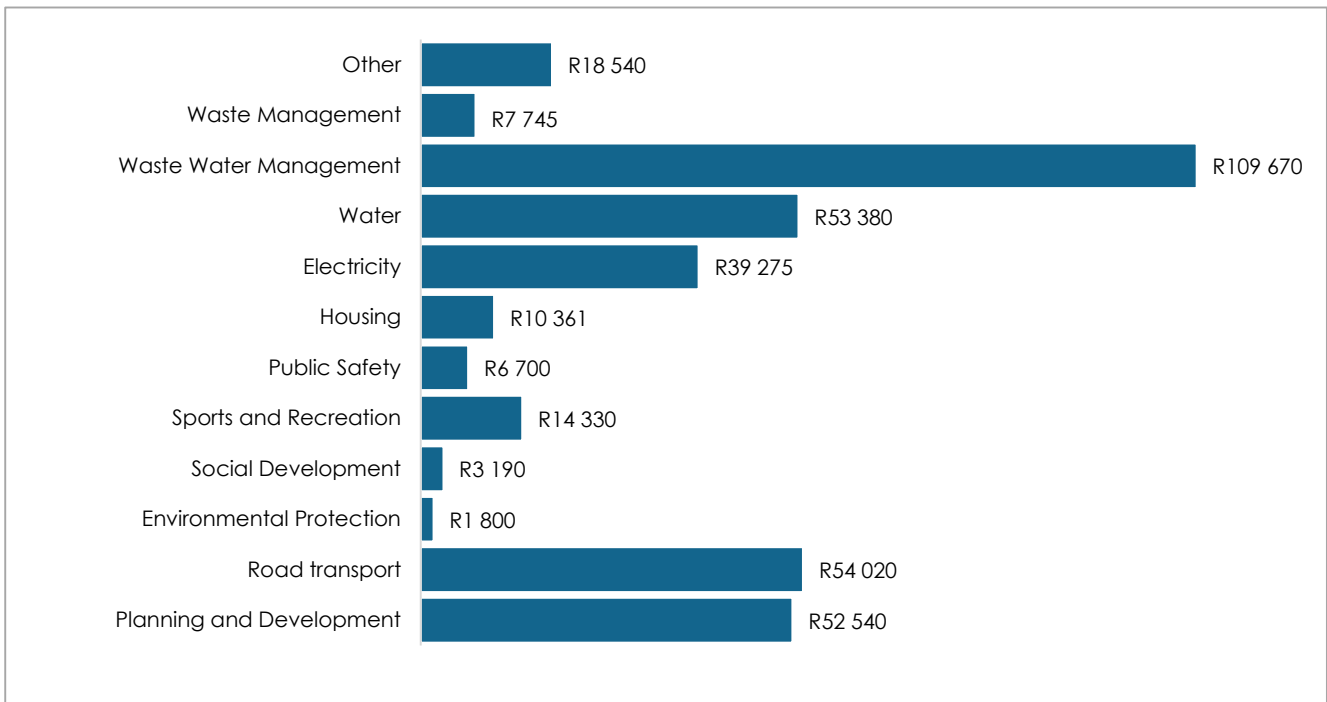
Figure 1:15: Provincial Infrastructure Spend



Source: Western Cape, Socio-Economic Profile 2020

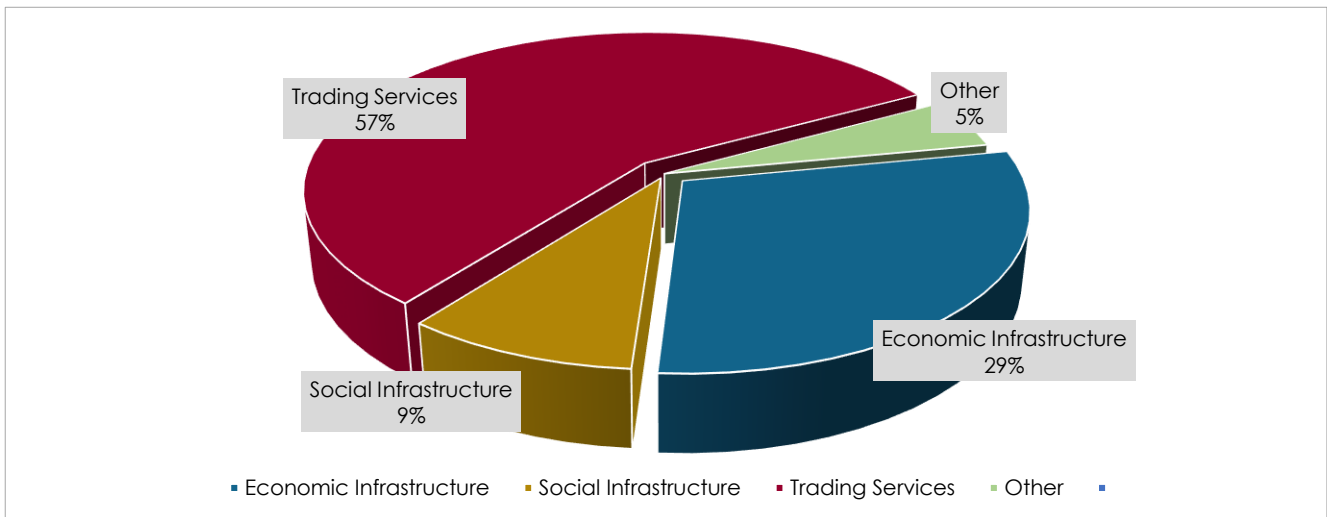


Figure 1:16: Municipal Infrastructure Spend (000')



Source: Western Cape, Socio-Economic Profile 2020

Figure 1:17: Municipal Infrastructure Spend



Source: Western Cape, Socio-Economic Profile 2020



1.2.8 MUNICIPAL PERFORMANCE HIGHLIGHTS AND CHALLENGES

1.2.8.1 Municipal Performance Highlights

The following performance highlights for the 2019/20 financial year are worth mentioning:

Table 1:18: Performance Highlights

| Highlight | Description |
|--|---|
| Development Services | Development Charges (DCs) are calculated by the municipality and set as a development condition for new developments. <ol style="list-style-type: none"> DCs paid in: R6,4M. Assets created in lieu of DCs: R10,5M. Total value created for the municipality in 2019/20: R16,9M. |
| Watergang, Kayamandi (20 units) | The 20 units were completed during the financial year. |
| TRA, Watergang | The upgrading of Zone O is of immense importance to assist with the relocation strategy that is needed to upgrade Zone O, Kayamandi. The temporary relocation area (TRA) accommodates 277 families and after the services have been installed in Zone O, the relocation strategy will commence. |
| Longlands, Vloffenburg | After the signing of the Tripartite Agreement between the land-owner, PDoHS and Stellenbosch Municipality, the funding application to install the internal services was approved. Contractor commenced with the installation of the internal services. This is a multi-year project. |
| Ida's Valley housing project (Erf 11330) | Installation of 195 internal services was completed. The construction of Phase 1, consisting of 84 GAP housing units, was completed. The construction of the BNG housing units commenced and 8 units received completion certificates for hand over. All the BNG houses will be handed over during the next financial year. |
| Mandela City, Klapmuts | The completion of 76 units was delayed as a result of the lockdown regulations that were implemented during the final quarter of the financial year. 20 units were completed and the balance will be completed during the 2020/21 financial year. |
| Kayamandi Town Centre | A comprehensive survey was done to determine the different businesses in the Town Centre of Kayamandi. This information enabled the professional team to revisit the entire layout of the Town Centre and thereby addressing high density developments and business opportunities for the affected residents. A progress report with a proposed concept layout design will be submitted to Council for approval. |
| Smartie Town, Cloetesville | 66 housing units were successfully completed and the balance of the units will be repaired during the 2020/21 financial year. |
| Upgrading of The Steps / Orlean Lounge | Contractor was appointed and commenced with the upgrading of the units during February 2020. This is a multi-year project and the anticipated completion date is 30 June 2023. |
| Watergang Farm Upgrading | Consultants were appointed to finalise the designs for the installation of 100 waterborne toilets and 80 water taps. Tender document was compiled and will be advertised during the first quarter of the 2020/21 financial year. |
| Erf 7001, Cloetesville | In accordance with the market challenges to provide GAP housing, the municipality did a backyard survey in Cloetesville and revisited the Call for Proposal in line with community statistics. Bids were received from a potential service provider with proposed layout to develop Erf 7001. During the evaluation of the Call for Proposals, the bidders were found non-responsive and the BAC cancelled the tender. A new Call for Proposal was prepared and advertised. |
| Erf 2175, Enkanini | The project was completed at the end of 2019/20 financial year. The project included upgrading of the road system, the ablution facilities and the connection of approximately 300 informal structures. Electricity was installed to 242 structures in the 2019/20 financial year on erf 2 175, phase 4 of Enkanini Electrification. Plans to install electricity to a further 1 000 structures are underway to be executed in the 2020/21 financial year. |
| Electricity Losses | Electricity losses were limited to 9,36%. |
| Landfill site | Progress has been made with the expansion of the landfill site with the environmental impact assessment for the moving of the powerlines. Once all approvals are in place the construction related activities will commence. |
| Security at Cloetesville Library | Security upgrades completed at the Cloetesville Library. |



1.2.8.2 Municipal Challenges

The following general challenges were experienced by the municipality:

Table 1:19: Municipal Challenges

| Challenge | Actions to address |
|--|---|
| Watergang, Kayamandi (20 units) | Although the repairs of the damaged houses and electrical infrastructure was a major challenges, the completion of the 20 units was concluded in 2019/20 financial year. |
| TRA, Watergang | Due to community unrest during May 2018, the contractor experienced challenges to create new platforms as well as an acceptable housing typology. After the community workshops, the TRA unit was accepted and approved by Council and PDoHS. The TRA units were completed in the financial year under review. |
| Longlands, Vlottenburg | The signing of the Tripartite Agreement paved the way for the installation of internal services, although the relocation of certain families on the site remains a challenge. The national lockdown impacted the proposed programme of the Contractor. The funding of the bulk and link services must be provided to address the capacity constraints on site. Funding application for the top structures must be submitted to prevent delays on site. The relocation of families residing on the site poses a risk of delaying the project. |
| Ida's Valley housing project (Erf 11330) | The project was delayed due to the national lockdown regulations. The contractor's programme had to be reviewed in order to fast track the completion of the housing units. An additional funding application was submitted to the PDoHS in order to provide a fence/wall next to the BNG houses. The fence must be erected prior to the occupation of the houses. |
| Mandela City, Klapmuts | The invasion of the land for developable space is a major challenge on site, and will result in project delay. |
| Kayamandi Town Centre | The layout for the Town Centre had to be revised to accommodate more formal and informal businesses. These changes reduce the amount of housing opportunities that was originally created. The community accepts high density development but public participation remains an ongoing challenge. |
| Smartie Town, Cloetesville | A contractor was appointed to do the rectification of 106 existing housing units. Due to the extent of defects in the houses, some of the families had to be relocated to temporary structures whilst their housing units were repaired. The appointment of local labour from the affected community was a major challenge and caused delays on-site. |
| Upgrading of The Steps / Orlean Lounge | The national lockdown regulations impacted the proposed programme of the Contractor. The informal structures (backyarders) cause delays on the project due to restricted access for construction activities. A temporary relocation area was provided for the beneficiaries in order to upgrade their respective units. |
| Watergang Farm Upgrading | The application was submitted to the PDoHS to fund the project during the next financial year and imposes a risk should funding not be considered to implement the project. |
| Erf 7001, Cloetesville | A new Call for Proposal was advertised and two bids were received. Unfortunately, both bids were deemed non-responsive and a new Call for Proposal has to be drafted and advertised. |
| Congestion on road network | The municipality's main road network operates at and beyond capacity and cannot adequately meet peak travel demands, resulting in high levels of congestion. |
| Theft of road infrastructure | The theft of manhole covers; pedestrian handrails on bridges, and foundation material under road and bridges pose a safety risk to pedestrians and residents. |
| Illegal electrical connections | Illegal and unsafe connections as an alternative means to access electricity, continues to be a challenge to the municipality. The danger of illegal electrical connections are continually being shared with communities during IDP meetings and other platforms. |
| Staff shortage | The severe staff shortages continue to hamper service delivery. This was further exposed by COVID-19 pandemic, when a number of staff were either quarantined, isolated or on sick leave, and no one was available to act. Planned electricity maintenance as a result, is not done to the level the applicable standards require, which poses a major risk to the municipality. To adequately meet current and future transport challenges, and to effectively manage municipal roads and transport Infrastructure, vacant positions must be filled. |
| Vandalism and cable theft | Infrastructure vandalism continues being a challenge to the municipality. As a result, funding which could have been used elsewhere, is constantly used to repair such. Fencing of mini-substations and substations where possible is realised. Kiosks where possible and funding allowing are replaced with strongboxes. |
| Safety of the staff | The safety of staff is also in jeopardy when working in high risk areas and special arrangements must be made with Law Enforcement to accompany staff to ensure their safety when called out to high- |



| Challenge | Actions to address |
|--|---|
| | risk areas. |
| Electrification of informal settlements | Enclosing infrastructure by building around it, makes it impossible to conduct repairs and as such repairs restore power outages when experienced. Satellite dishes on poles also makes it impossible for operators to conduct repairs. |
| Unqualified staff appointed at libraries | Identified relevant library courses which have been included in the Work Skills Plan developed for the Libraries Department. |

1.2.9 SERVICE DELIVERY OVERVIEW

1.2.9.1 Basic Service Delivery Performance Highlights

Table 1:20: Basic Service Delivery Highlights

| Highlight | Description |
|---|--|
| Stellenbosch Wastewater Treatment Plant | Won the "Project between R 250 million and R 1 billion" category at the Consulting Engineers South Africa (CESA) AON Engineering Excellence Awards. |
| Fire and Disaster Services | The revision of the Disaster Management Plan is done yearly in accordance with Section 53(1) of the Disaster Amendment Act, 2015 (Act No. 16 of 2015). |
| | Smoke alarm installation project continues. |
| | Disaster Management and Fire and Rescue Services received a new fleet; water tankers, bakkies, etc., including specialised tools of trade. |
| | Outdoor gym installed at La Motte and Stellenbosch Fire Stations. |
| Parks, Rivers and Open Spaces | 50% of vacancies filled. |
| | <p>Lawns at Main Building Plein Street, Klapmuts town entrances and selected parks were replaced with artificial grass as part of the water saving initiatives. This project worked very well, and the area remained neat and admirable.</p> <p>2019/2020 Ward 1: New outdoor gym was installed; Ward 2 Pathways in Park next to community hall in La Motte; Ward 3: New fencing and outdoor gym in Lanquedoc; Ward 4: New gates were installed at River Park; Ward 5: New fencing completed in The Ridge and play items in Kreefgat Park Ward 5. Swings and play items was refurbished. Ward 6: Beautification on Ida's Valley entrance done; Ward 7: New pathway and refurbishment of pathway in Brummer Park. New park signage installed; Ward 8, 9 and 10: New pots with plants and flowers to beautify the town, ward 10 received new outdoor gym. Park equipment installed in various parks and park bins installed in most wards. New slate pathway installed in ward 9 Voorgelegen gardens. Pots planted up outside Utopia; Ward 13: Town entrance beautified at Kayamandi entrance; Ward 16: RSEP park completed with fencing, artificial grass, play items and outdoor gym. New play items, new fencing, new outdoor gym, integrated park project commenced in Last Street. Noble Park received new gates and play item and outdoor gym. Community garden was erected with public participation; Ward 17: New play items and outdoor gym installed. Gates were installed at Kloof Street Park. Pots were beautified in Long Street (Wards 16 and 17). Wilger Park received play items in; Ward 18: New Play items were installed and Adam Street Park was upgraded; Ward 19: Gym was installed; Ward 21: Montrose Rose Park received fencing and artificial grass; Ward 20: Received outdoor gym and artificial grass; and Ward 22: Received outdoor gym, new bins, new signage.</p> <p>Parks received one bakkie and two trucks in Stellenbosch and one truck in Franschhoek.</p> <p>Cemeteries received new fleet one truck and one bakkie and Jamestown Cemetery landscaping was improved.</p> <p>Palisade fencing installed in Curry Street Park Cloeteville. Project was successfully completed. Fencing, play equipment and outdoor gym installed in Kreefgat Park Ida's Valley.</p> |



| Highlight | Description |
|----------------|---|
| | <p>Play equipment and outdoor gym installed in Kudu Park Klapmuts. Project was successfully completed.</p> <p>Play equipment installed in Adam Street Klapmuts Project was successfully completed.</p> <p>Outdoor gym equipment installed in ward 3, 21, 19, 18 and 16. Projects were successfully completed.</p> |
| | Flower pots were installed in ward 8 Victoria Street; ward 11 Adam Tas Road centre island and ward 17 Welgevonden Circle. Project was successfully completed. |
| Social Housing | The municipality was awarded an amount of R500 000 for a feasibility study by the Social Housing Regulator Authority (SHRA) on selected Restructuring Zones. SHRA followed a procurement process and appointed a service provider to do the necessary feasibility studies which will assist the municipality to appoint a Social Housing Institution (SHI) or Other Development Agency (ODA). The feasibility study was submitted to Council and approved accordingly. The development processes that were included in the feasibility study, will also assist the municipality in Social Housing projects going forward. |

1.2.9.2 Basic Services Delivery Challenges

Table 1:21: Basic Service Delivery Challenges

| Service Area | Challenge | Actions to address |
|--|--|---|
| Social Service expectations on Local Government | It is expected of municipalities to assist provincial and national government in the rolling out of services that are not defined as functions of local government (funding and management of temporary homeless shelters), implementation of the Children's Act, Local Drug Action Committees. In the case of the last two examples, it is captured in legislation as the responsibility of municipalities without it being reflected in Schedule 4 and 5 B of the constitution. Budget expenditure on items not perceived to be functions of local government becomes difficult to motivate. | Issue raised with the leadership of the municipality. |
| Development Services, Asset Management and Project Management Unit (PMU) | The municipality has been without a permanent Infrastructure Asset Management and Systems Manager since the post was created in 2018. The current staff shortage, in Asset Management and Development Services leads to excessive workload on remaining staff and in turn has an effect on meeting deadlines – notably those with legislated timeframes. Developers can suffer financial losses and economic activity can be delayed / stalled if the municipality doesn't respond to applications and requests timeously. Similarly, non-compliance with DoRA Integrated Urban Development Grant (IUDG) conditions could lead to IUDG funds being stopped. Therefore, sufficient capacity within this Department is of critical importance. | The following posts have been earmarked for appointment in the 2020/21 financial year: Senior Clerk reporting to Senior Manager Development Services – Technician. |
| Wayleave Administration and Management | The installation of telecommunications infrastructure in the road reserve increased dramatically post the announcement of the National Lockdown Regulations in the final quarter of the year. Due to a combination of staff shortages and the National Lockdown Regulations, there was a failure to adequately coordinate and regulate all work carried out within the public road reserves which resulted in inconvenience to the public and damage to existing services. Though telecommunication licensees have been operating in the WC024, the current levels of activity require a more coordinated and concerted approach. | The current organogram must be modified to include a dedicated Wayleave Officer. A Wayleave Policy will be tabled in 2020/21 for review and implementation. The following post has been earmarked for appointment in the 2020/21 financial year: Asset Management and Systems – Wayleave Office – Field Inspector. Though not nearly enough to enable Quality Assurance and Control across the entire WC024 – this post is currently vacant after a resignation during 2019/20. |
| Illegal and unsafe electricity connections Vandalism of | Kayamandi and Langrug have illegal and unsafe electrical connections that pose danger to the communities. | An arrangement with law enforcement to provide required protection to the officials when removing the illegal and unsafe connections has been made, however with no success. The department will keep on |



| Service Area | Challenge | Actions to address |
|---------------------------|--|---|
| electrical Infrastructure | | trying. The Department of Labour was also advised of the challenge. Structures are often extended around the existing infrastructure which makes it impossible to access when repairs need to be conducted. Satellite dishes installed on the poles also have the same effect. |
| | The municipality is faced with a challenge of vandalism and forceful opening of its infrastructure to: 1. Steal copper 2. Connect the illegal connections | The municipality has fenced three of the critical mini-substations. A tender for the fencing of the remaining mini-substation and kiosks is at evaluation stages. |
| Organisational Design | Sourcing of experienced, skilled and qualified electricians remains a challenge. A total of seven vacancies existing dating as far back as 2017. As a result, Sups and Managers are often forced to perform duties that would have been performed by these electricians. This has a snowball effect, as their duties in such instances, are neglected, which hampers severely on service delivery. | JDs were sent to TASK, however the challenge still remain, despite the TASK positive outcome, as the outcome was not effected correctly. |
| Security at facilities | Highly problematic, especially Beltana depot where access control is less than desirable. | Beltana committee established to deal with all issues pertaining to facility. Law Enforcement to be more effective. The access control is currently being investigated to improve the situation. |
| Roads and Transport | Theft of infrastructure. Theft of manhole covers and pedestrian handrails on bridges and theft of foundation material (sand and stone) under roads and bridges pose a safety risk to pedestrians and residents. | Measures being put in place to replace vandalised and stolen materials as soon as practically possible, and using alternative materials where possible (such as handrails made of fibre cement instead of steel). |
| | Road network operating at capacity and not adequate to meet peak travel demands, resulting in frequent and high levels of congestion. | Prioritising the planning and implementation of new roads and transport infrastructure as well as improvements and upgrades to existing Infrastructure, such as Roadways, NMT facilities and Taxi facilities. |
| Parks and Rivers | Vandalism and theft in Kayamandi Parks. Fencing stolen in Thubelitsha Park and play equipment stolen and vandalised in other parks. | A decision has been taken that the municipality is not proceeding with the development of Thubelitsha Park. Discussions are ongoing with community members to help with the security at play parks. |
| | Lack of security leading to vandalism and dumping on selected parks and cemeteries Lack of immediate cemetery space remaining a challenge whilst we await authorisations for new zoned cemeteries. | Insufficient staff or other resources to provide security at all the play parks. A new section has been developed in Jamestown cemetery to accommodate burials until a new cemetery is developed |
| | Lack of approved tenders affecting the operational programme. | Additional tenders have been put in place to be able to provide service to the community. |



1.2.9.3 Proportion of Households with Access to Basic Services

Table 1:22: 2011 Households with minimum level of Basic Services

| Service | 2011 |
|--|-------|
| Formal Dwellings | 90.7% |
| Informal Dwellings | 9.3% |
| Formal Dwelling Backlog | 3 149 |
| Electricity Connections (% Share of HHS) | 98.8% |
| Hygienic Toilets | 97.2% |
| Water (Piped Water) | 96.7% |
| Formal Refuse Removal (% share of HHS) | 89.9% |

Source: Statistics South Africa

1.2.9.4 Financial Viability Highlights

Table 1:23: Municipal Viability Highlights

| Highlight | Description |
|-------------------------------|--|
| Capital Expenditure Framework | Developed a capital expenditure framework for the period 2019 - 2029 compliant with the requirements of the Integrated Urban Development Framework and the Spatial Planning and Land Use Management Act (SPLUMA). |
| Long Term Financial Plan | Developed a 10-year Long Term Financial Plan that is incorporated in the capital expenditure framework. |
| Current ratio | The municipality maintained a very good current ratio of 1.74:1. This compares well with the norm of 1.5 to 2:1. |
| Collection rate | The municipality maintained a good collection rate of 102.68 which is above the norm of 95%. This indicates that the municipality's creditor control and debt collection processes are in place and the revenue is managed effectively. |
| Finance Charges | Finance charges represent 1.87% of the total operational expenditure. This compares favourably with the norm of 6% to 8%. |
| Liability Management | Capital Cost (Interest Paid and Redemption) represent 3.43% of total operating expenditure. This indicates that the Municipality has the capacity to take on additional financing from borrowing to invest in revenue generating assets. |
| Debt Management | The Municipality's total debt represents 17.63% of the total operational expenditure. This compares favourably with the norm of 45% and is an indication that the Municipality has the capacity to take on additional financing from borrowings. |

1.2.9.5 Financial Viability Challenges

Table 1:24: Financial Viability Challenges

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



1.2.9.6 National Key Performance Indicators – Municipal Financial Viability and Management (Ratios)

The following table indicates the municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations no. 796 of 2001 and section 43 of the MSA. These key performance indicators are linked to the National Key Performance Area namely Municipal Financial Viability and Management.

Table 1:25: Financial Viability and Management (Ratios)

| KPA and Indicator | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|--|---------|---------|---------|---------|---------|---------|
| Debt coverage (total operating revenue - operating grants received): debt service payments due within the year | 42.45% | 64.13% | 41.29% | 40.87% | 46.49% | 25.43% |
| Service debtors to revenue – total outstanding service debtors: revenue received for services. | 18.22% | 10.22% | 18.09% | 20.7% | 30.96% | 25.45% |
| Cost coverage (available cash + investments): monthly fixed operating expenditure. | 9.89 | 1.4 | 5.71 | 5.75 | 0.33 | 2.41 |

1.2.9.7 Financial Overview

Table 1:26: Financial Viability and Management Financial Overview (000')

| Details | Original budget | Adjustment Budget | Actual |
|-------------------------------|------------------|-------------------|------------------|
| | R'000 | | |
| Income | | | |
| Grants(Operating and Capital) | 313 427 | 329 555 | 285 026 |
| Taxes, Levies and Tariffs | 1 380 710 | 1 285 711 | 1 240 215 |
| Other | 225 597 | 219 274 | 217 355 |
| Sub-Total | 1 919 735 | 1 834 539 | 1 742 596 |
| Less Expenditure | 1 808 247 | 1 778 284 | 1 661 441 |
| Net surplus/(deficit) | 111 488 | 56 255 | 81 155 |

1.2.9.8 Operating Ratios

Table 1:27: Operating Ratios

| Detail | Expected norm | Actual | Variance |
|-------------------------|---------------|--------|----------|
| Employee Cost | 25 %– 40 % | 29.95% | 9.05% |
| Repairs and Maintenance | 8% | 3.63% | 4.37% |
| Finance Charges | 6%-8% | 1.87% | 6.13% |

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



1.2.9.9 Total Capital Expenditure

Table 1:28: Total Capital Expenditure (000')

| Detail | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | R'000 | | | | | |
| Original Budget | 294 188 | 452 759 | 463 792 | 418 057 | 528 041 | 558 276 |
| Adjustment Budget | 251 031 | 437 183 | 482 580 | 499 855 | 563 550 | 577 905 |
| Actual | 230 351 | 348 861 | 410 562 | 433 682 | 493 303 | 405 931 |

1.2.9.10 Municipal Standard Chart of Accounts

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

The municipal standard chart of accounts was implemented in Stellenbosch Municipality on 1 July 2017. The Municipality is in continuous engagement with the service provider, National Treasury and other municipalities through various working groups as well as online platforms to improve mSCOA compliance and functionality.

1.2.10 ORGANISATIONAL DEVELOPMENT OVERVIEW

Section 66 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA) allows a Municipal Manager to develop a staff establishment and submit it to Council for approval. On the 26th of April 2017 the Municipal Council resolved for the development of a draft macro and micro organogram.

A process plan, paving the way for ensuring an inclusive and comprehensive IDP process and culminated in the adoption of the 2020/21 (revised) IDP in May 2020. The process was also marked by a renewed commitment to ensuring that the organisational structure, human resources, skills and capacity entrenched in its officials and councillors all contribute to the successful execution of the municipal strategy.

1.2.10.1 COVID- 19 and Public Participation

As the Third Draft IDP Review was tabled, South Africans was confronted by a nationwide lockdown limiting most movement and confining South Africans to their homes and forcing businesses to close. The fast response to the COVID-19 pandemic and ensuing lockdown was at the time aimed at flattening the curve by reducing the rate of infections. Level 5 of this lockdown was very restrictive with drastic measures implemented to contain the spread of the virus. Only essential services were allowed to operate, taking into account only those functions absolutely necessary to sustain livelihoods and to enforce the lockdown regulations.

The lockdown also had far reaching implications for municipalities who are required to respond positively to the lockdown regulations whilst simultaneously being responsive to the most critical needs of the public under lockdown. Interventions put in place under COVID-19 by Stellenbosch Municipality included:



- A payment reprieve / holiday on property rates was implemented from 01 April 2020 to 30 June 2020;
- No interest was charged for property rates billed over this period (subject to criteria that was made available on the municipal website);
- Free basic water allocation for indigent residents was increased from 6 to 10 kilolitres per household from 1 April 2020 to 30 June 2020;
- A temporary suspension of all credit control measures and procedures was implemented until the end of April 2020, meaning that all electricity meters that were blocked because of overdue accounts, were unblocked and residents were able to buy and upload electricity freely during this period; and
- Essential municipal services continued during the lockdown period. These included refuse removal, water, electricity, traffic, law enforcement and fire services.

The 5-week lockdown from 27 March to 30 April 2020 fell smack-bang in the middle of the commenting period of the Draft IDP and MTREF Budget. Whereas the municipality would have engaged in various forms of public meetings to provide the public the opportunity to share their views with the municipality, the municipality was confined to online platforms and written comments. The municipality put a few alternative measures in place, including the Stellenbosch Citizen App, available in the App stores, which allowed everyone the opportunity to comment and share views via their mobile devices.

During May 2020 the first easing of the national lockdown measures was implemented taking the lockdown from level 5 to level 4. Level 4 meant readiness to respond to greater movement of the public across municipal space as economic activity expands.

In spite of the limitations faced because of the lockdown and the banning of all gatherings and meetings, the municipality remained committed to ensuring that the public participation process is a two-process.

The public comments received from the engagement with the public and with the respective ward committees over September and October 2019 were captured and carefully considered by each department. These considerations formed part of the strategic conversations of each directorate in the determination of their strategic approach and budgetary requirements for the year under review of the Medium Term Revenue and Expenditure Framework (2021 to 2023 MTREF).

1.2.10.2 Municipal Transformation and Organisational Development Highlights

Table 1:29: Municipal Transformation and Organisational Performance Highlights

| Highlight | Description |
|--|---|
| Review of critical human resource related policies | Guidelines on Negotiation in regard to Remuneration (Within the National Negotiated Framework) for the Retention and Attraction of Staff – 24 April 2019. Additional Allowance Responsibility Policy – 24 April 2019. MSA: Essential Services – 4 June 2019. TASK Implementation Policy -26 February 2020. |
| Human Resources | Regular OHS meetings held in Directorate and of the Central OHS Council. |
| Staff Capacity | Critical posts filled as and when required with availability of funds. |
| Organisational Stability | All staff placements were made in terms of the new organisational structure. |



1.2.10.3 Municipal Transformation and Organisational Development Challenges

Table 1:30: Municipal Transformation and Organisational Development Challenges

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

1.2.11 MFMA COMPETENCIES

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

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

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

Table 1:31: Financial Competency Development: Progress Report

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



| Description | A Total number of officials employed by municipality (Regulation 14(4)(a) and (c)) | B Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c)) | Consolidated: Total of A and B | Consolidated: Competency assessments completed (Regulation 14(4)(b) and (d)) | Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f)) | Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e)) |
|--|---|--|--------------------------------------|--|---|--|
| Heads of supply chain management units | 1 | 0 | 1 | 1 | 1 | 1 |
| Supply chain management senior managers | 2 | 0 | 2 | 2 | 2 | 1 |
| Total | 11 | 0 | 11 | 11 | 11 | 9 |

1.2.12 AUDITOR GENERAL REPORT

The Minister of Finance has issued Government Gazette number 851 which exempts municipalities in terms of S177 (1) (b) of the MFMA. The exemption relates to the adhering to the deadlines for the submission of the Annual Financial Statements, Annual reports and Oversight reports. The audit opinion for the 2019/20 financial year has not yet been concluded.

1.2.12.1 Audited Outcomes

Table 1:32: Audit Outcomes Source: Auditor General of South Africa, 2019/20

| Year | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|--------|-------------|-------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|-------------|
| Status | Unqualified | Unqualified | Unqualified (clean audit) | Unqualified (clean audit) | Unqualified (clean audit) | Unqualified with findings | Unqualified with findings | Outstanding |



CHAPTER 2: GOVERNANCE

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

2.1 NATIONAL KEY PERFORMANCE INDICATORS - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

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

Table 2:1: National KPIs - Good Governance and Public Participation Performance

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

2.1.1 PERFORMANCE HIGHLIGHTS - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Table 2:2: Performance Highlights - Good Governance and Public Participation

| Highlight | Description |
|--|--|
| Council | Council has remained stable and well-functioning throughout 2019/20. |
| Audit Outcomes | Outstanding |
| Organisational | The new organisational structure was approved and the placement process is largely completed. |
| Review of System of Delegations | The review of the System of Delegations was completed. |
| S.80 and S.79 Committees of Council | The establishment of functional S.80 and S.79 Committees of Council and held meetings regularly. |
| Public Participation | Public participation sessions were held with all 22 ward committees in September 2019. However, due to the outbreak of the COVID-19 pandemic in March 2020, public participation was moved to online platforms. Interested and affected parties were encouraged to participate online and to provide feedback on the IDP and Budget through the newly developed Stellenbosch Citizen App and email. |
| Management of land occupation in Kayamandi | The municipality has been actively engaging with SAPS, the Sheriffs and the Dept. of Justice to effectively manage the land invasion in Kayamandi. |
| Functioning of the Municipal Planning Tribunal (MPT) meeting | The Municipal Planning Tribunal is established and fully functioning. |



| Highlight | Description |
|-----------------|---|
| Master Planning | <p>Updates to the following master planning had commenced:</p> <ul style="list-style-type: none"> • CCTV Master Plan development in progress; • Stellenbosch Municipality's By-Law: Roads and Streets (review and update of previous by-law); • Stellenbosch Municipality's By-Law: Stormwater (new); and • Stellenbosch Municipality's By-Law: Parking (review and update of previous by-law). |
| Communication | <p>Stakeholder engagement has improved significantly and media releases / media responses for local, regional and national publications and broadcasters are released on a weekly basis.</p> <p>Activity on our social media platforms and municipal website has improved. Social media platforms have grown significantly and now reaches a much larger, ever-growing audience.</p> |

2.1.2 CHALLENGES - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Table 2:3: Challenges - Good Governance and Public Participation

| Description | Actions to address |
|---|--|
| Communication | The municipal website is in need of redesign for ease of access by the public. |
| Fraud and Corruption Management | Through the fraud hotline, direct calls received and walk-ins, active reporting has been ongoing. Unfortunately, it has become apparent that the fraud hotline and in-particular the Regulations for Senior Managers (Misconduct and Financial Misconduct) is being abused to unfairly target individuals and management. Most of the allegations against senior management (MM and section 56) had no basis other than causing disrepute. Continuous threats of charging people with no basis are also ongoing. This gives rise to excessive use of resources and risk to the reputation of individuals and the municipality to remain compliant with relevant legislation. |
| Unrest and Protest | Regular patrols are being executed and the situation continuously monitored. Proposal to establish a tactical response unit with Nyala for deployment has been submitted. |
| Illegal and unsafe electrical connections | Illegal and unsafe electrical connections in Kayamandi and Langrug pose a serious danger to the respective communities. |
| Master Planning | The Electricity Masterplan needs to be reviewed. |
| Vandalism of electrical infrastructure | Vandalism resulting from the attempts to steal copper and illegal connections and forceful opening of electrical infrastructure. |
| Illegal dumping | Illegal dumping has been on the increase especially around open areas and parks. Regular monitoring and prosecution of transgressors. |



2.2 COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.2.1 POLITICAL GOVERNANCE STRUCTURE

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

2.2.2 COUNCIL – 01 JULY 2019 TO 30 JUNE 2020

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

Table 2:4: Council for the period 01 July 2019 to 30 June 2020

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



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

The table below indicates the Council meetings attendance for the 2019/20 financial year:

Table 2.5: Council meetings for the 2019/20 financial year

| Meeting dates | Number of items (resolutions) submitted | Percentage Attendance of Council Meetings | Percentage Apologies for non-attendance |
|--|---|---|---|
| 24 July 2019 | 22 | 85% | 15% |
| 02 August 2019 | 6 | 80% | 20% |
| 14 August 2019 | 4 | 95% | 5% |
| 28 August 2019 | 15 | 82% | 18% |
| 25 September 2019 | 17 | 85% | 15% |
| 23 October 2019 | 24 | 85% | 15% |
| 14 November 2019 | 6 | 82% | 18% |
| 27 November 2019 | 20 | 85% | 15% |
| 29 January 2020 | 34 | 90% | 10% |
| 26 February 2020 | 21 | 85% | 15% |
| 04 March 2020 | 1 | 80% | 20% |
| 13 March 2020 | 1 | 82% | 18% |
| 25 March 2020 | 5 | 88% | 12% |
| 31 March 2020 (Executive Mayor resolved under delegated authority -- Lockdown) | 12 | - | - |
| 17 April 2020 (Executive Mayor resolved under delegated authority -- Lockdown) | 2 | - | - |
| 24 April 2020 (Executive Mayor resolved under delegated authority -- Lockdown) | 7 | - | - |
| 30 April 2020 (Executive Mayor resolved under delegated authority -- Lockdown) | 7 | - | - |
| 06 May 2020 (Executive Mayor resolved under delegated authority -- Lockdown) | 1 | - | - |
| 08 May 2020 (Executive Mayor resolved under delegated authority -- Lockdown) | 4 | - | - |
| 18 May 2020 (Executive Mayor resolved under delegated authority -- Lockdown) | 4 | - | - |



| Meeting dates | Number of items (resolutions) submitted | Percentage Attendance of Council Meetings | Percentage Apologies for non-attendance |
|--|---|---|---|
| 20 May 2020 (Executive Mayor resolved under delegated authority -- Lockdown) | 1 | - | - |
| 27 May 2020 | 5 | 88% | 12% |
| 12 June 2020 | 15 | 83% | 17% |

2.2.3 EXECUTIVE MAYORAL COMMITTEE

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

The Executive Mayoral position were occupied as follows:

Table 2:6: Executive Mayor for the period

| Executive Mayor for the period | Period |
|--------------------------------|----------------------------|
| Adv. G. Van Deventer | 1 July 2019 – 30 June 2020 |

Table 2:7: Executive Mayoral Committee for the 2019/20 financial year

| Executive Mayoral Committee 01 July 2019 – 30 June 2020 | |
|--|--|
| Name of member | Capacity |
| G van Deventer (Adv.) [Ms] | Executive Mayor |
| N Jindela (until 13 November 2019) | Deputy Executive Mayor; Chairperson: Human Settlements Committee |
| WC Petersen (Ms) (from 14 November 2019) | Deputy Executive Mayor; Chairperson: Human Settlements Committee |
| FJ Badenhorst | MayCo member; Chairperson: Community and Protection Services |
| P Crawley [Ms] | MayCo member; Chairperson: Financial Services |
| A Frazenburg | MayCo member; Chairperson: Corporate Services |
| E Groenewald [Ms] | MayCo member; Chairperson: Planning and Economic Development |
| XL Mdemka [Ms] | MayCo member; Chairperson: Parks, Open Spaces and Environment |
| SA Peters | MayCo member; Chairperson: Rural Management and Tourism |
| MM Pietersen | MayCo member; Chairperson: Youth, Sport and Culture |
| Q Smit | MayCo member; Chairperson: Infrastructure Services |



The table below indicates the dates of the Executive Mayoral Committee meetings and the number of reports submitted to Council for the 2019/20 financial year:

Table 2:8: Executive Mayoral Committee Meetings 2019/20

| Meeting dates | Number of items submitted |
|-------------------|---------------------------|
| 10 July 2019 | 9 |
| 14 August 2019 | 9 |
| 11 September 2019 | 11 |
| 09 October 2019 | 10 |
| 16 October 2019 | 10 |
| 20 November 2019 | 14 |
| 22 January 2020 | 19 |
| 12 February 2020 | 9 |
| 20 March 2020 | 18 |
| 22 May 2020 | 3 |

2.2.4 PORTFOLIO COMMITTEES

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

The portfolio committees for the 2019/20 mayoral term and their chairpersons are as in the tables below.

2.2.4.1 Planning and Economic Development Portfolio Committee

Table 2:9: Planning and Economic Development Committee

| Period 1 July 2019 – 30 June 2020 | |
|--------------------------------------|-----------------------|
| Name of member | Capacity |
| E Groenewald [Ms] | Portfolio Chairperson |
| J Fasser | Committee member |
| T Gosa | Committee member |
| AJ Hanekom | Committee member |
| RS Nalumango [Ms] | Committee member |

Table 2:10: Planning and Economic Development Meetings

| Meeting dates | Number of reports submitted |
|-------------------|-----------------------------|
| 03 September 2019 | 4 |



2.2.4.2 Infrastructure Committee

Table 2:11: Infrastructure Services Portfolio Committee

| Period 1 July 2019 – 30 June 2020 | |
|--------------------------------------|-----------------------|
| Name of member | Capacity |
| Q Smit | Portfolio Chairperson |
| AJ Hanekom | Committee Member |
| NE Mcombring [Ms] | Committee Member |
| C Moses [Ms] | Committee Member |
| Ald JP Serdyn [Ms] | Committee Member |

Table 2:12: Infrastructure Services Portfolio Committee meeting

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

2.2.4.3 Finance Portfolio Committee:

Table 2:13: Finance Portfolio Committee

| Period 1 July 2019 – 30 June 2020 | |
|--------------------------------------|-----------------------|
| Name of member | Capacity |
| PR Crawley [Ms] | Portfolio Chairperson |
| A Florence | Committee Member |
| J Hamilton | Committee Member |
| RS Nalumango [Ms] | Committee Member |
| MD Oliphant | Committee Member |

Table 2:14: Finance Portfolio Committee Meeting Dates

| Meeting dates | Number of reports |
|---------------|-------------------|
| None | |

2.2.4.4 Community and Protection Services Portfolio Committee

Table 2:15: Community and Protection Services Portfolio Committee

| Period 1 July 2019 – 30 June 2020 | |
|--------------------------------------|-----------------------|
| Name of member | Capacity |
| FJ Badenhorst | Portfolio Chairperson |
| JK Hendriks | Committee Member |
| C Manuel | Committee Member |
| N Olayi | Committee Member |
| P Sitshoti [Ms] | Committee Member |
| LL Stander | Committee Member |

**Table 2:16: Community and Protection Services Portfolio Committee Meeting Dates**

| Meeting dates | Number of reports |
|-------------------|-------------------|
| 07 August 2019 | 13 |
| 10 September 2019 | 9 |
| 12 February 2020 | 24 |

2.2.4.5 Corporate Services Portfolio Committee

Table 2:17: Corporate Services Portfolio Committee

| Period 1 July 2019 – 30 June 2020 | |
|--------------------------------------|-----------------------|
| Name of member | Capacity |
| AR Frazenburg | Portfolio Chairperson |
| F Bangani-Menziwa [Ms] | Committee Member |
| Z Dalling [Ms] | Committee Member |
| R Du Toit [Ms] | Committee Member |

Table 2:18: Corporate Services Portfolio Committee Meeting Dates

| Meeting dates | Number of reports |
|---------------|-------------------|
| None | |

2.2.4.6 Human Settlements Portfolio Committee

Table 2:19: Human Settlements Portfolio Committee

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

Table 2:20: Human Settlements Portfolio Committee Meetings

| Meeting dates | Number of reports |
|-------------------|-------------------|
| 12 August 2019 | 2 |
| 04 September 2019 | 1 |
| 10 October 2019 | 4 |



2.2.4.7 Rural Management and Tourism Portfolio Committee

Table 2:21: Rural Management and Tourism Portfolio Committee

| Period 1 July 2019 – 30 June 2020 | |
|--------------------------------------|-----------------------|
| Name of member | Capacity |
| SA Peters | Portfolio Chairperson |
| A Crombie [Ms] | Committee Member |
| JK Hendriks | Committee Member |
| LK Horsband [Ms] | Committee Member |

Table 2:22: Rural Management and Tourism Portfolio Committee Meeting Dates

| Meeting dates | Number of reports |
|---------------|-------------------|
| None | |

2.2.4.8 Youth, Sport and Culture Portfolio Committee

Table 2:23: Youth, Sport and Culture Portfolio Committee

| Period 1 July 2019 – 30 June 2020 | |
|--------------------------------------|-----------------------|
| Name of member | Capacity |
| MM Pietersen | Portfolio Chairperson |
| R Du Toit [Ms] | Committee Member |
| DA Hendrickse | Committee Member |
| N Sinkinya [Ms] | Committee Member |
| E Vermeulen [Ms] | Committee Member |

Table 2:24: Youth, Sport and Culture Portfolio Committee Meeting Dates

| Meeting dates | Number of reports |
|-------------------|-------------------|
| 05 September 2019 | 7 |
| 02 October 2019 | 2 |
| 07 November 2019 | 4 |
| 06 February 2020 | 4 |

2.2.4.9 Parks, Open Spaces and Environment Portfolio Committee

Table 2:25: Parks, Open Spaces and Environment Portfolio Committee

| Period 1 July 2019 – 30 June 2020 | |
|--------------------------------------|-----------------------|
| Name of member | Capacity |
| XL Mdemka [Ms] | Portfolio Chairperson |
| F Adams | Committee Member |
| Ald JP Serdyn [Ms] | Committee Member |
| E Vermeulen [Ms] | Committee Member |

**Table 2:26: Parks Open Spaces and Environment Portfolio Committee Meeting Dates**

| Meeting dates | Number of reports |
|-------------------|-------------------|
| 02 September 2019 | 5 |
| 07 October 2019 | 2 |
| 04 November 2019 | 1 |
| 10 February 2020 | 4 |
| 09 March 2020 | 2 |

2.2.5 SECTION 79 COMMITTEES

2.2.5.1 Municipal Public Accounts Committee (MPAC)

Table 2:27: MPAC Committee

| Period 1 July 2019 – 30 June 2020 | |
|--------------------------------------|------------------|
| Name of member | Capacity |
| WF Pietersen | Chairperson |
| E Fredericks [Ms] | Committee Member |
| MC Johnson | Committee Member |
| N Mananga-Gugushe [Ms] | Committee Member |
| SR Schäfer | Committee Member |

Table 2:28: MPAC Committee Meeting Dates

| Meeting dates | Number of reports |
|-------------------|-------------------|
| 17 September 2019 | 1 |
| 18 October 2019 | 3 |
| 04 June 2020 | 1 |
| 30 June 2020 | 3 |

2.2.5.2 Appeals Committee

Table 2:29: Appeals Committee

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

Table 2:30: Appeals Committee Meeting Dates

| Meeting dates | Number of reports |
|---------------|-------------------|
| None | |



2.2.5.3 Local Labour Forum (LLF)

Table 2:31: Local Labour Forum (LLF)

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

Table 2:32: Local Labour Forum Meeting Dates

| Meeting dates | Number of reports |
|-------------------|-------------------|
| 01 August 2019 | 4 |
| 26 August 2019 | 1 |
| 30 September 2019 | 3 |
| 28 October 2019 | 4 |
| 25 November 2019 | 4 |
| 03 February 2020 | 8 |

2.2.5.4 Employment Equity Committee

Table 2:33: Employment Equity Committee

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

Table 2:34: Employment Equity Committee Meeting dates

| Meeting dates | Number of reports |
|---------------|-------------------|
| None | |

2.2.5.5 Councillor Disciplinary Committee

Table 2:35: Councillor Disciplinary Committee Portfolio Committee

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

**Table 2:36: Councillor Disciplinary Portfolio Committee Meeting Dates**

| Meeting dates | Number of reports |
|---------------|-------------------|
| None | |

2.2.5.6 Rules Portfolio Committee

Table 2:37: Rules Portfolio Committee

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

Table 2:38: Rules Portfolio Committee Meeting dates

| Meeting dates | Number of reports |
|---------------|-------------------|
| None | |

2.2.6 STRATEGIC GOVERNANCE STRUCTURE

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

Table 2:39: Administrative Governance Structure

| Name of Official | Department | Performance agreement signed |
|------------------|--|------------------------------|
| | | (Yes / No) |
| G Mettler (Ms) | Municipal Manager | Yes |
| A De Beer (Ms) | Director: Corporate Services | Yes |
| T Mfeya | Director: Planning and Economic Development (until 29 February 2020) | Yes |
| A Barnes | Director: Planning and Economic Development (from 01 June 2020) | Yes |
| K Carolus | Chief Financial Officer | Yes |
| G Boshoff | Director: Community and Protection Services | Yes |
| D Louw | Director: Infrastructure Services | Yes |



2.3 COMPONENT B: PUBLIC ACCOUNTABILITY

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

The participation outlined above is required in terms of the:

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

2.3.1 INTERGOVERNMENTAL RELATIONS

2.3.1.1 National Intergovernmental Structures

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

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

2.3.1.2 Provincial Intergovernmental Structures

Office of the Municipal Manager

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

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

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



Financial and Corporate Services

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

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

Planning and Economic Development

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

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

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

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

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



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

Infrastructure Services

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

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

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

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

Community and Protection Services

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

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

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



The municipality engages in numerous partnerships to facilitate service delivery.

Table 2:40: Municipal Partnerships

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



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

2.3.2 REPRESENTATIVE FORUMS

2.3.2.1 Local Labour Forum

The table below lists the members of the Local Labour Forum for the 2019/20 financial year:

Table 2:41: Local Labour Forum

| Name of representative | Capacity | Meeting dates |
|---|---|-------------------|
| E Groenewald [Ms] | Councillor and Chairperson | |
| R Du Toit [Ms] | Councillor | |
| AR Frazenburg | Councillor | 01 August 2019 |
| LK Horsband [Ms] | Councillor | |
| XL Mdemka [Ms] | Councillor | |
| RS Nalumango [Ms] | Councillor | 26 August 2019 |
| A de Beer [Ms] | Director: Corporate Services | |
| D Louw | Director: Infrastructure Services | |
| G Boshoff | Director: Community and Protection Services | |
| K Carolus | Chief Financial Officer | 30 September 2019 |
| A Kannemeyer | Senior Manager : Human Resources | |
| L Bixa | SAMWU Representatives | |
| J Brown | SAMWU Representatives | 28 October 2019 |
| S Kiva (Deputy Chairperson: from February 2020) | SAMWU Representatives | |
| A Mneni | SAMWU Representatives | |
| T Ncoko | SAMWU Representatives | 25 November 2019 |
| S Ndlaleni | SAMWU Representatives | |
| H Coffee [Ms] | IMATU Representatives | |
| T Gilbert | IMATU Representatives | |
| R Louw | IMATU Representatives | 03 February 2020 |
| L Van Schalkwyk: (Deputy Chairperson: until January 2020) | IMATU Representatives | |
| E Vergotine | IMATU Representatives | |
| D Williams | IMATU Representatives | |



2.3.3 WARD COMMITTEES

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

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

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

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

Ward Committees:

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

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

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



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

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

Table 2:42: Ward 1 Committee Members

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

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

Table 2:43: Ward 2 Committee Members

| Name of representative | Capacity representing |
|-------------------------|----------------------------|
| W Petersen | Councillor |
| N Gertse from Aug 2019 | Dennegeur |
| N Fata | Zwalitcha |
| A Jeffhas | Jaffhas to Boonzaaier Road |
| Vacant | La Motte |
| N Noboza from Feb 2020 | Mazaleni |
| M Van Zyl | Domain Des Anges |
| A Manuel Sept 2019 | Berg River Dam Houses |
| M Hoffman from Aug 2019 | School Street to R45 |
| G Jeffhas from Aug 2019 | Santa Rosa to R45 Unknown |
| K Mpongo from Feb 2020 | Ikhanini |
| - | Ward Administrator |


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

Table 2:44: Ward 3 Committee Members

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

Ward 4: Pniël, Kylemore and Johannesburg

Table 2:45: Ward 4 Committee Members

| Name of representative | Capacity representing |
|--------------------------|--|
| M Johnson | Councillor |
| S Charles | Malva, Arum, Gousblom, Freesia, Daffodil, School Streets and Farms |
| G Jacobs | Johannesdal |
| A Williams | Panorama, Simonsberg, Pine and Silvermine Streets |
| D Lackay | Panorama, Simonsberg, Pine and Silvermine Streets |
| P van Wyk until Oct 2019 | PC Pietersen, Swart, Abrahams Streets, Capolavdoro |
| B November | Arcade, Santa Rosa, Starking, Helshoogte Streets |
| J Myburgh | Kloof, Hill, Dahlia, Oak Kleigat Streets |
| R van Wyk | Kerk, Brand, De Wet, Adams, Rooi, Jooste, Cupido Streets |
| B Lewak | Malva / Arum / Gousblom / Freesia / Daffodil / Skool Streets and Farms |
| R Sauls | Johannesdal |
| M Simpson | Ward Administrator |

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

Table 2:46: Ward 5 Committee Members

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



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

Table 2:47: Ward 6 Committee Members

| Name of representative | Capacity representing |
|------------------------|---------------------------------|
| N Mcombring | Councillor |
| G August from Nov 2019 | Protea to Sonneblom Streets |
| O Bergstedt | Tindall to Luckhoff Streets |
| J Brandt | Speler to Botmaskop Streets |
| P Constable | Farm areas to North |
| F Fortuin | Tindall to Luckhoff Streets |
| P Gordon | Rustenburg Rd to Lelie Street |
| M Hendricks | Botmaskop |
| F Poole | Old Helshoogte to Lelie Streets |
| P Roets | Rustenburg Rd to Lelie Street |
| D Jones | Lindley to Weber Streets |
| C Van Rooyen | Ward Administrator |

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

Table 2:48: Ward 7 Committee Members

| Name of representative | Capacity representing |
|--------------------------------|-----------------------|
| A Hanekom | Councillor |
| CD Cillié | Simonswyk |
| PE Classen | Mostertsdrif |
| JD Coetzee until February 2020 | Rozendal |
| GA Giliomee | Karindal |
| GG Groenewald | Mostertsdrif |
| AB Meiring | Karindal |
| JP Swanepoel | Uniepark |
| WJ Van Aswegen | Simonswyk |
| J Giliomee | Ward Administrator |

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

Table 2:49: Ward 8 Committee Members

| Name of representative | Capacity representing |
|-----------------------------|--|
| Q Smit | Councillor |
| R De Villiers | Van Riebeek, The Avenue, Coetzenburg Road |
| T Hlatswayo until July 2019 | Victoria, Neethling, Bosman, Van Riebeek |
| CL Macleod | Van Riebeek, Die Laan, Neethling, Eerste River |
| M Wannenburg | Merriman, Marais, Hofmeyer, Bosman |
| E Beukman | Merriman, Marais, Hofmeyer, Bosman |
| D Madire | Victoria, Neethling, Bosman, Van Riebeek |
| J Gilliomee | Ward Administrator |



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

Table 2:50: Ward 9 Committee Members

| Name of representative | Capacity representing |
|------------------------|-----------------------|
| ZJ Dalling | Councillor |
| JM Calitz | Geographic |
| GG Cillié | Geographic |
| JMK Meyer | Geographic |
| M Pauw until Oct 2019 | Geographic |
| A Louw | Geographic |
| H Esterhuizen | Geographic |
| I Dean until Oct 2019 | Geographic |
| L Combrink | Geographic |
| K Britz from Feb 2020 | Geographic |
| T Kumm from Jun 2020 | Geographic |
| J Giliomee | Ward Administrator |

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

Table 2:51: Ward 10 Committee Members

| Name of representative | Capacity representing |
|------------------------|-----------------------|
| R du Toit | Councillor |
| P Hough | Tennantville |
| B Samuels | Tennantville |
| P Stone | Lapland |
| S Williams | Lapland |
| K Malgas | La Coline |
| L Atson from Oct 2019 | - |
| M Michaels | Ward Administrator |

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

Table 2:52: Ward 11 Committee Members

| Name of representative | Capacity representing |
|-----------------------------|--|
| J Serdyn | Councillor |
| P Carinus | Onderpapegaaiberg – Flamingo Street to Devon Valley Road |
| D Cupido | Devon Valley and Farms |
| I Fourie | Onderpapegaaiberg – Flamingo Street to Devon Valley Road |
| U Bell until September 2019 | Onderpapegaaiberg – Flamingo Street to Devon Valley Road |
| M Snyman | Onderpapegaaiberg – Flamingo Street to Devon Valley Road |
| B Brand | Dorp Street |
| CF Schreiber | Tarentaal Street to Patrys Street |
| J Giliomee | Ward Administrator |



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

Table 2:53: Ward 12 Committee Members

| Name of representative | Capacity representing |
|--------------------------|-----------------------|
| N Managa-Gugushe | Councillor |
| L Dangisa | Geographic |
| M Galada | Geographic |
| S Mdodana | Geographic |
| S Mdutyana | Geographic |
| N Ntanjana | Geographic |
| M Qondani | Geographic |
| N Sifumba | Geographic |
| S Siguba | Geographic |
| Y Makuleni | Geographic |
| N Jodo from October 2019 | Geographic |
| S Mafenyang | Ward Administrator |

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

Table 2:54: Ward 13 Committee Members

| Name of representative | Capacity representing |
|------------------------|-----------------------|
| F Bongani-Menziwe | Councillor |
| N Bhayibhile | Geographic |
| NVV Finini | Geographic |
| N Nojoko from Feb 2020 | Geographic |
| V Hani | Geographic |
| JZ Jekem | Geographic |
| S Magade | Geographic |
| PN Makasi | Geographic |
| S Mcako | Geographic |
| B Takisa | Geographic |
| M Zondiwe | Geographic |
| N Tolibisa | Ward Administrator |

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

Table 2:55: Ward 14 Committee Members

| Name of representative | Capacity representing |
|------------------------|-----------------------|
| P Sitshoti | Councillor |
| MH Gxilishe | Geographic |
| MD Masimini | Geographic |
| O Manthsi | Geographic |
| E Mgoqi | Geographic |
| N Mpemnyama | Geographic |
| NA Mthiya | Geographic |



| Name of representative | Capacity representing |
|--------------------------|-----------------------|
| S Oliphant from Aug 2019 | Geographic |
| N Zweni from Aug 2019 | Geographic |
| M Brown from Aug 2019 | Geographic |
| P Tina from Aug 2019 | Geographic |
| B Lesaoana | Ward Administrator |

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

Table 2:56: Ward 15 Committee Members

| Name of representative | Capacity representing |
|--------------------------|-----------------------|
| N Sinkinya | Councillor |
| T Dishi | Geographic |
| NJ Kepu | Geographic |
| G Kota | Geographic |
| M Kumalo | Geographic |
| TJ Lepheana | Geographic |
| EP Masimini | Geographic |
| P Nyakaza | Geographic |
| N Ngwevela from Jan 2020 | Geographic |
| T Tshatani from Jan 2020 | Geographic |
| L Xelenga | Geographic |
| V Maramnco | Ward Administrator |

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

Table 2:57: Ward 16 Committee Members

| Name of representative | Capacity representing |
|-------------------------------|---------------------------------------|
| E Vermeulen | Councillor |
| J Beneke | Curry, Pine, Primrose, Silvia, Quarry |
| L De Klerk until October 2019 | Curry, Pine, Primrose, Silvia, Quarry |
| A Flink | Last to North End Streets |
| M Fredericks | Curry, Pine, Primrose, Silvia, Quarry |
| E Gordon | From Sports Field to last Street |
| A Meyer | Tennatville and Slabtown |
| J Williams | Long Short, Jakaranda, Eike Streets |
| J Henry until Aug 2019 | Laetitia Park |
| Y Lamberts | Ward Administrator |



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

Table 2:58: Ward 17 Committee Members

| Name of representative | Capacity representing |
|----------------------------|-------------------------------|
| P Biscoombe | Councillor |
| J Fasser | Soekmekaar and surrounds |
| J Joon | Rietenbosch |
| D Smith | Flats: Kloof and Long Streets |
| A Van der Mescht | Welgevonden |
| A Van der Westhuizen | Huis Ebenhæzer |
| M Wagner | Rhode Street Flats |
| D Robyn | Stellita Park |
| J September from Sept 2019 | - |
| J Isaacs from Sept 2019 | - |
| H Sauls | Ward Administrator |

Ward 18: Klapmuts and surrounding farms

Table 2:59: Ward 18 Committee Members

| Name of representative | Capacity representing |
|-----------------------------|--------------------------------------|
| E Fredericks | Councillor |
| J Kleinsmith from July 2019 | New Houses, Brickfields |
| J Fredericks | Koelpark |
| W Johannes | Sand, Bell, Merchant, Railway Houses |
| A Michel | Weltevrede Park 1 |
| N Mtaba | Mandela City, Lawson |
| J September | La Rochelle, Pinotage Village |
| J Fochessati | New Houses / Brickfield |
| G Wentzel | Rozenmeer, Police Station, Farms |
| G Hector | Weltevrede Park 2 |
| B Foster | Ward Administrator |

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

Table 2:60: Ward 19 Committee Members

| Name of representative | Capacity representing |
|-------------------------|--------------------------|
| JKI Hendriks | Councillor |
| V Fortuin from Feb 2020 | Elsenburg |
| Vacant | De Novo |
| F Hansen | De Novo |
| A Kamfer | Bottelary Farms |
| C Marfins | Bottelary Farms |
| J May | Koelenhof / Koelpark |
| C Adriaanse | Weltevrede / Smartietown |



| Name of representative | Capacity representing |
|------------------------|-----------------------|
| Z Daniels | Kromme Rhee |
| James Williams | Ward Administrator |

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

Table 2:61: Ward 20 Committee Members

| Name of representative | Capacity representing |
|------------------------|-----------------------|
| A Crombie | Councillor |
| AT Joon | Vlottenburg |
| D Fortuin | Vlottenburg |
| CHO Gordon | Raithby |
| P Taabosch | Vlottenburg |
| M James | Raithby |
| G Pojie | Vlottenburg |
| E Jacobs | Lynedoch Farms |
| A Malgas | Meerlust Farms |
| Vacant | Polkadraai |
| E Mpemnyama (May 2018) | Ward Administrator |

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

Table 2:62: Ward 21 Committee Members

| Name of representative | Capacity representing |
|--------------------------------|--------------------------|
| R Badenhorst | Councillor |
| V Malmnas | De Zalze |
| S McNaughton | Blaauwklippen |
| R Kriel from Aug 2019 | Paradyskloof |
| A Levendal from Aug 2019 | Jamestown |
| HC Eggers | Paradyskloof |
| O Meyer from Aug 2019 | Jamestown |
| F Van der Merwe until Mar 2020 | Paradyskloof |
| A Verwey from Aug 2019 | Paradyskloof |
| B Pieterse | Jamestown / Mountainview |
| N Williams | Ward Administrator |

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

Table 2:63: Ward 22 Committee Members

| Name of representative | Capacity representing |
|------------------------|--|
| E Groenewald | Councillor |
| M Vlok | Bo-Brandwacht, Faber, Kolbe, Mazot, LeSeuer, Linne |
| P Kruger | Van Taak, Wege, Robbertz, De Wet, Barry |
| A Pelsler | Constantia, Welgevallen Alpen, Draailaan |
| I Maree from Nov 2019 | Rokewood Mairina, Saffraan, Kaneel, Blenheim |
| E Slabber | Piet Retief Bult, Welgevallen, Draailaan, Lourenz, Sering, Bergh, Vlier, Pleunis, Nooitgedacht |
| A Coetzee | Skadu, Lower, Binnekring, Buitekring |
| R Lambrechts | Rhodes Noord, Van Rheede, Formosa, Sultan, Swellengrebel, Keiffer, Woltemade |



| Name of representative | Capacity representing |
|------------------------|--|
| P Schaafsma | Upper-Lovell, Fairways, Peeka and other, Elbertha, Lovell, Forelle, Santa Rosa |
| S Wilson | Dalsig, Dennerand, Coligny, Dennesig, Park |
| W Crowley | Ward Administrator |

2.3.4 FUNCTIONALITY OF WARD COMMITTEES

The purpose of a ward committee is to:

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

The COVID-19 pandemic has undoubtedly brought the world to a standstill prompting governments including local governments to be responsive to the plight of marginalised individuals and vulnerable groups.

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

It is without a doubt that the biggest casualty of the COVID-19 pandemic is public participation. Local government has the responsibility to provide the platforms / tools thereby enabling people to be part of the oversight and public participation activities.

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

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

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

Table 2:64: Functionality of Ward Committees

| Ward Number | Committee established | Number of items /reports submitted to the Speakers/IDP Office | Number of Public meetings | Meeting dates of ward committees | Committee functioning effectively |
|-------------|-----------------------|---|---------------------------|--|-----------------------------------|
| | Yes / No | | | | Yes / No |
| 1 | Yes | - | 1 | 18 Jul 8 Aug 5 Sept 3 Oct 7 Nov 5 Dec 6 Feb 12 Mar No meetings Mar to Jun due to National Lockdown | Yes |



| Ward Number | Committee established | Number of items /reports submitted to the Speakers/IDP Office | Number of Public meetings | Meeting dates of ward committees | Committee functioning effectively |
|-------------|-----------------------|---|---------------------------|---|-----------------------------------|
| | Yes / No | | | | Yes / No |
| 2 | Yes | - | 1 | 18 Jul 15 Aug 9 Sep 10 Oct 14 Nov 5 Dec 20 Feb No meetings Mar to Jun due to National Lockdown | Yes |
| 3 | Yes | - | - | 9 Jul 19 Aug 18 Nov 8 Dec 27 Feb No meetings Mar to Jun due to National Lockdown | Yes |
| 4 | Yes | - | - | 10 Aug 4 Dec 11 Feb No meetings Mar to Jun due to National Lockdown | Yes |
| 5 | Yes | - | 2 | 30 Jul 6 Aug 3 Sept 8 Oct 5 Nov 3 Dec 21 Jan 11 Feb 03 Mar No meetings Apr to Jun due to National Lockdown | Yes |
| 6 | Yes | - | 1 | 7 Aug 5 Sept 2 Oct 6 Nov 4 Dec 12 Feb 4 Mar No meetings Apr to Jun due to National Lockdown | Yes |
| 7 | Yes | - | - | 26 Nov 26 Feb No meetings Mar to Jun due to National Lockdown | Yes |
| 8 | Yes | - | 2 | 17 July 7 Aug | Yes |



| Ward Number | Committee established | Number of items /reports submitted to the Speakers/IDP Office | Number of Public meetings | Meeting dates of ward committees | Committee functioning effectively |
|-------------|-----------------------|---|---------------------------|--|-----------------------------------|
| | Yes / No | | | | Yes / No |
| | | | | 2 Oct 6 Nov 5 Feb No meetings Apr to Jun due to National Lockdown | |
| 9 | Yes | - | 2 | 23 July 27 Aug 22 Oct 26 Nov 18 Feb No meetings Apr to Jun due to National Lockdown | Yes |
| 10 | Yes | - | 1 | 9 Jul 3 Sept 5 Nov 3 Dec 6 Feb No meetings Mar to Jun due to National Lockdown | Yes |
| 11 | Yes | - | 2 | 9 Jul 9 Sept 15 Oct 12 Nov 10 Mar No meetings Apr to Jun due to National Lockdown | Yes |
| 12 | Yes | - | - | 14 Aug 12 Sept 10 Oct 19 Nov 13 Feb No meetings Mar to Jun due to National Lockdown | Yes |
| 13 | Yes | - | - | 9 Jul 6 Aug 10 Sept 5 Oct 3 Nov 11 Feb 10 Mar No meetings Apr to Jun due to National Lockdown | Yes |
| 14 | Yes | - | - | 25 Jul 12 Aug 16 Sept 14 Oct 11 Nov | Yes |



| Ward Number | Committee established | Number of items /reports submitted to the Speakers/IDP Office | Number of Public meetings | Meeting dates of ward committees | Committee functioning effectively |
|-------------|-----------------------|---|---------------------------|---|-----------------------------------|
| | Yes / No | | | | Yes / No |
| | | | | 19 Feb No meetings Mar to Jun due to National Lockdown | |
| 15 | Yes | - | - | 23 Jul 14 Aug 17 Sept 22 Oct 26 Nov 28 Jan 18 Feb No meetings Mar to Jun due to National Lockdown | Yes |
| 16 | Yes | - | 1 | 9 Jul 6 Aug 10 Sept 8 Oct 12 Nov 4 Feb 10 Mar No meetings Apr to Jun due to National Lockdown | Yes |
| 17 | Yes | - | 1 | 17 Jul 7 Aug 4 Sept 2 Oct 6 Nov 5 Dec 4 Feb 4 Mar No meetings Apr to Jun due to National Lockdown | Yes |
| 18 | Yes | - | 1 | 18 Jul 15 Aug 12 Sept 10 Oct 07 Nov 5 Dec No meetings Apr to Jun due to National Lockdown | Yes |
| 19 | Yes | - | 1 | 4 July 1 Aug 5 Sept 3 Oct 7 Nov 5 Dec 23 Jan 13 Feb 5 Mar No meetings Apr to | Yes |



| Ward Number | Committee established | Number of items /reports submitted to the Speakers/IDP Office | Number of Public meetings | Meeting dates of ward committees | Committee functioning effectively |
|-------------|-----------------------|---|---------------------------|--|-----------------------------------|
| | Yes / No | | | | Yes / No |
| | | | | Jun due to National Lockdown | |
| 20 | Yes | - | - | 11 Jul 15 Aug 19 Sept 17 Oct 15 Nov 26 Feb No meetings Mar to Jun due to National Lockdown | Yes |
| 21 | Yes | - | 1 | 6 Aug 3 Sept 1 Oct 5 Nov 18 Feb No meetings Mar to Jun due to National Lockdown 4 Jun | Yes |
| 22 | Yes | - | 2 | 24 Jul 7 Aug 4 Sept 2 Oct 7 Nov 5 Feb 4 Mar No meetings Apr to Jun due to National Lockdown | Yes |



2.4 COMPONENT C: CORPORATE GOVERNANCE

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

2.4.1 RISK MANAGEMENT

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

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

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

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

The top 5 risks identified for 2019/20 are as follows:

1. Scarcity of landfill space.
2. Increase community unrest in the run up to the elections.
3. Growth in demand for housing exceeds the resources available for development and growing asset management constraints.
4. Electricity Supply Constraints.
5. Financial Sustainability.

Risk Management Grid

| | |
|----------|----------------|
| Low | Low 1-8 |
| Moderate | Moderate 9-15 |
| Major | High 16-19 |
| Critical | Critical 20-25 |



2.4.2 STRATEGIC RISKS IDENTIFIED

Table 2:65: Strategic Risks Identified

| Revised Strategic Risks | | | | | | |
|-------------------------|---|---|--|---------------|--------------------|--|
| Risk Item | Risk Description | Risk Background | Strategic Focus Areas | Impact Rating | Likelihood Ratings | Directorate |
| SR 1 | Scarcity of landfill space | Unavailability of suitable land | Green and Sustainable Valley | 4 | 4 | Infrastructure Services |
| | | Costs of SLAs and alternative waste disposal | | | | |
| | | Legislative requirements i.e EIA applications and approvals etc. | | | | |
| SR 2 | Increased community unrest in the run up to the elections. | Illegal invasions and landgrabs | Safe Valley | 4 | 5 | Municipal Manager/All Directorates |
| | | Job creation / opportunities | | | | |
| | | Housing backlogs | | | | |
| | | Safety of ward Councillors | | | | |
| SR 3 | Growth in demand for housing exceeds the resources available for development and growing asset management constraints | Lack of bulk infrastructure | Dignified Living | 4 | 5 | Planning and Economic Development |
| | | Lack of identified and suitable land, unrealistic eviction judgments | | | | |
| | | Aging infrastructure as a result of poor maintenance of existing infrastructure | | | | |
| | | Insufficient resources for new infrastructure | | | | |
| SR 4 | Electricity supply constraints | Recurrence of load-shedding | Valley of Possibility | 4 | 5 | Infrastructure Services, Community Protection Services, Financial Services |
| | | Possible further constraints to Eskom electricity supply | | | | |
| SR 5 | Financial Sustainability | Debt management | Good governance and Compliance, Green and Sustainable Valley | 5 | 4 | Financial Services |
| | | Cash-flow | | | | |
| | | Changes patterns in revenue | | | | |
| SR 6 | Loss of credibility and reputation due to perceived fraud and corruption | Abuse of legislation | Good Governance and Compliance | 4 | 5 | All Directorates |
| | | Reputational risk and credibility | | | | |
| | | Incorrect media statements and role of social media in incorrect negative reports etc. | | | | |
| SR 7 | Material misstatements in the AFS | System errors | Good Governance and Compliance | 5 | 3 | Financial Services |
| | | Transactions and events not recognised as they occur and accordingly not recorded in the financial period it occurred | | | | |
| SR 8 | Urbanisation and growth | Comprehensive understanding of the developmental needs in the greater Stellenbosch area housing pipeline; | Valley of Possibility | 4 | 3 | Infrastructure Services |
| | | Rapid and continued urbanisation | | | | |
| | | Changes in the needs of the community; master plans; housing pipeline | | | | |



| Revised Strategic Risks | | | | | | |
|---------------------------|---|--|---|---------------|--------------------|--|
| Risk Item | Risk Description | Risk Background | Strategic Focus Areas | Impact Rating | Likelihood Ratings | Directorate |
| | | IDP and SDF alignment | | | | |
| SR 9 | Losing the historic status of Stellenbosch w.r.t environment (trees, biodiversity, buildings, rivers, etc.) | Keeping the balance - development and the historic status | Dignified Living; Valley of Possibility; Green and Sustainable Valley | 4 | 3 | All Directorates |
| | | Occurrence of natural disasters | | | | |
| Revised Operational Risks | | | | | | |
| OR 1 | Lack of integrated Information and Communication Technology | Disparate systems | Good Governance and Compliance | 4 | 3 | All Directorates |
| OR 2 | Water scarcity | Limited sustainable water sources | Dignified Living; Valley of possibility; Green and Sustainable Valley | 5 | 2 | Infrastructure Services |
| | | Growing population with increase in demand | | | | |
| | | Pollution of sources | | | | |
| OR 3 | Insufficient burial space in the greater Stellenbosch | Planning and funding | Dignified Living | 2 | 5 | Infrastructure Services |
| | | Land availability | | | | |
| OR5 | Timeous capital spending | Steady increase in budget allocation | Good Governance and Compliance | 5 | 2 | Financial Services |
| | | Growing population and demand for services | | | | |
| | | Demand Management | | | | |
| Revised Emerging Risks | | | | | | |
| ER 1 | Climate change | Changing weather patterns | Green and Sustainable Valley; Safe Valley | 4 | 3 | Office of the Municipal Manager; Community and Protection Services |
| | | Unpredictable rainfall / flash floods | | | | |
| | | Natural disasters e.g. drought, fires (seasonal and other) | | | | |

2.4.3 ANTI-CORRUPTION AND ANTI-FRAUD

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

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

The new Anti-Fraud and Corruption Prevention Policy underwent a process of consultation with key internal stakeholders and the Audit and Audit Performance Committee. The intention of the new policy is to strengthen fraud and corruption prevention at all levels within the municipality and re-invest the management of fraud and corruption to management at all levels. The new Anti-Fraud and Corruption Prevention Policy was adopted by Council in May 2018.



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

2.4.4 AUDIT AND PERFORMANCE AUDIT COMMITTEE

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

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

2.4.5 FUNCTIONS OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE

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

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

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

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

The responsibilities of the APAC are further to review the:

- Effectiveness of the Council's system of internal control and risk management;
- Financial reporting and financial statements;
- Internal Audit function;
- Auditor General's report;
- Council's compliance with legislation and regulation;
- Compliance with the Council's Code of Conduct and ethics; and



- Performance Management System to make recommendations in this regard to Council.

The committee members are as follows:

Table 2:66: Members of the Audit and Performance Audit Committee

| Name of representative | Capacity | Meeting dates |
|------------------------|---|--|
| Dr NL Mortimer | Chairperson (re-appointed for a second term 1 April 2019) | 27 August 2019 27 November 2019 19 February 2020 29 June 2020 |
| J Fairbairn | Member (appointed 30 March 2016, re-appointed for a second term 1 April 2019, resigned 18 March 2020) | |
| VJ Botto | Member (appointed 1 September 2017) | |
| TW Lesihla | Member (appointed 1 September 2017) | |
| J Williams (Ms) | Member (appointed 1 April 2019) | |

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

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

2.4.6 INTERNAL AUDITING

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

The internal audit unit of a municipality must: –

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

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

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



2.4.6.1 Risk Register and three-year Strategic Plan

Table 2:67: Risk Register and Three-Year Strategic Plan

| Audit Activity | 2017/18 | 2018/19 | 2019/20 |
|--|---------|---------|---------|
| Statutory audits | | | |
| Division of Revenue Act (DoRA) Compliance | ✓ | ✓ | ✓ |
| Pre-determined Objectives | ✓ | ✓ | ✓ |
| Performance Management System | | ✓ | ✓ |
| Performance reviews: MM and Directors | | ✓ | ✓ |
| Risk Management Review | ✓ | ✓ | ✓ |
| MGRO 1 and 2 | ✓ | ✓ | ✓ |
| Additional audits after review of risks | | | |
| Supply Chain Management | ✓ | ✓ | ✓ |
| ITGC, Applications Review and Support Services Equipment | ✓ | | ✓ |
| Review of Cobit Compliance | | ✓ | ✓ |
| Governance | ✓ | ✓ | |
| Quarterly Key Control Reviews (SORR) | ✓ | ✓ | ✓ |
| Financial Year-End Stock-Take | ✓ | ✓ | ✓ |
| mSCOA | ✓ | ✓ | ✓ |
| Water Services | ✓ | | |
| Human Resources: Labour Relations | ✓ | | |
| Building plans and applications for re-zoning | | ✓ | |
| Follow-up reviews | | | |
| AG Follow-Up Review | ✓ | ✓ | ✓ |
| Supply Chain Management | | | ✓ |
| Performance Management System | | | ✓ |
| Revenue – Indigent consumer verification | ✓ | | |
| Risk management follow up | | ✓ | |

√ Confirms audit activity completed in the financial year

Risk assessment updates were performed during the 2019/20 financial year and all relevant risks were populated into an updated Risk Register for the municipality. This Risk Assessment Plan forms the basis of the 2019/20 financial year's Risk-Based Audit Plan. New updates to the Stellenbosch Municipality's risk profile were captured during 2019/20 in consultation with the Risk Management Committee. This will ensure that adequate audit coverage be obtained from Internal Audit in consultation with the Auditor General and management.

2.4.6.2 Annual Risk Based Audit Plan

Risk-Based Audit Plan for 2019/20 was implemented with available resources. The table below provides detail on audits completed:

Table 2:68: Annual Risk-Based Audit Plan

| Audit Activity | Total Hours budgeted | Actual hours | Timing |
|----------------------|----------------------|--------------|---|
| DoRA Compliance | 120 | | Scheduled for August 2020 |
| Risk Management | 400 | 365 | Final report |
| MGRO 1 and 2 (MGAP) | 200 | 84.5 | Submission to Province done – awaiting feedback |
| IA follow up review: | 400 | | |



| Audit Activity | Total Hours budgeted | Actual hours | Timing |
|---|----------------------|----------------|---|
| • PMS | | 89 | Final report |
| • SCM | | 87 | Final report |
| AG follow up review | 720 | 84 | In progress |
| <i>Quarterly Key Control reviews (SORR):</i> | 480 | | |
| • Quarter 4 | | | AG to set up SORR with IA |
| • Quarter 1 | | 180 | |
| • Quarter 2 | | | |
| • Quarter 3 | | | |
| <i>Performance Management:</i> | | | |
| Pre-determined Objectives | 720 | | |
| • Quarter 4 | | 180 | Final Report submitted |
| • Quarter 1 | | 190 | Final Report submitted |
| • Quarter 2 | | 156 | Final Report submitted |
| • Quarter 3 | | 180 | Final Report submitted |
| Performance Management System | 300 | 261 | In progress |
| Performance Reviews: MM and Directors (mid-year and annual assessments) | 720 | 148 | Final Report submitted |
| Supply Chain Management | 720 | | Request APAC to approve roll over |
| <i>Information Technology:</i> | | | |
| • ITGC, Applications review and support services equipment | 720 | | Request APAC to approve roll over |
| • Review of Cobit compliance | 720 | | Request APAC to approve roll over |
| mSCOA | 480 | | Request APAC to approve roll over |
| Building plans and applications for re-zoning: | 720 | | |
| Applications for Building Plans | | 684 | Final Report submitted |
| Applications for re-zoning | | 977 | Final Report submitted |
| Biannual stores stock take | 120 | 74 | IA provided direct assistance to the AG(SA) |
| COVID-19: Compliance questionnaire preparation and assessment | | 168 | Questionnaire finalised |
| Total | 7 540 | 3 907.5 | |

2.4.6.3 PMS Audits

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

2.4.7 SUPPLY CHAIN MANAGEMENT

The Supply Chain Management Policy applicable to the 2019/20 financial year was revised and adopted by Council on 29 May 2019 (as APPENDIX 29 of the budget-related policies) in terms of section 17(1) – (3) of the MFMA.

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



2.4.7.1 Competitive bids in excess of R200 000

Bid Committee Meetings

The following table details the number of Bid Committee meetings held for the 2019/20 financial year:

Table 2:69: Bid Committee Meetings

| Bid Specification Committee | Bid Evaluation Committee | Bid Adjudication Committee |
|-----------------------------|--------------------------|----------------------------|
| 41 | 139 | 43 |

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

Table 2:70: Attendance of Members of Bid Specification Committee

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

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

Table 2:71: Attendance of Members of Bid Evaluation Committee

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

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

Table 2:72: Attendance of Members of Bid Adjudication Committee

| Member | % attendance |
|---|--------------|
| Director Financial Services (Chairperson) | 100% |
| Director Planning and Economic Development | 82.93% |
| Director: Infrastructure Services | 97.56% |
| Director: Community and Protection Services | 92.68% |
| Director: Corporate Services | 90.24% |

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

2.4.7.2 Awards made by the Bid Adjudication Committee

The Bid Adjudication Committee awarded 66 bids with a value of R 224 283 067.49, excluding annual tenders awarded on the basis of approved rates. The ten highest bids awarded by the bid adjudication committee are as follows:

Table 2:73: Ten Highest Bids Awarded by Bid Adjudication Committee

| Bid number | Title of bid | Directorate and section | Successful Bidder | Value of bid awarded |
|------------|---|--------------------------------|----------------------------------|----------------------|
| BSM 30/19 | The upgrade and extension of the Pniël wastewater treatment works: mechanical and electrical installation | Infrastructure Services | Inenzo Water (Pty) Ltd Option 1. | R63 909 796 |
| BSM 29/19 | The upgrade and extension of the Pniël wastewater treatment works: civil works | Infrastructure Services | CSV Mazarin JV Option 1. | R61 871 692 |
| BSM 16/20 | The steps / Orlean lounge, Cloetesville, Stellenbosch: rectification of 161 houses | Human and informal settlements | Tops Construction cc. | R17 045 724 |
| BSM 18/20 | Maintenance and operation of public ablution facilities at Stellenbosch and | Infrastructure Services | Ibhunga Cleaning | R10 022 338 |



| Bid number | Title of bid | Directorate and section | Successful Bidder | Value of bid awarded |
|------------|--|---------------------------------------|---|----------------------|
| | Jamestown informal settlements: period ending 30 June 2022. | | and Bricks Paving. | |
| BSM 17/20 | Upgrading of Stellenbosch Municipality fire station. | Community Services | Ilitha Painters and Decorators t/a The Construction co. | R8 764 666 |
| BSM 07/20 | Supply and Delivery of Major 4 X 4 Rescue Pumper with CAFS Pump and Medium 4 X 4 Pumper / RIV. | Community Services | Marce Projects - MAJOR 4X4 Rescue Pumper CAFS (Compress Air Foam System) PUMP option 2. | R5 165 305 |
| | | | Marce Projects - MAJOR 4X4 Rescue Pumper CAFS (Compress Air Foam System). | R1 868 972 |
| BSM 13/20 | Maintenance and operation of public ablution facilities at Franschoek and Klapmuts informal settlements: period ending 30 June 2022. | Infrastructure Services | Primaj Construction Works (PTY) Ltd. | R5 819 556 |
| BSM 38/20 | Emergency supply, fit and maintenance of tyres for solid waste management, as and when required for the period ending 30 June 2022. | Infrastructure Services / Solid Waste | BBBEE Tyres Holdings Pty Ltd. | R5 355 425 |
| BSM 58/20 | Upgrading of Eikestad Hall, Cloetesville. | Corporate Services | Ismail Davids and Associates. | R4 733 195 |
| BSM 39/20 | Construction of a new clubhouse at La Motte, Stellenbosch. | Corporate Services | LJA Construction. | R4 550 539 |

2.4.7.3 Awards made by the Accounting Officer

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

Table 2:74: Awards made by the Accounting Officer

| Bid number | Title of bid | Directorate and Section | Value of bid awarded |
|------------|--|--------------------------------|----------------------|
| BSM 30/19 | The upgrade and extension of the Pniël wastewater treatment works: mechanical and electrical installation. | Infrastructure Services | R63 909 796 |
| BSM 29/19 | The upgrade and extension of the Pniël wastewater treatment works: civil works. | Infrastructure Services | R61 871 692 |
| BSM 16/20 | The steps / Orlean lounge, Cloetesville, Stellenbosch: rectification of 161 houses. | Human and Informal Settlements | R17 045 724 |
| BSM 18/20 | Maintenance and operation of public ablution facilities at Stellenbosch and Jamestown informal settlements: period ending 30 June 2022. | Infrastructure Services | R10 022 338 |
| BSM 47/20 | Provision of licensed and compliant waste disposal facilities to receive and dispose of general waste and asbestos from the Stellenbosch Municipal Area. | Infrastructure Services | Rates |



2.4.7.4 Objections Lodged

The municipality received sixteen (16) general enquiries pertaining to the awarding of bids.

The municipality also had eighteen (18) appeals which were resolved together with two (2) objections which were also dealt with.

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

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

Table 2:75: Formal Quotations (above R 30 000 and below R 200 000)

| Description | Financial Years | | | | | Increase / Decrease 2016/17 – 2017/18 | Increase / Decrease 2017/18 – 2019/20 |
|-------------------------------------|-----------------|---------------|---------------|---------------|---------------|---|---|
| | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | | |
| Number of Awarded Formal Quotations | 246 | 274 | 206 | 203 | 145 | -33.01% | -40% |
| Total Formal Quotations advertised | 322 | 378 | 264 | 249 | 159 | -43.18% | -56.60% |
| Percentage awarded | 76.40% | 72.49% | 78.03% | 81.53% | 91.19% | +7.1% | +10.59% |

2.4.7.6 Deviation from normal Procurement Processes

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

Table 2:76: Deviation from Normal Procurement Process

| Description | Financial Years | | | | | | | Increase / Decrease 2016/17 – 2017/18 | Increase / Decrease 2017/18 – 2019/20 |
|---|-----------------|------------|-----------|-----------|-----------|-----------|-----------|---|---|
| | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | | |
| <u>Certificate of Emergencies:</u> Approved by the Directors i.t.o. Section 4.36.4 of the SCM Policy | 58 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Deviations:</u> Approved by the Accounting Officer i.t.o. Section 4.36.1 of the SCM Policy | 97 | 68 | 26 | 54 | 54 | 42 | 32 | 0% | -31.25% |
| TOTAL | 173 | 155 | 68 | 26 | 54 | 54 | 32 | 0% | -31.25% |

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



2.4.7.7 Disposal Management

The system of disposal management envisages the following:

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

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

2.4.7.8 Supply Chain Management Performance Management

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

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

2.4.8 BY-LAWS AND POLICIES

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

Budget related policies reviewed in the 2018/19 financial year are listed below.

Table 2:77: Budget Related Policies Reviewed

| Policies Revised | Date Adopted | Public Participation Conducted Prior to Adoption of Policy |
|---|--------------|--|
| | | Yes / No |
| Inventory Management Policy | 29 May 2019 | Yes |
| Preferential Procurement Policy | 29 May 2019 | Yes |
| Rates By-Law | 29 May 2019 | Yes |
| Rates Policy | 29 May 2019 | Yes |
| Supply Chain Management Policy | 29 May 2019 | Yes |
| Travel and Subsistence Policy | 29 May 2019 | Yes |
| Indigent Policy | 29 May 2019 | Yes |
| Credit Control and Debt Collection Policy | 29 May 2019 | Yes |
| Irrecoverable Debt Policy | 29 May 2019 | Yes |



| Policies Revised | Date Adopted | Public Participation Conducted Prior to Adoption of Policy |
|--|--------------|--|
| | | Yes / No |
| Accounting Policy | 29 May 2019 | Yes |
| Cash Management and Investment Policy | 29 May 2019 | Yes |
| Tariff By-Law | 29 May 2019 | Yes |
| Tariff Policy | 29 May 2019 | Yes |
| Grants-In-Aid Policy | 29 May 2019 | Yes |
| Virement Policy | 29 May 2019 | Yes |
| SCM Policy for Standard for Infrastructure and Delivery Management | 29 May 2019 | Yes |
| Petty Cash Policy | 29 May 2019 | Yes |
| Performance Management Policy | 29 May 2019 | Yes |
| Development Charges Policy | 29 May 2019 | Yes |
| Special Ratings Area By-Law | 29 May 2019 | Yes |
| Special Ratings Area Policy | 29 May 2019 | Yes |
| Borrowing, Funds and Reserves Policy | 29 May 2019 | Yes |
| Financing of External Bodies performing municipal functions Policy | 29 May 2019 | Yes |
| Budget Implementation and Monitoring Policy | 29 May 2019 | Yes |
| Liquidity Policy | 29 May 2019 | Yes |
| Asset Management Policy | 29 May 2019 | Yes |
| Ward Allocation Policy | 29 May 2019 | Yes |
| Asset Management Policy | 28 May 2018 | Yes |

2.4.9 WEBSITE

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

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

Table 2:78: Website Checklist

| Documents Published on the Stellenbosch Municipality's Website | Yes / No | Publishing Date |
|---|----------|--------------------------|
| Current annual and adjustments budgets and all budget-related documents | Yes | Within legislated period |
| All current budget-related policies | Yes | Within legislated period |
| Current annual and adjustment budgets and all budget-related documents | Yes | Within legislated period |
| All current budget-related policies | Yes | Within legislated period |
| The annual report for 2019/20 | Yes | Within legislated period |
| All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act for 2019/20 | Yes | Within legislated period |
| All service delivery agreements for 2019/20 | Yes | Within legislated period |
| All long-term borrowing contracts for 2019/20 | Yes | Within legislated period |
| All supply chain management contracts above a prescribed value for 2019/20 | Yes | Within legislated period |
| An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14(2) or (4) during 2019/20 | Yes | Within legislated period |



2.4.10 COMMUNICATION

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

The Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) MSA, section 4, encourages the involvement of communities in the affairs of their municipalities. As a local government, we have an obligation to act with high levels of transparency, accountability, openness, participatory democracy and direct communication with communities to improve the lives of residents.

At the heart of our Communication Policy, adopted by Council in July 2018, lies the notion of improved communication that facilitates public participation. The municipality has made steady improvements in its attempts to streamline and improve its communications with residents, businesses, the media as well as other external stakeholders. Ensuring that the right messages reach the intended audiences on the most appropriate platforms and continuously facilitating conversations through our communication platforms, contributes to the strengthening of our corporate identity and brand.

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

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

Communication through our social media platforms has increased significantly. The municipal Facebook page and Twitter account has been growing steadily and now reaches a much larger, ever-growing audience. Apart from being used to publicise municipal news stories, photos and videos, the social media platforms are used to broadcast important alerts and notices. Traffic is also diverted to the website through our social media platforms.

Municipal advertisements are regularly placed in community and regional newspapers and contribute to building the municipality's brand. The Executive Mayor's monthly newsletter, pamphlets, posters, notice boards and regular IDP / Ward meetings provides us with additional platforms for communicating with residents and other stakeholders.

In an effort to improve internal communication within the organisation, the interdepartmental communication forum has been established and meetings of this forum have proved to be invaluable. The interdepartmental communication forum meets at least quarterly. Improved internal



communication is further achieved through the newsletter of the Municipal Manager, internal memos, notice boards, a bulk SMS system and regular staff meetings.

2.4.11 COMMUNITY SATISFACTION SURVEY

No community satisfaction surveys were completed during the 2019/20 financial year.

2.4.12 PUBLIC SATISFACTION WITH MUNICIPAL SERVICES

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

Table 2:79: Communication Activities

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



CHAPTER 3: SERVICE DELIVERY PERFORMANCE

3.1 OVERVIEW OF PERFORMANCE WITHIN THE ORGANISATION

Performance management is a process that measures the implementation of the organisation's strategy as captured within the Integrated Development Plan (IDP). It is also a management tool to plan, monitor, measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery by the municipality.

At local government level, performance management is institutionalised through the legislative requirements of the performance management process. Performance management provides the mechanism to measure whether targets are met in line with strategic goals as set by the organisation.

Section 152 of the Constitution of the Republic of South Africa, 1996, deals with the objectives of local government and paves the way for performance management. The idea of an accountable government is important to meet the needs of Stellenbosch. The democratic values and principles in terms of section 195(1) are also linked with the concept of performance management, with reference to the principles of the following, among others to:

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

The MSA requires municipalities to establish a performance management system. Further, the MSA and the MFMA require the Integrated Development Plan (IDP) to be aligned to the municipal budget. The monitoring of organisational performance of the budget must be done against the IDP on a quarterly basis via the Service Delivery and Budget Implementation Plan (SDBIP). The report is made public after the council has been informed of the quarterly progress against set targets.

In addition, Regulation 7(1) of the Local Government: Municipal Planning and Performance Management Regulations of 2001 states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players". Performance management is not only relevant to the organisation as a whole, but also to the individuals employed in the organisation, as well as the external service providers and the municipal entities. This framework, *inter alia*, reflects the linkage between the IDP, the Budget and the SDBIP.

3.2 LEGISLATIVE REQUIREMENTS

In terms of section 46(1)(a) of the MSA, a municipality must prepare a performance report for each financial year that reflects the municipality's and any service provider's performance during the financial year. The report must furthermore indicate the development and service delivery priorities and the performance targets set by the municipality for the following financial year, and measures that were or are to be taken to improve performance.



3.3 ORGANISATIONAL PERFORMANCE

Strategic performance assessment indicates how well the municipality is meeting its objectives and which policies and processes are working. All government institutions must report on strategic performance to ensure that service delivery is efficient, effective and economical. Municipalities must develop strategic plans and allocate resources for their implementation. The implementation must be monitored on an ongoing basis and the results must be reported on during the financial year to various role players to enable them to implement corrective measures timeously where required.

This report highlights the strategic performance in terms of the municipality's Top-Layer Service Delivery and Budget Implementation Plan (SDBIP), high-level performance in terms of the strategic objectives of the municipality and performance on the National Key Performance Indicators prescribed in terms of Section 43 of the MSA.

3.4 ADOPTION OF A PERFORMANCE MANAGEMENT POLICY FRAMEWORK

The Performance Management Policy 2019/20 was reviewed and submitted to Council for approval in July 2019.

3.5 GOVERNANCE FRAMEWORK FOR THE IDP, BUDGET AND PERFORMANCE MANAGEMENT

The draft review of the 4th Generation IDP was tabled in March 2019 and was advertised for public comment thereafter. Stellenbosch Municipal Council adopted the reviewed Fourth Generation IDP (2017/18 – 2021/22) together with the 2019/20 MTREF Budget in May 2019.

The IDP is the principal planning instrument that guides and informs the municipal budget. The MSA requires each municipality in South Africa to prepare such a strategic plan to guide all development and management within the municipal area. The IDP sets out the development priorities of Stellenbosch Municipality over the next five years. The IDP must guide and determine municipal planning and project implementation. The 2019/20 budget was based on the IDP and other spheres of government and service providers.

The IDP for the period July 2017 to June 2022 gives expression to the political mandate that have been received from residents in the August 2016 local government election. The MSA requires municipalities to consult with their residents and the broader institutions, which elicited a positive reaction and involvement from the public.

The IDP is a strategic tool that guides all the activities of local government in consultation with residents and stakeholders. In keeping with the more evolved and strategic approach to this IDP, the implementation plan focuses on only the key strategic programmes, projects and initiatives that will support the achievement of the priorities during the five-year term of office. Its focus is on development in the broader sense and it is a structured plan that informs budget priorities, decision making and the allocation of resources.

The focus of the IDP is varied, and includes the provision of basic municipal services, measures for building and transforming municipal capacity, measures to assist in expanded livelihood opportunities for citizens, enterprise development, building dignified and safe living environments, and, crucially,



exploring new ways of working and living together. It directs and is informed by different aspects of the municipality's work, including how the municipality is structured politically and administratively, the municipal budget, the sector plans and service delivery and budget implementation plans of different municipal services, and how the municipality manages its performance.

The three-year budget sets out the revenue raising and expenditure plan of the municipality for approval by Council in accordance with the MFMA. The allocation of funds needs to be aligned with the priorities in the IDP.

The IDP must be reflected in the performance agreements of the relevant staff and through the budget, in the service delivery and budget implementation plan (SDBIP). The key performance management instrument of the municipality is the SDBIP. Linked to the IDP, the SDBIP forms the basis of the performance contracts of directors and quarterly, mid-year and annual performance reviews of senior management, directorates and the municipality.

3.6 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

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

The SDBIP is a tool that converts the IDP and budget into measurable criteria of how, where and when the strategies, objectives and normal business processes of the municipality are implemented.

It also allocates responsibility to directorates to deliver the services in terms of the IDP and the budget.

MFMA Circular No. 13 is a clarification of the Municipal Budget and Reporting Regulations, Schedule A 1, GenN 393 in GG32141 of 2009 and prescribes that the:

- IDP and budget must be aligned;
- budget must address the strategic priorities;
- SDBIP should indicate what the municipality is going to do during the next 12 months; and
- SDBIP should form the basis for measuring the performance against goals set during the budget / IDP processes.

The Top-Layer SDBIP 2019/20 was approved by the Executive Mayor, Cllr Adv Gesie Van Deventer on the 26 June 2019 in terms of section 53(1)(c)(ii) of the MFMA.

3.6.1 THE MUNICIPAL SCORECARD (TOP-LAYER SDBIP)

The municipal scorecard (Top-Layer SDBIP) consolidates service delivery targets set by Council / senior management and provides an overall picture of the performance of the municipality as a whole, reflecting performance in its strategic priorities for the 2019/20 financial year. The scorecard is the performance evaluation tool and is used during the informal and formal performance assessment of senior managers.



Components of the Top-Layer SDBIP include:

One-year detailed plan with the following components:

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

Top-Layer KPIs were prepared based on the following:

- Key performance indicators (KPIs) for the programmes / activities identified to address the strategic objectives as documented in the IDP in co-operation with the community who identifies developmental priorities;
- KPIs identified during the IDP and KPIs that need to be reported to key municipal stakeholders; and
- KPIs to address the required national minimum reporting requirements.

3.6.2 AMENDMENT OF THE TOP-LAYER SDBIP

The TL SDBIP 2019/20 was reviewed once during the 2019/20 financial year and submitted to Council for approval on 29 January 2020.

3.6.3 ACTUAL PERFORMANCE

The municipality utilises an electronic web-based, real time performance-based system on which KPI owners update actual performance on a monthly basis. KPI owners report on the results of the KPI by documenting the following information on the performance system:

- The actual result in terms of the target set;
- A performance comment; and
- Actions to improve the performance by the submission of corrective measures to meet the set target for the reporting interval in question, if the target was not achieved.

It is the responsibility of every KPI owner to maintain a portfolio of evidence to support actual performance results updated and provide it to the Internal Auditor and Auditor General upon request during the quarterly and annual audit testing.

3.6.4 MONITORING OF THE SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

Municipal performance is measured as follows:

- a) **Mid-year assessment and submission of the mid-year report to the Mayor in terms of section 72(1)(a).** In terms of section 72(1)(a) of the MFMA, the Accounting Officer must by 25 January of each year assess the performance of the municipality during the first half of the financial year. A report on such an assessment must, in terms of Section 72(1)(b) of the MFMA, be submitted to the Mayor, Provincial and National Treasury. Once the Mayor has considered the report, it must be submitted to Council by 31 January in terms of Section 54 of the MFMA.
- b) **Quarterly assessment i.t.o. section 52(d) of the MFMA** to assess the performance of the municipality during the first half of the financial year.



The Executive Mayor, who must provide general political guidance over the fiscal and financial affairs of the municipality, is required by Section 52(d) of the MFMA to submit a report on the implementation of the budget and the financial state of affairs of the municipality, to the Council within 30 days after end of each quarter.

Actual performance was audited by the Internal Audit Department and the results of their findings were submitted to the Audit and Performance Audit Committee (APAC).

- Quarter 1 (July to September 2019);
- Quarter 2 (October to December 2019);
- Quarter 3 (January to March 2020); and
- Quarter 4 (April to June 2020).

Municipal Manager and Managers directly accountable to the Municipal Manager

The MSA prescribes that the municipality must enter into performance based agreements with the Municipal Manager and managers directly reporting to the Municipal Manager i.t.o. section 56. Performance agreements must be reviewed annually and are published for public interest. This process and the format are further regulated by Regulation 805 (August 2006), MSA.

The performance agreements for the Municipal Manager and section 56 appointments for the 2019/20 financial year were signed on 30 July 2019 as prescribed. They include performance agreements for the:

- Municipal Manager;
- Chief Financial Officer;
- Director: Corporate Services;
- Director: Planning and Local Economic Development;
- Director: Community and Protection Services; and
- Director: Infrastructure Services.

The appraisal of the actual performance in terms of the signed agreements takes place twice per annum as regulated. The 2018/19 annual - and 2019/20 mid-year performance assessment for senior managers took place on 09 March 2020. The appraisals were done by an evaluation panel in terms of Regulation 805.

The panel consisted of the following:

- Adv Gesie van Deventer; Executive Mayor (for the evaluation of the Municipal Manager only);
- Mr Roy van Rooyen, Ward Committee Member nominated by the Executive Mayor (for the evaluation of the Municipal Manager only);
- Geraldine Mettler, Municipal Manager of Stellenbosch Municipality;
- Mr Henry Prins, Municipal Manager of Cape Winelands District Municipality;
- Cllr Nyaniso Jindela, Deputy Executive Mayor and Chairperson on Human Settlements Portfolio;
- Cllr Quintin Smit;
- Cllr Patricia Crawley;
- Cllr Xoliswa Mdemka;
- Cllr Aldrigde Frazenburg;
- Cllr Esther Groenewald;
- Dr Len Mortimer, Audit and Performance Audit Committee Chairperson of Stellenbosch Municipality.



Other Municipal Personnel

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

3.6.5 SERVICE DELIVERY PERFORMANCE

3.6.5.1 Introduction

This section provides an overview of the key service achievements of the municipality that came to completion during 2019/20 in terms of the deliverables achieved compared to the key performance objectives and indicators in the IDP.

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

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

Table 3:1: Performance Management System Checklist

| | Performance Management Policy | All MSA s57/56 Performance contracts signed | Audit Committee | Municipal Public Accounts Committee (MPAC) | Quarterly Performance Reporting to Council | Annual Performance Reporting to Council |
|------------------|-------------------------------|---|-----------------|--|--|---|
| In place? | √ | √ | √ | √ | √ | √ |

3.6.5.2 Service Delivery and Budget Implementation Plan (Top-Layer)

The purpose of performance reporting is to report specifically on the implementation and achievement of IDP outcomes. This section should provide an overview on the achievement of a municipality in terms of the strategic intent and deliverables achieved as stated in the IDP. The Top-Layer (strategic) SDBIP is the municipality's strategic plan and shows the strategic alignment between the different documents (IDP, Budget and Performance Agreements).

The organisational performance is evaluated by means of a Municipal Scorecard (TL SDBIP) at organisational level and through the Service Delivery and Budget Implementation Plan (SDBIP) at departmental levels.

The SDBIP is a plan that converts the IDP and Budget into measurable indicators on how, where and when the strategies, objectives and normal business processes of the municipality are implemented. It also allocates responsibilities to directorates to deliver the services in terms of the IDP and Budget.

The TL SDBIP was prepared as described in the paragraphs below and approved by the Executive Mayor on 26 June 2019. However, the TL SDBIP 2019/20 was revised in January 2020. These revisions were made in line with the adjustment budget, internal audit findings and recommendations made by the Auditor General of South Africa (AGSA).



In the paragraphs below, the performance achieved is illustrated against the Top-Layer SDBIP according to the IDP strategic objectives. The following table explains the method by which the overall assessment of actual performance against targets set for the key performance indicators (KPIs) of the SDBIP is measured:

Table 3:2: Performance Assessment Criteria

| Color | Category | Explanation |
|-------|------------------------|--|
| | KPI Not Yet Measured | KPIs with no targets or actual results for the selected period |
| | KPI Not Met | Actual vs. target less than 75% |
| | KPI Almost Met | Actual vs. target between 75% and 100% |
| | KPI Met | Actual vs. target 100% achieved |
| | KPI Well Met | Actual vs. target more than 100% and less than 150% achieved |
| | KPI Extremely Well Met | Actual vs. target more than 150% achieved |

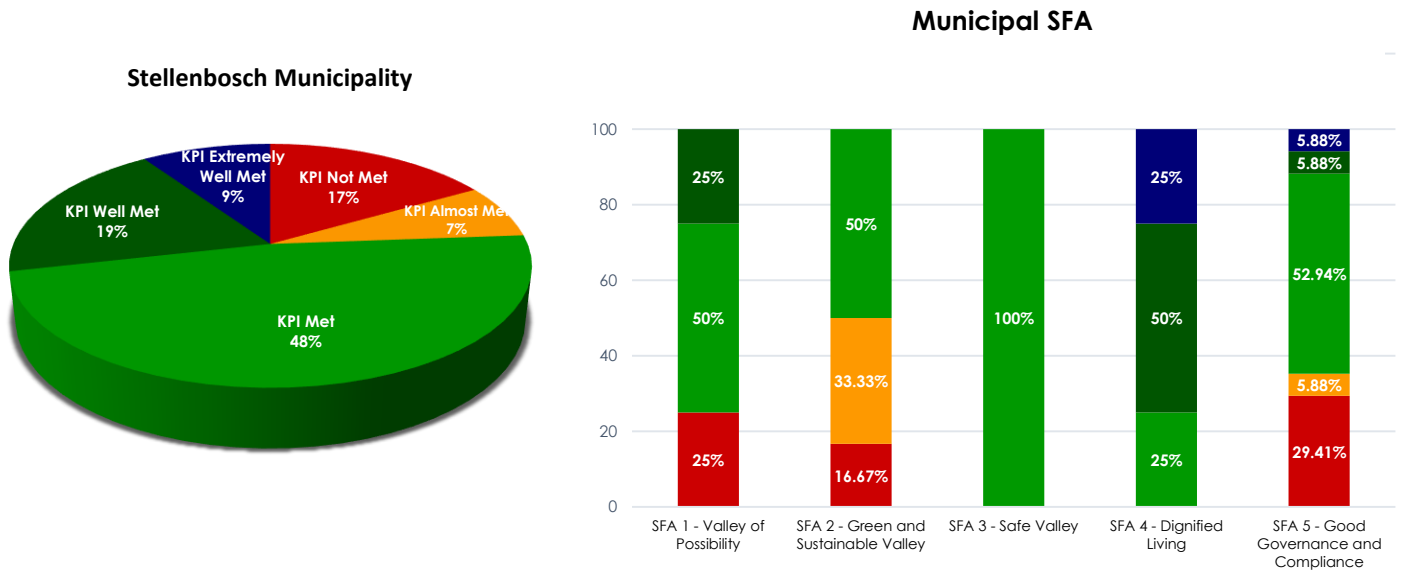
The TL SDBIP (the Municipal Scorecard) consolidates service delivery targets set by Council / Senior Management and provide an overall picture of performance for the municipality as a whole, reflecting performance on its strategic priorities.



3.6.5.3 Overall Performance per Municipal Strategic Focus Area

The following graph and table illustrates the municipality's overall performance per Municipal Strategic Focus Area (SFA).

Figure 3:1: Overall performance per Municipal Strategic Focus Area (SFA)



| Stellenbosch Municipality | | Municipal Strategic Focus Areas (SFAs) | | | | |
|---------------------------|-------------|--|--------------------------------------|---------------------|--------------------------|--|
| | | SFA 1 - Valley of Possibility | SFA 2 - Green and Sustainable Valley | SFA 3 - Safe Valley | SFA 4 - Dignified Living | SFA 5 - Good Governance and Compliance |
| KPI Not Yet Measured | - | - | - | - | - | - |
| KPI Not Met | 7 (16.67%) | 1 (25%) | 1 (16.67%) | - | - | 5 (29.41%) |
| KPI Almost Met | 3 (7.14%) | - | 2 (33.33%) | - | - | 1 (5.88%) |
| KPI Met | 20 (47.62%) | 2 (50%) | 3 (50%) | 3 (100%) | 3 (25%) | 9 (52.94%) |
| KPI Well Met | 8 (19.05%) | 1 (25%) | - | - | 6 (50%) | 1 (5.88%) |
| KPI Extremely Well Met | 4 (9.52%) | - | - | - | 3 (25%) | 1 (5.88%) |
| Total: | 42 | 4 | 6 | 3 | 12 | 17 |
| | 100% | 9.52% | 14.29% | 7.14% | 28.57% | 40.48% |



3.7 SERVICE PROVIDERS STRATEGIC PERFORMANCE

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

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

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

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

3.8 MUNICIPAL FUNCTIONS

3.8.1.1 Analysis of Functions

The municipal functional areas are as indicated below:

Table 3:4: Municipal Functional Areas i.f.o. the Constitution

| Municipal Function | Yes / No |
|---|----------|
| Constitution Schedule 4, Part B functions: | |
| Air pollution | Yes |
| Building regulations | Yes |
| Childcare facilities | Yes |
| Electricity and gas reticulation | Yes |
| Firefighting services | Yes |
| Local tourism | Yes |
| Municipal airports | No |
| Air pollution | Yes |
| Building regulations | Yes |
| Municipal planning | Yes |
| Municipal health services | No |
| Municipal public transport | Yes |
| Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law | No |
| Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto | No |
| Storm water management systems in built-up areas | Yes |
| Trading regulations | Yes |



| Municipal Function | Yes / No |
|--|---------------|
| Constitution Schedule 4, Part B functions: | |
| Water and sanitation services limited to potable water supply systems and domestic waste water and sewage disposal systems | Yes |
| Beaches and amusement facilities | Yes |
| Billboards and the display of advertisements in public places | Yes |
| Cemeteries, funeral parlours and crematoria | Yes |
| Cleansing | Yes |
| Control of public nuisances | Yes |
| Control of undertakings that sell liquor to the public | Yes from 2013 |
| Facilities for the accommodation, care and burial of animals | Yes |
| Fencing and fences | Yes |
| Licensing of dogs | No |
| Licensing and control of undertakings that sell food to the public | No |
| Local amenities | Yes |
| Local sport facilities | Yes |
| Markets | Yes |
| Municipal abattoirs | No |
| Municipal parks and recreation | Yes |
| Municipal roads | Yes |
| Pounds | Yes |
| Public places | Yes |
| Refuse removal, refuse dumps and solid waste disposal | Yes |
| Street trading | Yes |
| Street lighting | Yes |
| Traffic and parking | Yes |

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

3.8.2 NATIONAL KEY PERFORMANCE INDICATORS – BASIC SERVICE DELIVERY AND LOCAL ECONOMIC DEVELOPMENT

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



Table 3:5: Basic Service Delivery

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

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

3.8.3 WATER PROVISION

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

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

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

Due to on-going drought and very low rainfall recorded in recent years, the municipalities in the Western Cape had to enforce water restrictions. Stellenbosch Municipality supplies water to the consumers in their area of jurisdiction through the following six water supply systems:

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

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

Stellenbosch Local Municipality manages three water treatment works, namely Ida's Valley, Paradyskloof and Franschhoek, which is a micro water treatment plant. The potable water supply from these works amounted to 14.832 MI/d and a further 7.126 MI/d was obtained from the City of Cape Town (CoCT) during the 2019/20 financial year, ensuring a supply of approximately 21.9 MI/d to the municipality's area of responsibility.

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

Areas supplied from Faure water treatment works (supplied from Steenbras Dam – CoCT) are Faure, Jamestown, De Zalze, Raithby and Lynedoch. Although these water treatment works fall within the



sphere of responsibility of the City of Cape Town, their impact with regard to water quality and quantity needs to be monitored and considered by Stellenbosch Municipality.

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

The total bulk water input into the water network for the 2019/20 financial year was 8,01 Ml, with an annual average daily demand of 21,9 kl/day. 40% of the water supplied are purified from the municipality's own water sources at the Ida's Valley and Franschoek water treatment plants. The balance is supplied by the CoCT, where raw water supplied by the Department of Water and Sanitation is purified. Potable water supplied from the CoCT is analysed on a monthly basis.

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

Based on the municipality's IWA Water Balance sheet for the 2019/20 financial year, the municipality recorded 20.5% for "non-revenue" water which is an increase of 0.3 % from the previous financial year and 6.9% for Real Network Losses. Refer to the municipality's International Water Association (IWA) Water Balance Sheet.

The no-revenue water for the 2019/20 financial year is 20.5% that is below the target set of 25%. The real physical network losses are at 6.5% that is well below the best practice value of 15%.

Figure 3:2: International Water Association Water Balance Sheet for 2019/20 of the Stellenbosch Municipality

| System input volume: July 2019 to June 2020 ; kl * | | | 8 015 027 | 100% |
|--|----------------------------|------------------------------|-----------|-------|
| (water demand in reticulation system) | | | | |
| Potable water system | Revenue water 79,5% | Billed metered (normal) * | 4 360 974 | 54,4% |
| | | Billed metered (indigent) | 1 625 305 | 20,3% |
| | | Billed unmetered | 388 195 | 4,8% |
| | Non-revenue water 20,5% | Unbilled metered | 240 451 | 3,0% |
| | | Unbilled unmetered | 16 030 | 0,2% |
| | | Informal areas not metered | 462 601 | 5,8% |
| | | Losses in bulk supply system | 0 | 0,0% |
| | | Apparent losses | 400 751 | 5,0% |
| | | Real network losses | 520 720 | 6,5% |
| | | UAW 11,5% | | |
| Non-revenue water (NRW) ; kl | | | 1 640 553 | 20,5% |
| Real network losses ; kl | | | 520 720 | 6,5% |

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



the water systems. The water readings of all areas are also filled in on a spreadsheet that is sent to the DWS on a three monthly basis to monitor and control water usage and allocations of water.

The municipality has developed a comprehensive Water Conservation and Water Demand Management (WC&WDM) strategy, which includes a 10-year financial plan. The strategy has two goals: the municipality will prioritise the implementation of WC&WDM, and will ensure ongoing planning, management, monitoring and an enabling environment. The WC&WDM initiatives includes water pipe replacement programme, indigent domestic leak repair and meter replacement programme, Stellenbosch water meter audit and Stellenbosch in-house water services operation and maintenance.

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

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

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

3.8.3.1 Dam Levels

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

Table 3:6: Western Cape Dams

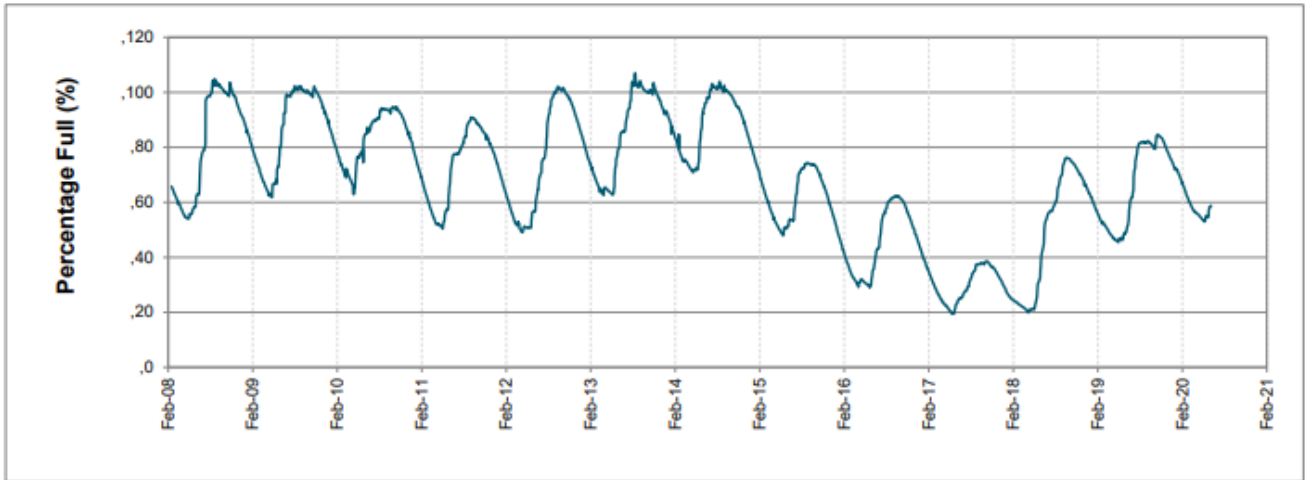
| Major dams | 2020 | Previous week | 2019 |
|--------------------------|----------------|----------------|----------------|
| | (%) | (%) | (%) |
| Berg River | 81.2 | 73.8 | 74.6 |
| Steenbras Lower | 49.9 | 49.9 | 38.9 |
| Steenbras Upper | 99.6 | 99.2 | 88.4 |
| Theewaterskloof | 55.8 | 55.2 | 41.6 |
| Voëlvlei | 54.5 | 53.7 | 55.0 |
| Wemmershoek | 43.3 | 43.6 | 40.3 |
| Total Stored (Ml) | 723 706 | 689 767 | 723 706 |
| % Storage | 58.8 | 58.2 | 49.5 |

Stellenbosch's own Dams

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



Figure 3:3: WCWSS Storage Record (2008 – Present)



The photos below illustrate the Ida's Valley Dams 1 and 2 at 100% full.

Figure 3:4: Ida's Valley Dams



W024 Bulk Water Input and Sales dramatically decreased from a high value in June 2015 to June 2020.



Figure 3:5: Water consumption volume

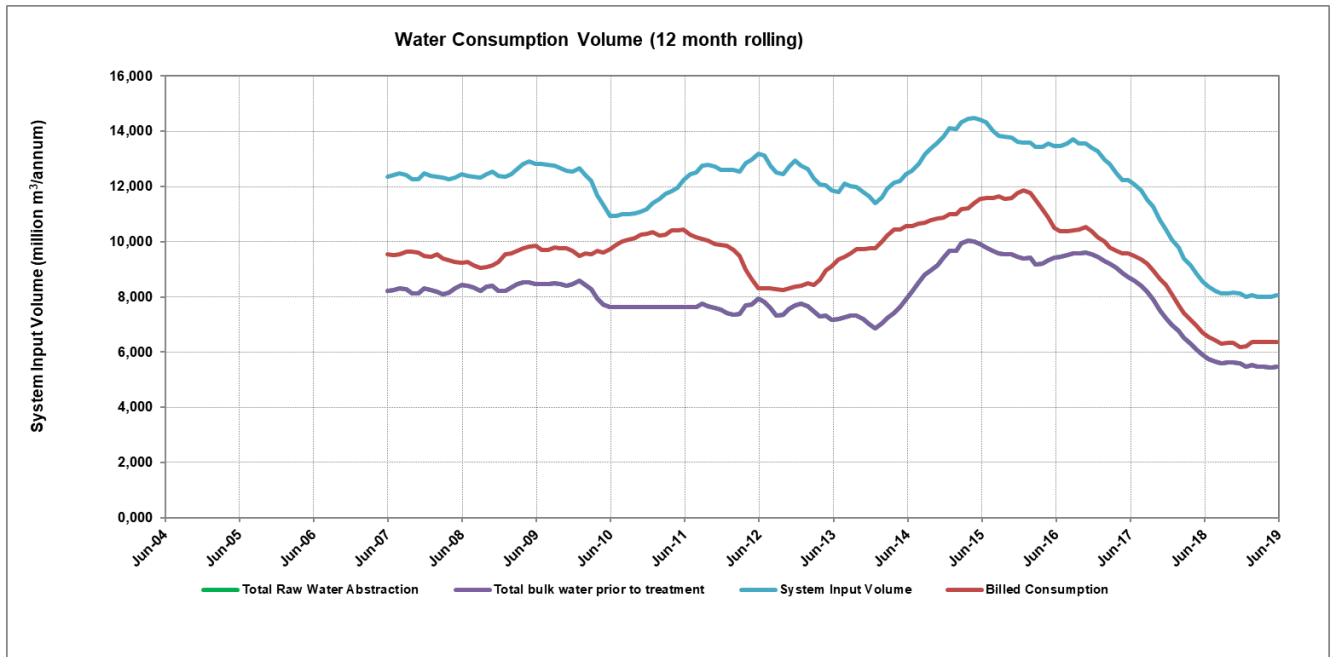


Figure 3:6: Water system water input

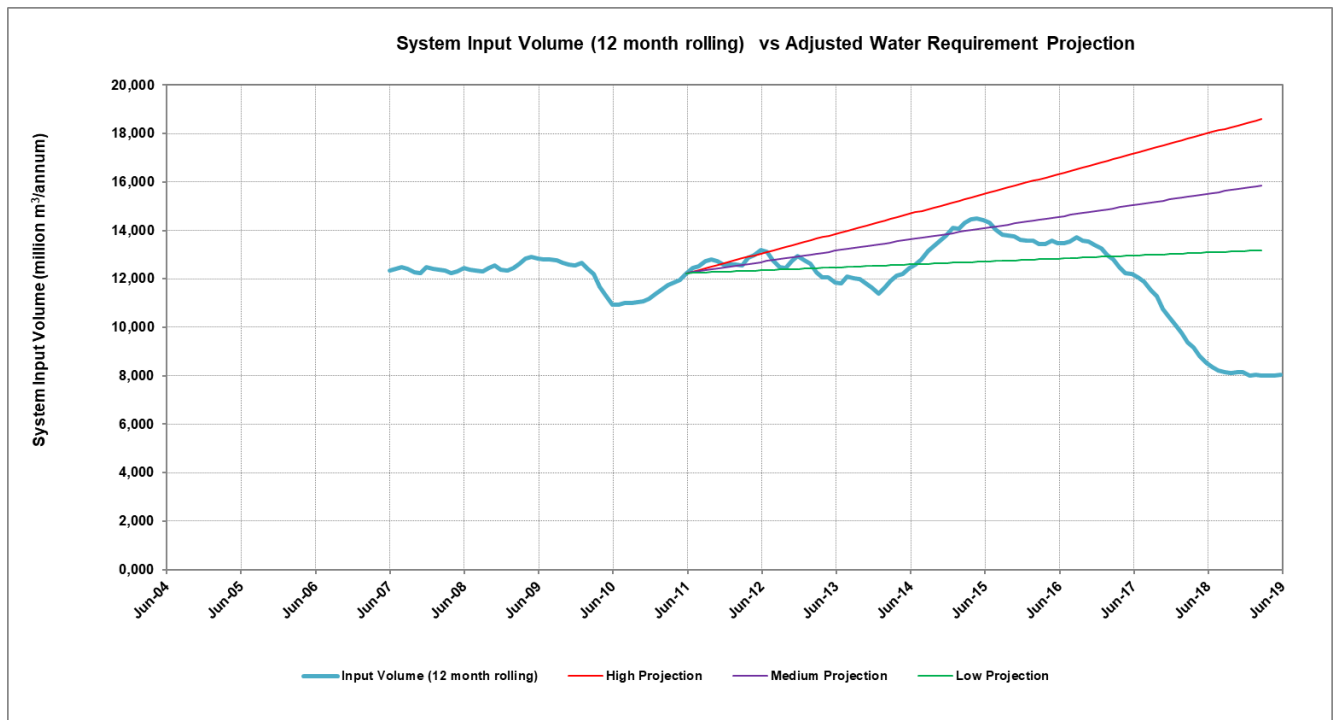




Figure 3:7: Non-revenue water

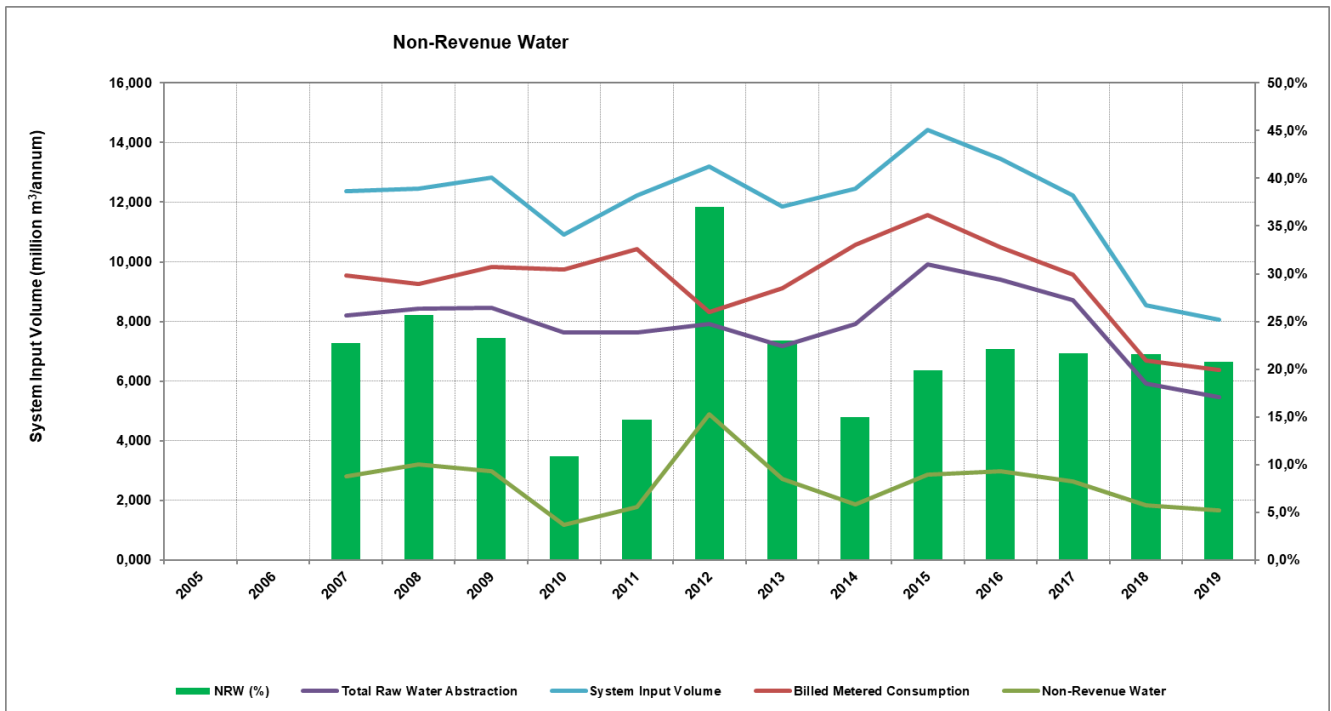
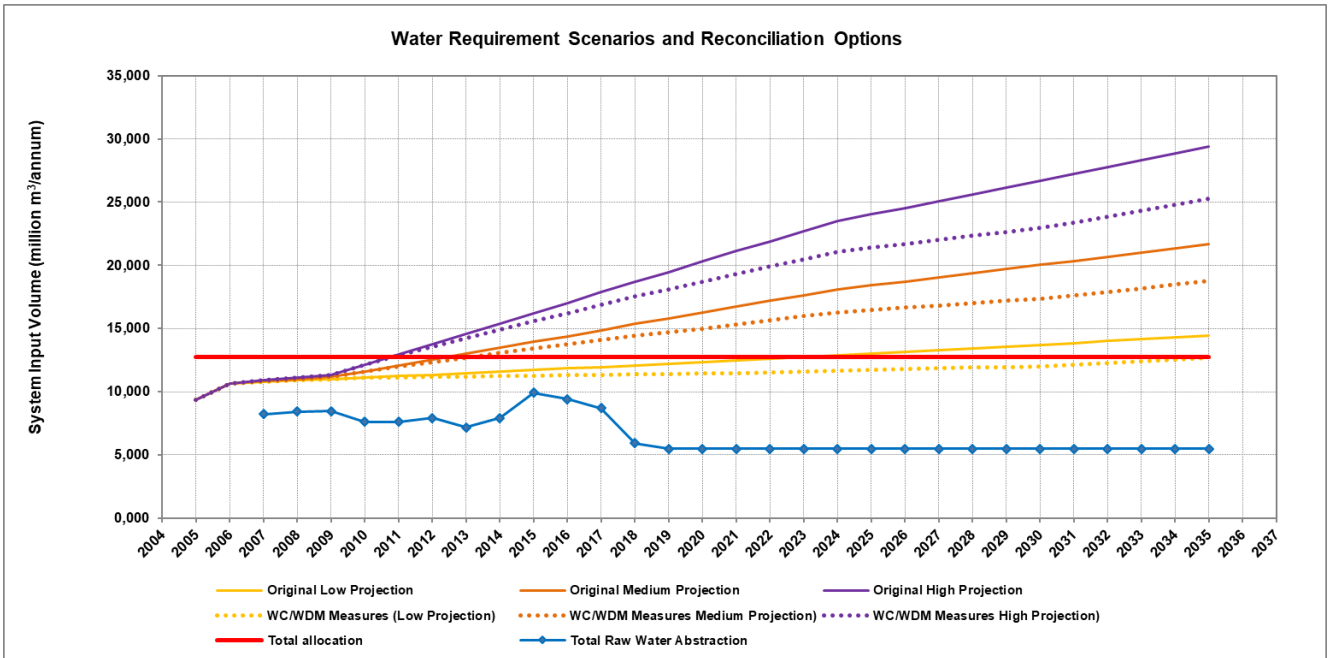


Figure 3:8: Water requirements scenario and reconciliation options



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



3.8.3.2 Service Statistics – Water Services

The table below outlines water usage totals per category:

Table 3:7: Total Use of Water (Mℓ)

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

3.8.3.3 Water Service Delivery Levels

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

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

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

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

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



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

Table 3:8: Water Service Delivery Levels

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

* Metered Properties ** Household

3.8.3.4 Capital Expenditure – Water Services

Table 3:9: Capital Expenditure as at 30 June 2019: Water Services

| Capital Projects | Adjustment Budget | Actual Expenditure | Variance from Adjustment Budget |
|---|-------------------|--------------------|---------------------------------|
| | R | | |
| New Reservoir: Polkadraai | 7 000 000 | 3 573 589 | -48.95% |
| Relocation / Upgrading main water supply line | 6 693 710 | 3 170 678 | -52.63% |
| Bulk water supply Klapmuts | 7 420 489 | 1 748 843 | -76.43% |
| Vehicles | 6 594 068 | 1 087 324 | -83.51% |
| Water Conservation and Demand Management | 5 000 000 | 1 560 827 | -68.78% |
| <i>Only the 5 largest capital projects are listed</i> | | | |

Water Services have spent, **46.68%** of the capital budget for the financial year.

3.8.3.5 Total Employees – Water and sanitation

The Water and Sanitation Services Department is understaffed; within context of the approved new organogram, this department has a 39.40% vacancy rate.



Table 3:10: Total Employees – Water Services

| Job Level* | Posts* | Employees* | Vacancies (full time equivalents) | Vacancies (as a % of total posts) |
|--------------|-----------|------------|-----------------------------------|-----------------------------------|
| | Number | | | |
| 18 – 22 | 1 | 1 | 0 | 0% |
| 14 – 17 | 1 | 0 | 1 | 100% |
| 9 – 13 | 15 | 4 | 11 | 73.30% |
| 4 – 8 | 3 | 0 | 3 | 100% |
| 3 – 0 | 6 | 3 | 3 | 50% |
| Total | 26 | 8 | 18 | 69.23% |

* The previous tables were based on gradings of the maintenance phase where employees have been put on T-levels which skewed the true reflection of the grades of posts on the current organogram. The current table is based on the approved organogram of 2017/2019 and where posts would fit in in terms of the TASK grades currently being evaluated. It is further aligned to the number of posts on the 2017/2019 organogram. The vacancy rate is based on the total amount of vacancies as per the organogram although the rate should only be based on funded vacancies existing within the section / department.

3.8.4 WASTE WATER (SANITATION) PROVISION

The main focus for the 2019/20 financial year was to implement the demands of the Stellenbosch Municipality's masterplan, fulfilling the development needs for the Stellenbosch Municipality's vision, part of the demand was to complete the upgrade of the existing Stellenbosch Wastewater Treatment Works (WWTW), upgrade of the Pniël Wastewater Treatment Works, identify and resolve operational issues at the new Wemmershoek Wastewater Treatment Works.

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

The construction of the 4.5 MI/day Pniël WWTW upgrade has commence within the 2019/20 financial year and should be completed within 2021/22 financial year.



3.8.4.1 Sanitation Service Delivery Levels

The table below specifies the different sanitation service delivery levels per households for the financial years 2015/16 – 2019/20:

Table 3:11: Sanitation Service Delivery Levels

| Description | 2015/16 (audited) | 2016/17 (audited) | 2017/18 | 2018/19 | 2019/20 |
|--|----------------------|----------------------|---------------|---------------|---------------|
| Household | | | | | |
| Sanitation/sewerage: (above minimum level) | | | | | |
| Flush toilet (connected to sewerage) | 37 902 | 37 939 | 38 027 | 40 321 | 42 615 |
| Flush toilet (with septic tank) | 1 079 | 1 079 | 1 079 | 1 079 | 1 079 |
| Chemical toilet | 321 | 114 | 94 | 94 | 139 |
| Pit toilet (ventilated) | 209 | 0 | 0 | 0 | 0 |
| Other toilet provisions (above minimum service level) | 1 038 | 0 | 0 | 2 336 | 2 386 |
| Minimum Service Level and Above Sub-Total | 40 549 | 39 132 | 39 252 | 44 595 | 49 938 |
| Minimum Service Level and Above Percentage | 94.86 | 97.51 | 97.01% | 92.0% | 98.14% |
| Sanitation / sewerage: (below minimum level) | | | | | |
| Bucket toilet | 125 | 0 | 0 | 0 | 0 |
| Other toilet provisions (below minimum service level) | 1 038 | 0 | 0 | 0 | 0 |
| No toilet provisions | 1 035 | 0 | 0 | 0 | 0 |
| Below Minimum Service Level Sub-Total | 2 198 | 1 193 | 1 173 | 1 050 | 972 |
| Below Minimum Service Level Percentage | 5.14 | 2.49 | 0 | 1.88% | 2.11% |
| Total Number of Households | 42 747 | 40 325 | 52 374 | 55 825 | 59 276 |

3.8.4.2 Capital Expenditure – Sanitation Services

Table 3:12: Capital Expenditure as at 30 June 2019: Sanitation Services

| Capital Projects | Adjustment Budget | Actual Expenditure | Variance from Adjustment Budget |
|--|-------------------|--------------------|---------------------------------|
| | R | | |
| Upgrade of WWTW: Pniël and Decommissioning of Franschoek | 32 751 232 | 17 461 469 | -46.68% |
| Bulk Sewer Outfall: Jamestown | 31 578 466 | 29 913 525 | -5.27% |
| New Plankenburg Main Outfall Sewer | 22 347 744 | 18 295 000 | -18.13% |
| Ida's Valley Merriman Outfall Sewer | 9 884 648 | 9 458 117 | -4.32% |
| Sewerpipe Replacement: Dorp Street | 6 000 000 | 1 826 025 | -69.57% |

Only the 5 largest capital projects are listed

Sanitation Services have spent, **84.07%** of the capital budget for the financial year.

3.8.4.3 Major projects implemented

Table 3:13: Major projects implemented

| Project Name | Scope | Project Cost | Benefit, Impacts and Goals achieved | Other Comments |
|--|---|--------------|---|----------------------------------|
| Water Conservation and Water Demand Management (Wc/Wdm) Initiatives | | | | |
| Water Treatment Works Ida's Valley | Upgrading of the existing works to increase the | R90M | Various upgrades and modifications to treatment | Consultant was appointed and the |



| Project Name | Scope | Project Cost | Benefit, Impacts and Goals achieved | Other Comments |
|--|---|--------------|--|---|
| Water Conservation and Water Demand Management (Wc/Wdm) Initiatives | | | | |
| | current treatment capacity as well introducing colour removal. | | works processes to be made in order to increase treatment capacity. | project is currently in the inception phase. |
| Extension of the Stellenbosch Waste Water Treatment Works (SWWTW). | The extension of the Stellenbosch Waste Water Treatment Works (SWWTW) is one of the largest projects in Stellenbosch history. | R480M | Increased Treatment capacity to 35 Ml/day Resolves the critical need for present and future WWT demand in the area. Enable economic development in the area Support the housing provision pipeline. | Phase 1 consist of constructing new 27Ml/day MBR lane. Phase 2 the existing plant will be upgraded to BNR (Biological Nutrient Removal) system with capacity of 8Ml/day. Project has reached 100% completion. With further investigation into a tanker discharge facility. |
| New Wemmershoek (Franschhoek Valley) WWTW | The New Nereda Wemmershoek WWTW is at the forefront of technological innovation and construction was completed in April 2015 (Nereda © technology). | R29M | Ensure allowance for future demand and economic growth and development of the greater Franschhoek and surrounding areas. Increase capacity from 1.8ML/day to 7ML/day in phases to eradicate Franschhoek WWTW challenges. Allow decommissioning of existing Franschhoek WWTW. | Consultant was appointed to design phase 1 of the new CAS plant. Staff is constantly trained to operate this plant which is highly technical. |
| Upgrade of Pniël WWTW | The upgrade of existing WWTW . | R144M | Capacity increased to 4.5Ml/day. | Activated sludge process with Belt press and new UV disinfection system. |

3.8.5 ELECTRICITY

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

The Demand Side Management

The municipality continued with the Energy and Demand Management project which started in 2009, to replace inefficient street light fittings with energy efficient (LED) fittings.

Hot Water Load Control Project

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

Electrification of Informal Settlements

Through the INEP grant received the municipality managed to electrify informal settlement structures that are in the areas where electricity services are available. All the structures that are electrified



received free basic electricity (100 kWh). 142 informal structures were provided with electricity in the 2019/20 financial year. Informal settlements that receive 100kWh free basic electricity are in: (1) Kayamandi; and (2) Langrug.

Pniël take-over

Stellenbosch Municipality finally took over from Drakenstein Municipality the electrical network at Pniël, Hollandsche Molen, Johannesdal and the surrounding farms with effect from 15 February 2019. However, the network proved to have been unkept judging by the number of infrastructure failures and the state the infrastructure is found in, when attending to outages. The municipality, as a result of these huge number of infrastructure failures, instituted an investigation which revealed that a number of the infrastructure either need to be replaced or refurbished and in some instances a complete new engineering arrangement to be made.

With the limited financial resources, funding is made available as and when to realise the projects, as per the report, in order to ensure some degree of electricity stability in Pniël.

3.8.5.1 Electricity Service Delivery Statistics

The comments from mpac and responses are outline in the feedback report.

Table 3:14: Electricity Notified Maximum Demand

| Major Towns | Notified Maximum Demand (NMD) | Maximum Demand Growth (NMD) | Maximum Demand Peak (NMD) |
|--------------|-------------------------------|-----------------------------|---------------------------|
| Stellenbosch | 60 MVA ⁵ | 0.6 MVA | 56.3MVA |
| Franschhoek | 10 MVA | 0.48 MVA | 10.25 MVA |
| Cloetesville | 16 MVA | 1.58MVA | 16.03MVA |
| Pniël | 9 MVA | N/A | 7.883MVA |

The electricity losses as at 30 June 2020 were 9,36% which is still within the acceptable industry standard of 11%, however there was an increase in losses as compared to last financial years of (2017/18) and (2018/19). The reason for that is increase of illegal connections and the new network Stellenbosch Municipality took over from Drakenstein Municipality in February 2019.

An alarming 48% in losses was discovered by an investigation conducted on the Pniël network. Due to this high number, which is abnormal, it is unlikely that these were only the losses, rather an indication of faulty metering equipment of meters that were not transferred over by Drakenstein to Stellenbosch and as such, maybe still continue to pay the consumption to Drakenstein. The municipality is urgently looking for a solution to address this.

Severe staff shortage continues being a challenge and difficulty in attracting suitably qualified and competent persons continues being experienced. It is vital for the effective functioning of electricity services to be able to attract competent, skilled and sufficiently experienced personnel. Resolving the staff shortages will improve the current working conditions of staff.

⁵ MVA- Megavolt Amperes. Megavolt Amperes power is the unit used for measuring apparent power. The apparent power refers to the total current and voltage in an electrical circuit.



3.8.5.2 Electricity Service Delivery Levels

Table 3:15: Electricity Service Delivery Levels

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

During the 2019/20 financial year the municipality continued with the renewal programme of the renewal and upgrading of old equipment reaching the end of its life cycle.

The replacement of old low voltage overhead networks has been completed in La Collinne and some parts of Cloetesville. The municipality will continue in the next financial year with the replacement in Cloetesville.

3.8.5.3 Capital Expenditure – Electricity Services

Table 3:16: Capital Expenditure as at 30 June: Electricity Services

| Capital Projects | Adjustment Budget | Actual Expenditure | Variance from Adjustment Budget |
|--|-------------------|--------------------|---------------------------------|
| | R | | |
| Stand-by Generator | 9 355 144 | 8 107 426 | -13.34% |
| General Systems Improvements - Stellenbosch | 4 908 238 | 4 753 823 | -3.15% |
| Integrated National Electrification Programme | 11 160 000 | 10 734 688 | -3.81% |
| Integrated National Electrification Programme (Enkanini) | 4 480 000 | 4 428 126 | -1.16% |
| Energy Efficiency and Demand Side Management | 2 000 000 | 1 999 711 | -0.01% |
| Specialised Vehicles | 2 000 000 | 1 984 402 | -0.78% |
| Network Cable Replace 11 Kv | 2 000 000 | 820 676 | -58.97% |

Only the 7 largest capital projects are listed

Electricity Services have spent, **91.42%** of the capital budget for the financial year.



3.8.5.4 Total Employees – Electricity

Table 3:17: Total Employees – Electricity

| Job Level* | Posts* | Employees* | Vacancies (full time equivalents) | Vacancies (as a % of total posts) |
|--------------|------------|------------|-----------------------------------|-----------------------------------|
| | | Number | | |
| 18 – 22 | 1 | 1 | 0 | 0% |
| 14 – 17 | 3 | 3 | 0 | 0% |
| 9 – 13 | 27 | 20 | 7 | 25.93% |
| 4 – 8 | 76 | 31 | 45 | 59.21% |
| 3 – 0 | 25 | 18 | 7 | 28% |
| Total | 132 | 73 | 59 | 44.70% |

* The previous tables were based on gradings of the maintenance phase where employees have been put on T-levels which skewed the true reflection of the grades of posts on the current organogram. The current table is based on the approved organogram of 2017/2019 and where posts would fit in in terms of the TASK grades currently being evaluated. It is further aligned to the number of posts on the 2017/2019 organogram.
The vacancy rate is based on the total amount of vacancies as per the organogram although the rate should only be based on funded vacancies existing within the section / department.

3.8.6 WASTE MANAGEMENT, REFUSE COLLECTIONS, WASTE DISPOSAL AND RECYCLING

3.8.6.1 Solid Waste Management

The Waste Management Department's key responsibility is to keep the municipal area clean and free of illegal dumping and to provide a sustainable waste collection and disposal service for all residents. The municipality also focuses on several ways to enhance waste reduction as well as the implementation of treatment, recovery and recycling systems for various waste streams.

The 2019/20 financial year was challenging year for the Waste Management Department as the Stellenbosch Landfill site reached its capacity and the municipality had to divert all domestic waste to Vissershok Landfill site in Cape Town. The department was also hard hit by the COVID-19 pandemic which resulted in the refuse collection depot being closed thrice in the space of two months because of staff contracting the virus.

The municipality has made progress in the waste minimisation efforts with the start of construction of the Waste Material Recovery Facility (MRF) which will include a public waste drop-off. This will bring waste disposal services closer to the public and allow for waste and unwanted items to be brought to this facility for safe disposal or to be recycled. This facility should also contribute to minimise the illegal dumping, by providing a place for waste to be disposed of.

The municipality has also commenced with the finalisation of certain strategic documents in the 2019/20 financial year such as Section 78(3) report, Integrated Waste By-Law and Integrated Waste Management Plan (IWMP). All these reports will be tabled at Council in the new financial year (2020/21). These strategic documents will provide the blueprint on various service delivery mechanisms, by-laws and the IWMP which forms part of the Integrated Development Plan.

During the financial year, waste volumes were relatively consistent however the disposal of waste to landfill was significant lower during level 5 and 4 national lockdown. This could mainly be contributed to the University and businesses being closed over these periods. There was however a gradual increase as the lockdown levels was lifted.



Progress has been made with the expansion of the landfill with the environmental impact assessment for the moving of the powerlines at the landfill site being finalised for the authorities to approve. Once all approvals are in place the construction related activities will commence.

Challenges within this department were the number of vacancies, particularly in the Area Cleaning and Waste Disposal and Minimisation branches that needs to be filled, the Senior Manager of the department resigned within the financial year leaving a vacancy on management level, the diversion of waste to Vissershoeck in Cape Town, the archaic Task-to-finish practise which is hampering the refuse collection service, the longer time-frames to procure goods and services as a result of implementation of measures by Supply Chain Management to reduce unauthorised/irregular expenditure.

3.8.6.2 COVID-19

The 2019/20 financial year will go down in the history books as the year in which the COVID-19 pandemic affected the way in which we all live and deliver services. During the early stages of the complete lockdown, essential services needed to be maintained. Waste services, including washing down and sanitising of public areas were implemented. Staff were trained on measures to guarantee their own as well as others safety. Personal Protection Equipment (PPE) was rolled out and the wearing of masks was made mandatory for all staff. A “new normal” service delivery strategy was put in place.

Department of Environmental Affairs and Development Planning (DEA&DP) initiated a weekly meeting of all municipalities from around the Province to report on COVID-19 difficulties and solutions used to enable service delivery to continue.

3.8.6.3 Area Cleaning- Franschhoek

All teams worked through the lockdown and the municipality was fortunate not to have any positive cases. Employees were informed of the rules and regulations regarding COVID-19 and everyone applied the rules to their daily routine.

Staff received their PPE, masks, sanitiser or hand wash as well as gloves during the levels of lockdown on a daily basis.

Three new skips were placed inside the Lanquedoc residential area and 6 skips were placed in Klappmuts.

10 street bins were placed in the Franschhoek CBD area.

A total of 166 EPWP workers were employed during the 2019/20 financial year.

The first semester from 01 July 2019 to 31 December 2019 a total 101 EPWP workers were recruited and employed from the unemployment database. The second semester from 01 January 2020 to 30 June 2020 a total of 50 EPWP workers were employed, and from February 2020 until June 2020 a group of 15 people were employed.

A total of 9 530 bags were distributed during the 2019/20 financial year – during the lockdown period no bags were handed out door-to-door.

Teams were requested to clean inside a dam area where people erected illegal shacks. This is an ongoing problem.



Area cleaning



Illegal dumping clearing in Franschoek by Area Cleaning



Area Cleaning in Pniël



3.8.6.4 Area Cleaning- Stellenbosch

A total of 334 EPWP employment opportunities were created in the 2019/20 financial year.

All teams worked through the lockdown. Employees were informed of the rules and regulations regarding COVID-19 and everyone applied the rules to their daily routine.

Staff received their PPE, masks, sanitiser or hand wash as well as gloves during the levels of lockdown on a daily basis.

12 skips were placed in Stellenbosch for the financial year, Kayamandi, MESCO farm, Cloetesville and Jamestown.

170 street bins were placed in the following areas:

- Stellenbosch CBD;
- Onder Papegaaiberg;
- Ida's Valley;
- Taxi Rank CBD;
- Taxi Rank Kayamandi;
- Paradyskloof;
- Ida's Valley;
- Cloetesville; and
- Plankenbrug.

An average of 70 000 blue bags were used on a monthly basis to clean areas / replace bins and for the door-to-door service in Enkanini.

Area Cleaning has no permanent staff, only consists of an Assistant Superintendent and 300 EPWP employees.



Enkanini Pig Farm



Cloetesville illegal dumping - before and after



Area Cleaning staff briefing and ready for river cleaning

From the community needs it was requested that more permanent staff be appointed in terms of better supervision and accountability. This request will be discussed with CFO for future planning by ending temporary contracts of supervisors and making them permanent in the new financial year.

3.8.6.5 Refuse Collection

Wheelie 240 litre bins

During the 2019/20 financial year, 1 220 wheelie bins were distributed in total. These were made up as follows: 606 new applications received and bins distributed, 71 additional bins provided, 176 broken bins were replaced and 367 stolen bins replaced.



Area Cleaning – before and after

Acquisition of new assets

Table 3:18: New Waste Management Vehicles

| Reg no | Year | Descriptions | Delivered | Value |
|----------|------|--------------------|-------------|-------------|
| CL 22049 | 2019 | MST Digger Loader | July 2019 | R 1 065 632 |
| CL 10783 | 2019 | UD 16 Ton Hooklift | August 2019 | R1 363 889 |

The municipality procured **220** street bins which were a combination of plastic and cement bins which were placed in various location within the CBD and residential areas.

In addition, the municipality also procured **41** skips which were placed at illegal dumping hotspots and informal settlements.

3.8.6.6 Waste Disposal and Waste Minimisation

a) Construction of new MRF and Drop-Off

The construction phase of the new Material Recovery Facility (MRF) and associated Public Drop-off Facility commenced during 2019/20 financial year. The facility, once completed, will comprise a waste reception area (with a weighbridge), MRF building (with fixed plant comprising conveyors and sorting line and two baling machines) public drop off (for small loads of waste) and staff facilities. Completion is due in November 2020.



New MRF building under construction

b) Green waste chipping

Green waste is being received at Franschoek Drop Off and Stellenbosch Landfill. As the landfill site is where all the green waste is gathered, the appointed contractor to provides a chipping service for such waste.

c) Door to door recycling collection

Recycling collections and operations are managed by Stellenbosch Municipality with the help of various contractors that supply vehicles in order to do door-to-door collections. Recyclables are collected in clear plastic bags made with recycled materials on every day of the week around the Stellenbosch Municipal area as well on farms and businesses in the surrounding area. Upon collection new clear bags are provided for each bag collected in order to ensure that all residents are able to recycle on a weekly basis.

The appointed contractor abandoned the municipality in the last quarter of the financial year. This offered major challenges in rendering this service, with a resultant decline in recycling initiatives. However, with the completion of a MRF located in WC024 (by 30 June 2020), education and awareness activities will be mobilised to support waste minimisation in all areas of WC024.

d) Disposal

Stellenbosch landfill

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

Due to the lack of landfill airspace in Stellenbosch, the transfer of all general waste to the private landfill situated in the City of Cape Town area at Vissershok commenced during August 2019.



A tender process was followed for waste disposal facilities and this was awarded to the Vissershok Waste Management facility (VWMF).

All waste that was delivered by either SM owned vehicles or by way of sub-contractors working for SM as well as private users was transferred from the Klapmuts transfer station to VHWMF for disposal.



Photo: Stellenbosch landfill entrance



Stellenbosch Landfill rubble crushing and landfill side slope rehabilitation

Klapmuts Transfer Station

The Klapmuts Refuse Transfer Station has a design capacity of 150 tons per day transfer capacity. Since August 2019 this facility has been utilised at near capacity to transfer waste to VHWMF. Waste from all areas will be transported in collection vehicles and will be transferred into open top 30m³ bins for onward transport using 3 containers at a time, by way of bulk transport to Vissershok Waste Management Facility.



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



Klappmuts Transfer Station waste reception apron

Franschhoek drop off

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

Relocation of Eskom Power Lines

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

In order to relocate the two sets of power lines an appointment was made of an environmental assessment practitioner (EAP) to undertake a Basic Assessment (BA) process that would lead to an application for an environmental authorisation allowing Eskom to proceed with the relocation project. This project commenced during the previous financial year making use of an existing panel tender. The project commenced during June 2019 and the Final Basic Assessment Report was submitted to national Department of Environment as planned during June 2020.

As Eskom is an organ of state and the project deals with the generation and transmission of electricity, the competent authority for this project is the National Department of Environment, Forestry and Fisheries (DEFF).

It is anticipated that the Environmental Authorisation as well as the Water Use License will be issued by the end of November 2020.

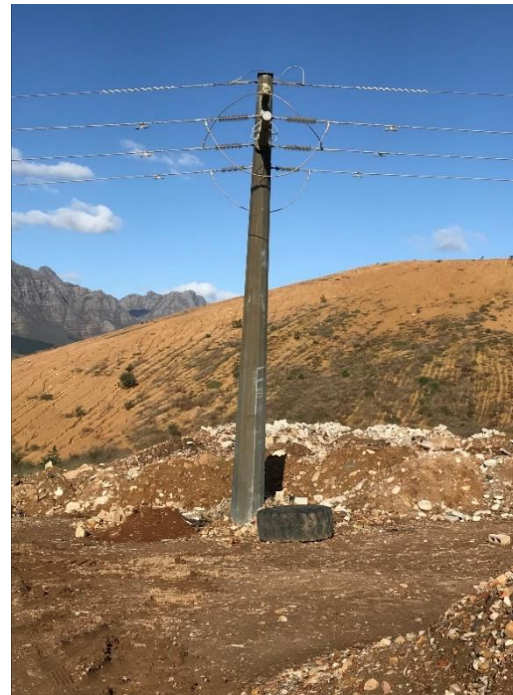


Photo: Two sets of high voltage power lines to be relocated from the Stellenbosch Landfill

e) Waste Management Licence project

The Stellenbosch landfill has reached capacity. The landfill comprises completed cells (cell 1 and 2) as well as an operating cell (cell 3). Cell 3 is separated from cells 1 and 2 by an area on the landfill property footprint that is used for access roads, entrance area and weighbridge, green waste chipping and rubble crushing and stockpiling activities. This area has been unused as it is crossed by two high voltage Eskom power lines which are to be removed and repositioned. This area has been identified as possibly suitable for the establishment through design and construction of engineered cells to be operated for the acceptance for disposal of residual general waste which has not been recycled or recovered for energy purposes, this will add some 20 to 30 years of landfill airspace.

The appointment of an EAP was made using the existing panel tender in terms of which a request for technical proposal was requested and an appointment was made of a specialist environmental consultant to successfully carry out all required environmental processes including relevant specialist studies by way of a comprehensive BA process to successfully obtain the Waste Management License. This will allow the municipality to proceed with the planning, design, construction and operation of further waste management cells. In addition, the appointed professional service provider must also review and do the necessary work if required for the updating of the Water Use License of the site (WULA). The project was initiated during June 2019 and it is anticipated in spite of delays experienced due to the lack of boreholes and the national COVID-19 lockdown the BAR will be completed and ready for public participation by end of December 2020. The final BAR will be submitted early in 2021 and the WML and WUL should be issued early in the second semester of the 2020/21 financial year.

A series of new boreholes were drilled to ensure that the design report to be completed, this included boreholes for the new cell 4 as well as additional boreholes for the monitoring of the closed cells 1 and 2 as well as cell 3.



Photos: Borehole being drilled as well as completed borehole



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

Table 3:19: Landfill statistics for incoming waste in tons for 2019/20 financial year

| Total Waste at Dvls Per Month | Jul-19 | Aug-19 | Sep-19 | Oct-19 | Nov-19 | Dec-19 | Jan-20 | Feb-20 | Mar-20 | Apr-20 | May-20 | Jun-20 |
|-------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 17 852 | 10 063 | 21 200 | 6 448 | 6 844 | 4 483 | 5 630 | 4 721 | 5 310 | 412 | 2 909 | 6 710 |
| Waste Received at DVL Per Month | | | | | | | | | | | | |
| | Jul-19 | Aug-19 | Sep-19 | Oct-19 | Nov-19 | Dec-19 | Jan-20 | Feb-20 | Mar-20 | Apr-20 | May-20 | Jun-20 |
| Building Rubble | 2 613 | 2 155 | 2 071 | 2 791 | 2 899 | 3 339 | 3 324 | 2 892 | 3043 | 21 | 988 | 3 019 |
| Garden Waste | 392 | 234 | 14 829 | 362 | 379 | 239 | 578 | 554 | 495 | 23 | 274 | 863 |
| Clean Cover | 8 171 | 2 854 | 982 | 1 762 | 2 777 | 438 | 968 | 599 | 770 | 0 | 444 | 1 352 |
| Area Cleaning | 510 | 781 | 650 | 652 | 441 | 227 | 264 | 418 | 618 | 325 | 1 055 | 1 240 |
| Domestic Refuse | 4 123 | 2 885 | 1 621 | 364 | 154 | 131 | 272 | 106 | 157 | 29 | 76 | 1 |
| Industrial Refuse | 481 | 720 | 459 | 368 | 195 | 110 | 161 | 152 | 130 | 12 | 67 | 111 |
| Waste Removed and / or Beneficiated | | | | | | | | | | | | |
| | Jul-19 | Aug-19 | Sep-19 | Oct-19 | Nov-19 | Dec-19 | Jan-20 | Feb-20 | Mar-20 | Apr-20 | May-20 | Jun-20 |
| Green Waste | 392 | 234 | 14 829 | 362 | 379 | 239 | 578 | 554 | 495 | 23 | 274 | 863 |
| Recyclables Out | 75 | 90 | 82 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Bricks Out | 0 | 0 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

The table above refers only to incoming waste which was captured over the weighbridge as incoming loads and waste removed, or beneficiated, for the 2019/20 financial year.

The total waste received at the landfill site was 92 582 tons, compared to the corresponding period a year ago, which was 219 896 tons. This indicates a decrease of 58%.

The main reason for this is the limitation in airspace at the landfill, and thus from August 2019 general waste was being re-directed to Klapmuts Transfer Station and then transported and disposed of at Vissershok Private Landfill. This changed the composition of waste material on site to the extent that recyclables were no longer available to informal waste pickers on site.

The other fluctuation in waste volumes is due to economic activities that were limited during lockdown. It is interesting to note that area cleaning / illegal dumping has increased dramatically. The high rate of unemployment and more people / families are at home and waste generated is not disposed of responsibly, may be a reason for this.

f) Projects continued in the 2019/20 financial year but initiated in previous financial year(s):

Landfill gas extraction, flaring and electricity generation:

Previous investigations into landfill gas showed that it is feasible to harvest landfill gas from the closed and active cells and convert this to electricity. Carbon offset projects are a way in reducing the carbon footprint of a municipality, thus there are benefits in investing in carbon reduction projects, which can assist in making a town carbon neutral.



Many of the carbon offset projects may provide additional benefits such as biodiversity, education, jobs, food security, as well as much needed income for developing countries.

A Clean Development Mechanism (CDM) project undertaken with registration under the United Nations Framework Convention on Climate Change (UNFCCC) could unlock CDM income for the Stellenbosch Municipality through the sale of certified carbon credits measured as Certified Emission Reduction credits (CERs). These CERs can be traded and sold, and used by industrialised countries to meet a part of their emission reduction targets under the Kyoto Protocol. In addition, South Africa has established a system that allows subsidies for green energy projects in return for tax incentives (carbon tax) for investor companies including municipalities.

The Department of Minerals and Energy has established the Renewable Energy Finance and Subsidy Office (REFSO) to assist developers.

Investigations into the best mechanism to take this project forward have been undertaken. Starting from scratch is both expensive and time consuming, so the most financially viable way ahead with the Stellenbosch Municipal landfill gas to electricity project will be to link into the City of Cape Town's UNFCCC approved Programme of Activities (POA). Being part of an established POA will have many benefits, including financial and time, for the Stellenbosch Municipality.

A letter seeking permission was sent from the Municipal Manager's office to the City Manager in this regard. A positive response was received and the Stellenbosch Municipality will embark in the 2020/21 financial year on the viability and eligibility study to make certain that the project is viable and that the benefits of linking with the POA can be realised.

g) Compliance

Internal audits

Internal audits are due to be conducted quarterly in the months of March, June, September and December by Head Office waste management staff. This is a regulatory requirement. However due to the fact that the Senior Manager: Waste Management left the municipality, two internal audits were not finalised and written up. One was carried out in May 2020.

External audits

For disposal facilities (landfills and transfer stations) to be operated in compliance with the relevant legislation, all landfills must be licenced and managed according to the conditions in the licence. These management practices must also be compliant with the Norms and Standards in terms of the National Environmental Management Waste Act (NEMWA) as well as with certain sections of Minimum Requirements for Waste Disposal by Landfill (DWAF, 1998), and other relevant regulations.

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

To ensure compliance, external audits have been undertaken by an independent specialist consultant, at the Stellenbosch landfill and at the Klapmuts Transfer Station, in accordance with the waste management licence conditions. Six months later a review of the audit finding to ascertain improvements has been carried out. The independent auditor reported back to the municipality as well as to the Monitoring Committee. The municipality is compliant with most of the permit conditions, with the exception of storm water, groundwater and gas monitoring. All of the non-compliances are being addressed with establishment of a new borehole monitoring network as well as appointments for ground water and landfill gas monitoring. All required boreholes were implemented in the 2019/20 financial year



as part of the specialist studies undertaken, and gas monitoring will be incorporated with the methane extraction project also listed in the 2020/21 financial year.

h) Monitoring Committee

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

The Stellenbosch landfill has an active monitoring Committee that meets every three months. The committee is chaired by a representative of the community and minutes are prepared by the municipality. Monitoring Committee meetings are attended by DEA&DP officials as well as officials of various Municipal Departments as and when required. The independent external auditor also attends the meeting as and when required to report on the findings of the annual external as well as the review audit.

i) Waste Managers Officers Forum

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

j) Studies and Strategies

Waste Characterisation study

In order to understand the Stellenbosch waste stream and make decisions based on recent data and composition, a comprehensive waste characterisation study was undertaken. This was completed during the 2019/20 financial year.



Figure 3:9: Outcomes of the waste characterisation study – broad categories data

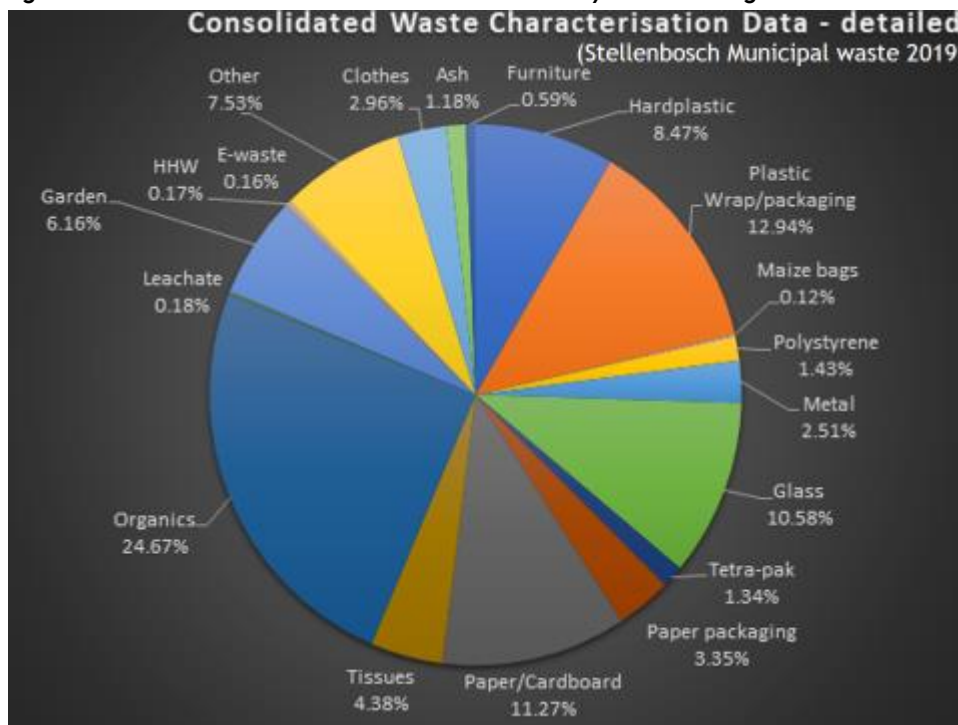
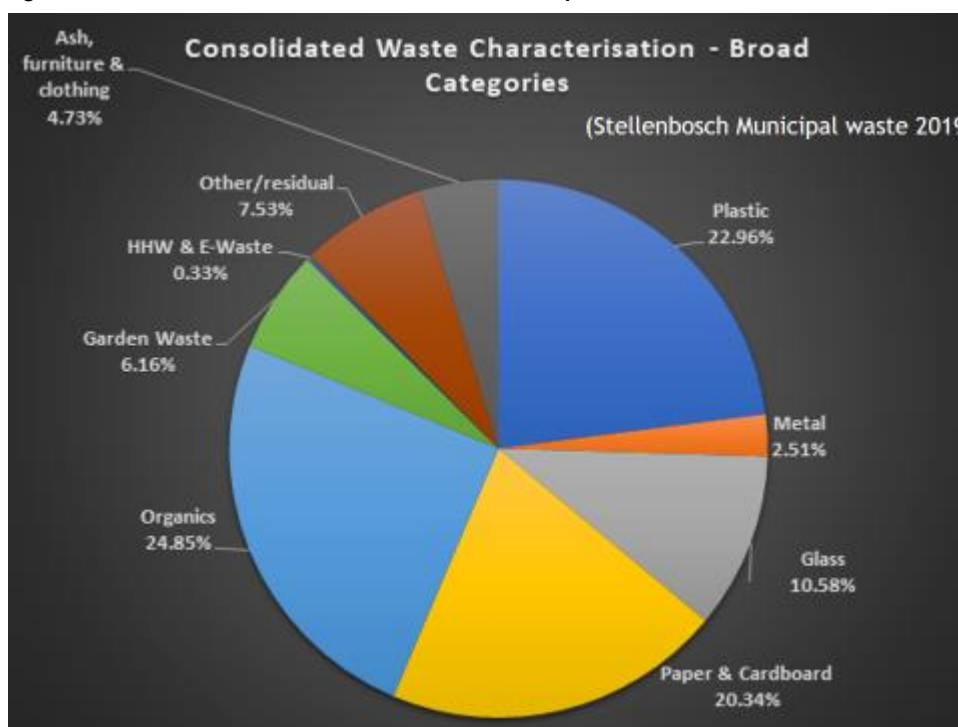


Figure 3:10: Outcomes of waste characterisation study – detailed data





Review of IWMP

A comprehensive review and updating of the Integrated Waste Management Plan was initiated during 2019/20. This will be completed in the next financial year and submitted for approval to Council.

MSA Section 78(3) report

A section 78(3) investigation was undertaken as mandated under the MSA.

This investigation is undertaken to inform Council of the outcome of the process followed in terms of the Section 78(1) and (2) study and subsequent Council resolution into the preferred service delivery mechanism for the various activities undertaken by the Solid Waste Management department thereby enabling Council to make an informed resolution and a Section 78(4) decision.

The report was finalised during 2019/20 financial year and will be reported to Council during 2020/21.

k) Social Engagement and Environmental clean-ups

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

On the 10th of April 2019, Solid Waste Senior Manager, YCOP, Stellenbosch Water Institute Project Manager, Amanzi Yimpilo youth ambassadors and engineers, Environmental Management unit manager conducted a site visit to all the polluted areas highlighted by the community. The site visit involved a walk-through ED and H sections of Enkanini, and an investigation of the three rivulets in Enkanini. The aim of the site visit was both to verify the community concerns and obtain a sense of the extent of the problems that the community had identified.

l) Involvement with Professional and Educational Institutions

During the financial year the department conducted environmental awareness with regards to recycling and illegal dumping. Environmental awareness was conducted by the YCOP at the following schools:

List of visited schools:

1. Groendal Primary School;
2. Dalubuhle Primary School;
3. Kayamandi Primary School;
4. Ikaya Primary School;
5. Ida's Valley Primary School;
6. Webergedenk Primary School;
7. Kayamandi High School Pniël Primary School;
8. PC. Petersen Primary School;
9. Makupula High School;
10. Stellenzicht High School;
11. Luckhoff High School;
12. Laerskool Cloeteville;
13. A.F Louw;
14. ST. Vincent PC Primary;
15. Rhenish Primary;
16. Laerskool Eikestad; and
17. Devonvallei Primary School.

Future campaigns will be launched to all schools on waste and environmental awareness.



Involvement with professional and Educational Institutions
Institute of Waste Management of Southern Africa (IWMSA)



Photo: Cover of presentation at IWMSA Landfill 2019 conference.



Cover of February 2020 Resource and article on waste management in Stellenbosch.



3.8.6.7 Refuse Removal (Solid Waste) Service Delivery Levels

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

Table 3:20: Refuse removal service delivery level standards

| Description | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|---|----------------|----------------|----------------|------------------|------------------|
| Household | audited | audited | audited | unaudited | unaudited |
| Refuse Removal: (Minimum level) | | | | | |
| Removed at least once a week | 40 264 | 37 207 | 49 072 | 48 988 | 49 300 |
| Minimum Service Level and Above Sub-Total | 40 264 | 37 207 | 49 072 | 52 374 | 52 374 |
| Minimum Service Level and Above Percentage | 90.2 | 78.7 | 93.7 | 93.5 | 94.1 |
| Refuse Removal: (Below minimum level) | | | | | |
| Removed less frequently than once a week | 1 064 | 1 064 | 1 064 | 1 064 | 1 064 |
| Using communal refuse dump | N/A | N/A | N/A | N/A | N/A |
| Using own refuse dump | 2 058 | 5 358 | 6 453 | 2 323 | 2 323 |
| Other rubbish disposal | 766 | 766 | N/A | N/A | N/A |
| No rubbish disposal | N/A | N/A | N/A | N/A | N/A |
| Below Minimum Service Level Sub-Total | 3 888 | 7 188 | 7 517 | 3 387 | 3 387 |
| Below Minimum Service Level Percentage | 8.81 | 8.80 | 11.66 | 6.5 | 6.5 |
| Total Number of Households | 44 152 | 44 493 | 52 374 | 52 374 | 52 374 |

3.8.6.8 Capital Expenditure – Waste Management Services

Table 3:21: Capital Expenditure as at 30 June: Waste Management Services

| Capital Projects | Adjustment Budget | Actual Expenditure | Variance from Adjustment Budget |
|---|-------------------|--------------------|---------------------------------|
| | R | | |
| Stellenbosch WC024 Material Recovery Facility | 25 669 337 | 19 509 850 | -24% |
| Vehicles | 5 879 824 | 5 043 827 | -14.22% |
| Expansion of the landfill site (New cells) | 2 000 000 | 1 371 514 | -31.42% |
| Upgrade Refuse disposal site (Existing Cell)- Rehab | 1 000 000 | 370 035 | -63% |
| Skips (5,5kl) | 776 240 | 724 354 | -6.68% |
| <i>Only the 5 largest capital projects are listed</i> | | | |

Waste Management Services have spent, **75.56%** of the capital budget for the financial year



3.8.6.9 Total Employees – Waste Management

Table 3:22: Total Employees – Waste Management

| Job Level* | Posts* | Employees* | Vacancies (full time equivalents) | Vacancies (as a % of total posts) |
|--------------|------------|------------|-----------------------------------|-----------------------------------|
| | | Number | | |
| 18 – 22 | 0 | 0 | 0 | 0 |
| 14 – 17 | 4 | 1 | 3 | 75 |
| 9 – 13 | 17 | 13 | 4 | 23.5 |
| 4 – 8 | 49 | 33 | 16 | 32.6 |
| 3 – 0 | 71 | 7 | 64 | 90.14 |
| Total | 141 | 54 | 87 | 61.7 |

* The previous tables were based on gradings of the maintenance phase where employees have been put on T-levels which skewed the true reflection of the grades of posts on the current organogram. The current table is based on the approved organogram of 2017/2019 and where posts would fit in in terms of the TASK grades currently being evaluated. It is further aligned to the number of posts on the 2017/2019 organogram.
The vacancy rate is based on the total amount of vacancies as per the organogram although the rate should only be based on funded vacancies existing within the section / department.

3.8.7 HOUSING

3.8.7.1 New Housing

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

The Department: Housing Development, in accordance with the Housing Pipeline planned the following projects for 2019/20 financial year:

a) Erf 7001, Cloetesville

Stellenbosch Municipality have been proactive and strategic in identifying vacant portions of land to assist in addressing poor living conditions, and in particular the need for housing provision, in Cloetesville, located 4km to the north of the Stellenbosch CBD. The municipality has therefore initiated a study aimed at exploring the development potential within Cloetesville and to respond to the development needs and challenges within Cloetesville, in particular.

Stellenbosch Municipality has therefore decided to follow a Call for Proposals process to focus on Erf 7001 and that the required cost benefit analyses be completed for the identified property (Erf 7001) as part of submissions by bidders.

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

Figure 3:11: Location Plan: Erf 7001, Cloetesville





A new tender was re-advertised and the closing date of this Call for Proposal was 20 March 2020. Bids were received and Stage 1 of the Call for Proposal has been completed.

This Call for Proposal has 2 (two) stages and Stage 2 is currently in progress. The different stages are explained below:

- **Stage 1: Concept Proposal and Functionality (ability to deliver on project requirements)**

The proposals will be scrutinised and assessed on the concept proposal and ability of Bidders to deliver on project requirements by a Bid Evaluation Committee (BEC). Only those Bidders whose bids are assessed as having achieved the minimum required score (70%) will be considered responsive and will proceed to Stage 2 evaluation. Following this functionality evaluation, the Bidders will be informed in writing of the outcome pertaining to stage 1.

- **Stage 2: Financial Proposal and Feasibility**

The financial feasibility evaluation of proposals submitted is there for a critical element in the decision-making process for Stellenbosch Municipality.

Bidders that have been shortlisted following the functionality evaluation in stage 1 will be provided with a pricing schedule that must be completed in a prescribed timeframe. Bidders will then be required to submit their financial proposals and feasibility analyses to support their development proposals and that examines the implications, strengths and weaknesses of their proposals. The shortlisted bidders will be invited to present their development proposals in more detail to the Evaluation Panel and clarify any issues that may need to be elaborated upon.

The appointment for a successful service provider will be appointed after the Stage 2 evaluation.

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

During 2018/19 financial year, a status quo assessment report was concluded by a service provider. The report identifies the possibility for other various vacant erven in Cloeteville.

During October 2019, Council considered two desktop studies in order to determine the suitability of municipal owned vacant erven in Cloeteville for further infill development. The studies will determine the different housing typologies in order to address the challenges communities are facing in the Cloeteville area.

A technical proposal was advertised during March 2020, requesting consultants to undertake a feasibility study of various sites within the Cloeteville area for possible Infill Housing Development. Due to the National Lock Down as instructed by The President, the municipality decided to extend the closing date to April 2020.

The successful service provider was appointed during June 2020 and will commence with work to assemble a multi-disciplinary team of professionals in order to complete the study for Cloeteville, Stellenbosch during the 2020/21 financial year.



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

Stellenbosch Municipality has identified a portion of land in Jamestown for residential purposes. The site is located on the southern edge of the suburb of Jamestown, east of the R44 between Stellenbosch and Somerset West, flanked by an existing cemetery on its western boundary and a sports field located centrally on its northern edge. The area is characterised by medium to high-density residential as well as non-residential uses that serve the local community of Jamestown.

A portion of this land (Phase 1 - 3.9317ha) was completed in November 2016 and therefore excluded from this proposed development concept / framework.

A tender was advertised for a Call for Proposal for Phases 2, 3 and 4 for the delivery of additional state subsidised housing units, serviced sites for affordable housing (plot and plan), GAP housing units, high density units and high income housing for sale on the open market. Specific preferences will be given to purchasers meeting the criteria, pricing and subjected to confirmed conditions as stipulated by the municipality.

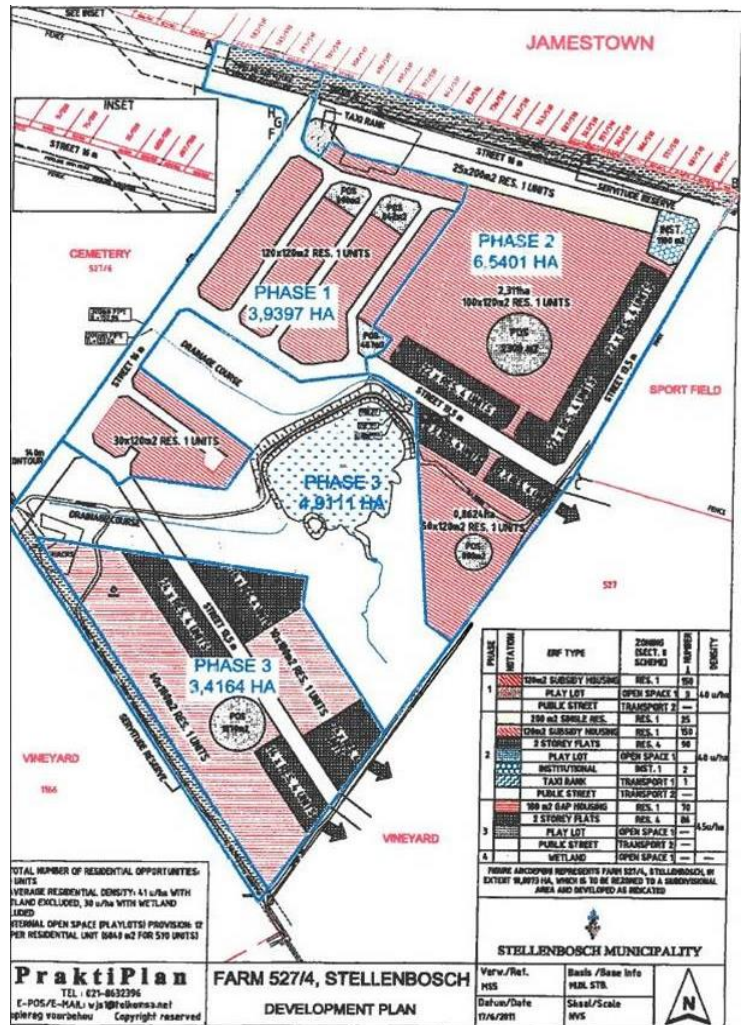
Development rights have been obtained for Phases 2 and 3 on Portion 7 of Farm 527 (site and service, 2-storey walk-ups, GAP housing, high income housing and public open space) and it is proposed that these two phases be made available simultaneously for development in the short to medium term. The portion of Remainder Farm No 527 included in this Proposed Development Concept is zoned Agriculture and application therefore still needs to be made to obtain development rights for urban / residential development.

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

Figure 3:12: Location Plan: Farm 527, Jamestown (Phase 2,3 and 4)



Figure 3:13: Approved Development Plan





The town planning and design principles will incorporate aspects such as access and movement, landscaping, a safe community, permeability and street linkages, integration, continuity, active street interface, local economic development, integration of public spaces with community facilities, dignified space concept and linkages between public spaces.

The Call for Proposal followed a 2-stage approach to appoint a suitable developer (Stage 1: Concept Proposal and Functionality (ability to deliver on project requirements) and Stage 2: Financial Proposal and Feasibility). The proposals for Stage 1 have been scrutinised and assessed on the concept proposal and ability of Bidders to deliver on project requirements. Only those Bidders whose bids are assessed as having achieved the minimum required score (70%) will be considered responsive. The responsive bidders will proceed to Stage 2 evaluation which will be assessed during 2020/21 financial year.

d) Kayamandi Town Centre

The Kayamandi Town Centre project has been developed over a number of years. The project is still in its planning stage whereby development rights must be obtained. This project must be viewed as a multi-year project. The funding source that the municipality receives is from the Human Settlements Development Grant (HSDG).

A service provider with the necessary multi-disciplinary team of professional consultants was appointed to conduct a feasibility study to assess the redevelopment of the town centre of Kayamandi.

The specific area has been discussed and subsequently approved by the Stellenbosch Municipality for the redevelopment of the town centre of Kayamandi, Stellenbosch.

During March 2017, Stellenbosch extended the scope to conduct a feasibility study for the Kayamandi Town Centre to consider the options to formalise this area. Subsequent to this, Stellenbosch Municipality extended the appointment for detailed planning for the formalisation of the Kayamandi Town Centre Redevelopment. Kayamandi Town Centre redevelopment should be seen as an integrated and holistic development, a mega project, for planning and implementation.

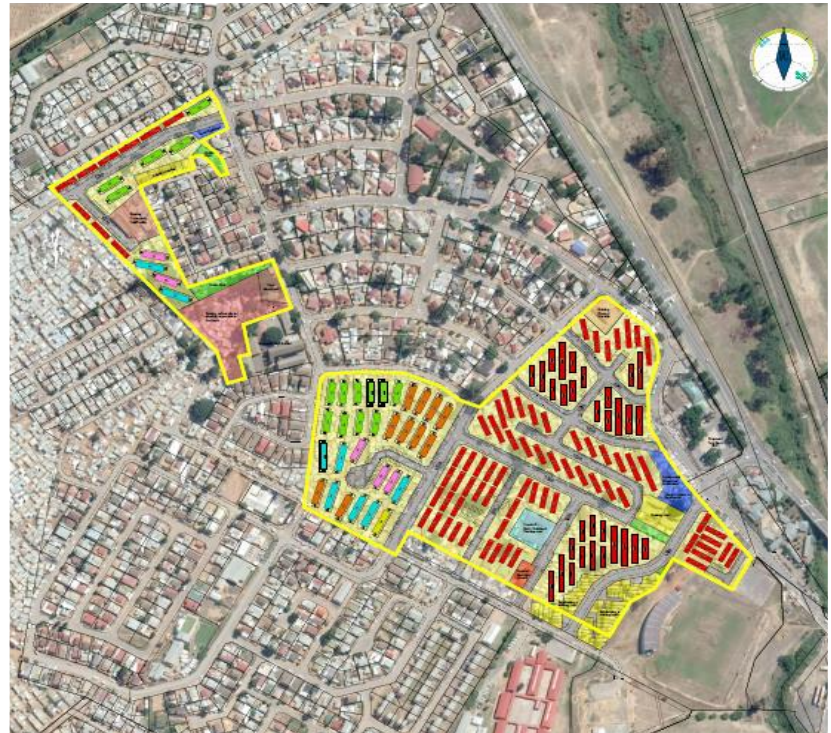
The feasibility study was completed during December 2017 and Council approved the feasibility study on 28 March 2018.



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

The proposed town planning layout consists of ±700 BNG and ±1000 walk up units (total ±1700 units with erf sizes of between 80m² and 124m²). All designs to accommodate a mix of housing typologies and business units. This design methodology was utilised to suit the demand and the needs of the affected community. Semi-detached double storey top structure units are proposed at a density of 174 units per hectare. The house typologies or layouts such as “blocks of flats” or units’ are representative of the “Joe Slovo” model developed as part of the N2 Gateway project.

Figure 3:14: Conceptual layout



The relocation strategy the community agreed upon was that a “block approach” must be followed to effectively address the challenges facing Kayamandi.

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

Figure 3:15: Locations of business opportunities identified



Following extensive public participation leading up to a site visit to the N2 Gateway Project in Langa, Cape Town on 19 February 2020, the participants who hailed from Kayamandi Town Centre (Ward Councillors, community leaders and members, and Stellenbosch Municipal officials including the Deputy Mayor and the consultant). This visit yielded positive results and most of the attendees supported this concept.



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

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

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

The Planning Application process is anticipated to be completed within a period of nine to twelve months during the 2020/21 financial year.

e) Langrug, Franschhoek

Langrug informal settlement is situated on an approximately ±13-hectare site on the relatively steep slopes of the Wemmershoek Mountains in Franschhoek. It is located some 3km to the north west of the Franschhoek CBD. It is bordered by the Wemmershoek Mountains to the north west; the Mooiwater Township to the east; the Groendal Township to the south and the Dennegeur Farm to the west as shown in the locality plan in figure 5 below:



Figure 3:16: Locality plan



The living conditions at informal settlements are typically poor with residents facing a range of basic livelihood challenges, such as poor access to basic sanitation, water supply, electricity provision and solid waste accumulation in the street, frequent shack fires, safety and security risks. Langrug informal settlement is no exception to these deplorable living conditions described above.

Furthermore, and due to the growing number of shacks and population in the settlement and unavailability of land for housing in the Franschhoek area, there is a growing need at the Langrug informal settlement to:

- Increase the level of basics services and amenities (roads, water, sanitation, electricity etc.);
- Manage grey and black water emanating from households;
- Develop a healthy and safe living environment; and
- Develop a housing project in the settlement.

In light of the above developmental challenges, there are various upgrading programmes that have been identified for planning and eventual implementation at the informal settlement. The aim of these projects is to incrementally upgrade Langrug and to some certain extent formalise existing development patterns and improve the accessibility (movement networks) and the delivery of basic services.



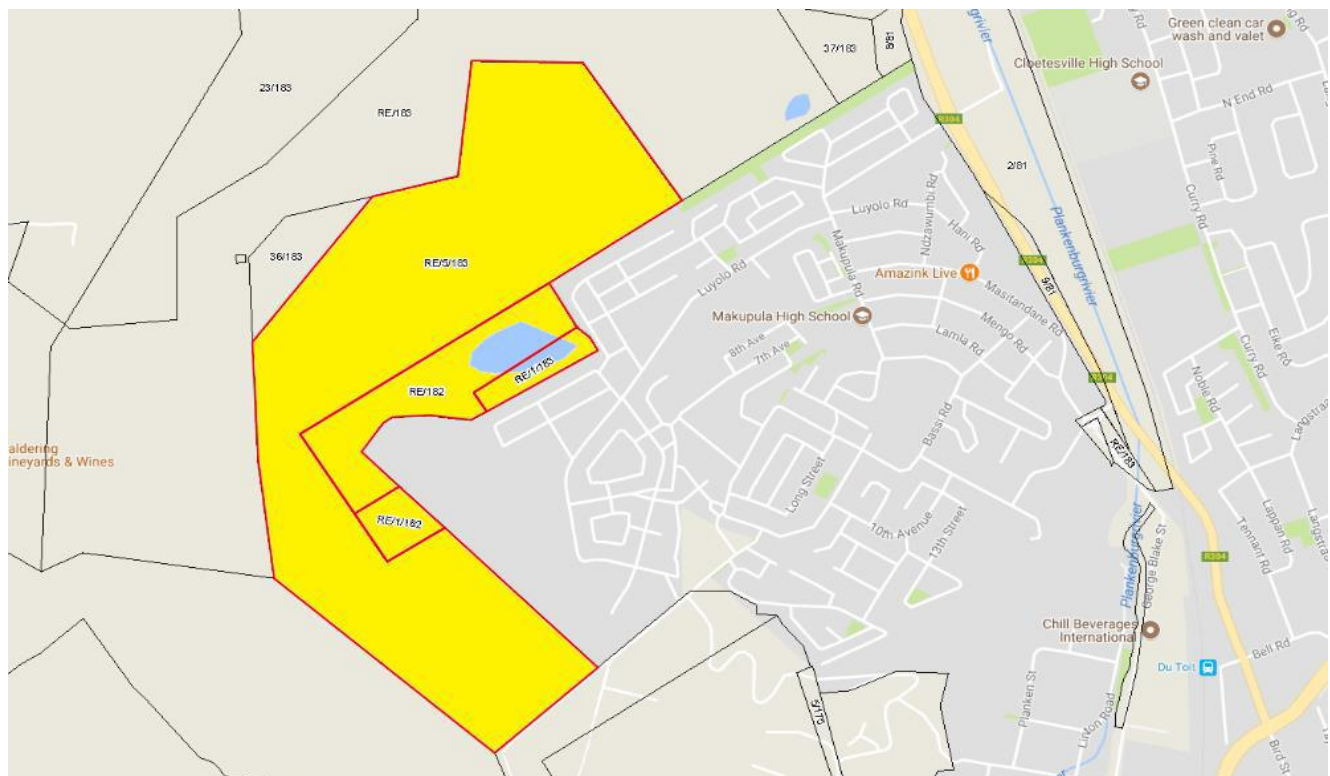
Hereunder is a summary of the planned projects which will commence in the 2020/21 financial year:

- Basic services and layout planning premised on in-situ upgrading principles;
- The construction of phase 2 emergency access road and the installation of water and sanitation;
- Rehabilitation of the dam wall to accommodate light weight structures; and
- Re-blocking of section C and G to improve access and basic services.

f) Northern Extension, Kayamandi

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

Figure 3:17: Locality plan



The specific site has been suggested by the Stellenbosch Municipality for the northward extension of the urban area of Stellenbosch.

The municipality is aiming to facilitate the development of $\pm 4\ 000$ to $\pm 6\ 000$ residential opportunities, as well as providing the required social amenities and public facilities required. The feasibility study includes identifying developable land within the study area (different farm land identified).

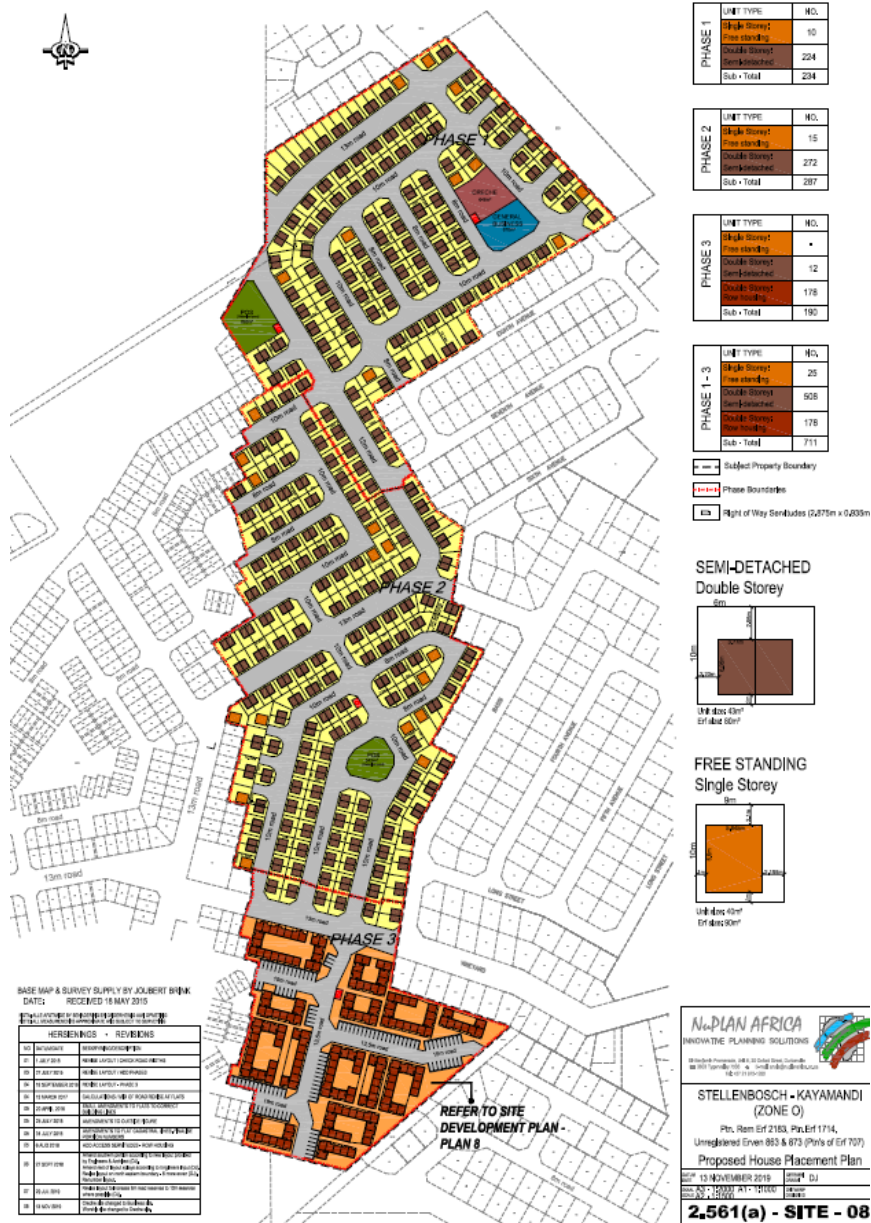
The Department: Housing Development is in the process of obtaining planning approval and development rights.

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



g) Zone O, Kayamandi

Figure 3:18: Approved development plan



The Land Use Planning Authorisation (LUPA) application was submitted to the Department: Planning and Economic Development.

The MPT approved the development proposal and layout, the project is in the process of being made implementation ready and the civil drawings will be finalised by the Directorate: Infrastructure Services.

As soon as the funding application for implementation is approved by the PDoHS, the Department: Project Management Unit (PMU) will commence with the project in 2020/21 financial year.



h) Erf 64, Kylemore

Erf 64, Kylemore is 15.5ha in extent of which the municipality requires ±8ha for residential purposes.

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

Figure 3:19: Locality plan- Erf 64, Kylemore



The feasibility study was completed during 2019/20 financial year. The studies are a prerequisite for funding by the PDoHS and it confirmed that the land may be used for residential purposes.

Engagements are currently underway between the municipality and the National Department of Public Works (NDoPW) regarding the transfer of Erf 64, Kylemore to the municipality. Several letters were submitted to the NDoPW requesting the transfer of the land to Stellenbosch Municipality.

The municipality is currently awaiting feedback from the National Department of Public Works.

i) La Motte, Franschhoek

La Motte, set in the Franschhoek Valley amongst plantations, is a former forestry hamlet. It is situated 5 km to the west of Franschhoek, on the Robertsvallei Road, close to where it intersects the R45. Originally built to house forestry workers, the village is made up of the original dwellings and a range of community facilities. During the construction phase of the Berg River Water Scheme, new houses were built adjacent to the existing settlement to temporarily house the construction workers, these houses are now in the process of being transferred to identified beneficiaries.

Figure 3:20: Locality plan of erven, La Motte, Franschhoek



The Stellenbosch Municipality and the community of Franschhoek have been pro-active in addressing the need for affordable and subsidised housing and a number of initiatives have successfully been implemented.



By means of a tender process, a service provider was appointed by the municipality to complete a feasibility study on the proposed sites. This will enable Council to make an informed decision regarding the land acquisition from The Department of Public Works (DOPW), the registered owner of the property. The feasibility study has been concluded.

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

Several letters were submitted to the National Department of Public Works, requesting the transfer of the land to Stellenbosch Municipality. The municipality is currently awaiting feedback from the National Department of Public Works.

j) De Novo

The Provincial Department of Public Works (PDoPW) is the land-owners of the De Novo property, but a Power of Attorney has been signed with Provincial Department of Human Settlements (PDoHS) to deal with the housing challenges on the site.

The De Novo site is located within the Stellenbosch Municipal area and falls under the jurisdiction of this local municipality. The site is located approximately 14.5km from Stellenbosch, 11km from Klipmuts and 2.3km from the existing Bloekombos residential area in Cape Town.

The Provincial Department of Human Settlements (PDoHS) are the custodian / implementers of this project.

A Project Steering Committee (PSC) has been created, consisting of residents, who represent the interests of the De Novo community about the De Novo Human Settlement Project. The residents residing on the site are renting these residential structures from the Department of Transport and Public Works (WC), and this department is responsible for the maintenance of these structures at present.

A few older dilapidated buildings are located at the centre of the De Novo site, that appears to be illegally occupied. These buildings and their residents will require a detailed investigation to be effectively addressed. It is proposed that the inhabitants of these dilapidated buildings should be registered on the Stellenbosch Municipal Housing Demand List and then be accommodated in future municipal human settlement projects.

During October 2017 the Stellenbosch Municipality undertook a survey of the residents located on De Novo. The following is the results of this survey, namely:

Figure 3:21: Locality plan, De Novo





- Total population residing on De Novo was 501 individuals as of October 2017;
- 312 people were residing in the 77 formal rental houses on site; and
- 189 people were residing in backyards or in the dilapidated old hospital building on site.

The Provincial Department of Human Settlements appointed a professional service provider and a Project Initiation Document (PID) was submitted for PDoHS for approval. A draft Project Feasibility Report (PFR) was submitted to PDoHS for approval in November 2019 and is currently being reviewed by Stellenbosch Municipality for approval and sign-off.

The original project programme planned to have all development rights in place for the De Novo Project by end of August 2020. Due to the COVID-19 Pandemic and the delays caused by the National Lockdown the project end date can no longer be by August 2020. Delays of approximately six months have been experienced meaning that a conservative estimated project completion date will be March 2021.

The following mentioned projects were in pre-planning phase during 2019/20 financial year:

k) Social Housing (rental initiatives)

Stellenbosch Municipality, was identified by the Western Cape Provincial Administration as one of "Leader Towns" in the Province that have the requisite constituents to partake in the Social Housing Programme. Consequent to this, the municipality adopted an Affordable Rental Housing Strategy and Plan in 2016. The municipality also undertook a rigorous process of identifying and approving Restructuring Zones for the development of Social Housing. Stellenbosch Restructuring Zone areas were subsequently endorsed by the National Housing Ministry and have been published as such in the Government Gazette dated 27 April 2017 (No. 40815).

Council commenced with a process of granting long-term use rights to qualifying accredited entities (SHIs and / or ODAs) on land identified and approved for the purpose of developing Social Housing estates.

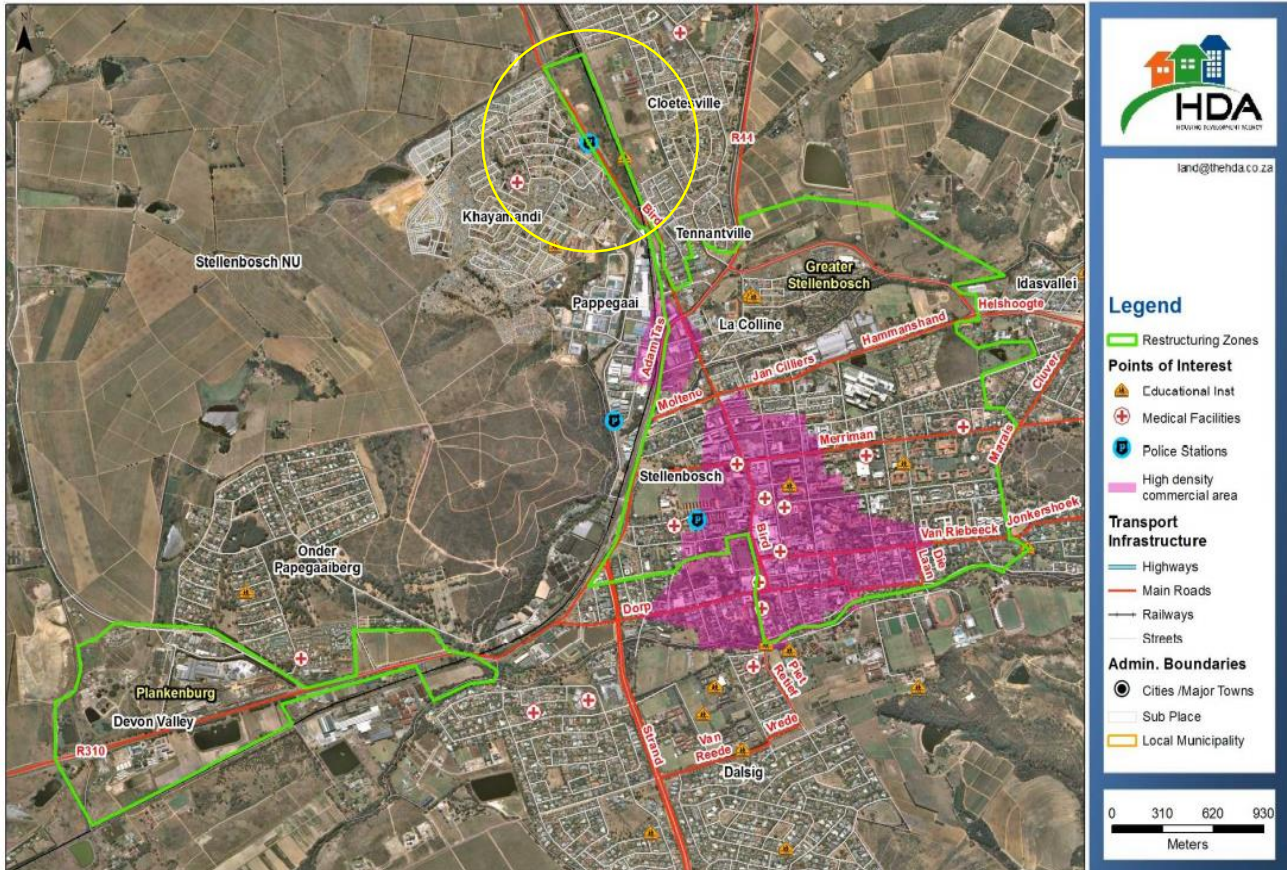
In principle a Land Availability Agreements (long-term use rights) will be entered into with Social Housing Institutions (SHIs) and / or Other Development Agencies (ODAs), subject to certain conditions.

Against this background, Stellenbosch Municipality is desirous to commence with a project that could address the housing needs of residents that reside primarily in the backyards of privately owned properties.

Council approved the first Social Housing Initiative to commence on Erf 81/2 and Erf 81/9 (this specific site is illustrated with a circle in the figure below) and the development must be sensitive to the general built and landscaping vernacular of the Stellenbosch area.



Figure 3:22: Locality plan



The area as depicted in the circle on page 10 is indeed part of a rental initiative from Council. To be more specific, the area in the circle that is shown in green, would be the exact area whereby the Municipality would develop Social Housing (rental stock managed by an external company) for families earning between R1 500 – R15 000 per month.

The Department: Housing Development is in progress with feasibility studies for the following projects:

1) Adam Tas Corridor

The Adam Tas Corridor is a private and public initiative since land-owners within the Adam Tas Corridor comprise public and private sectors. The Northern Extension of Kayamandi is also included in the Adam Tas Corridor study.

A formal agreement has not been reached with any of the land-owners (National Department of Public Works, Stellenbosch Municipality and private owners). An official letter has been submitted to the National Department of Public Works for the release of the land in favour of Stellenbosch Municipality to initiate mixed-use development.

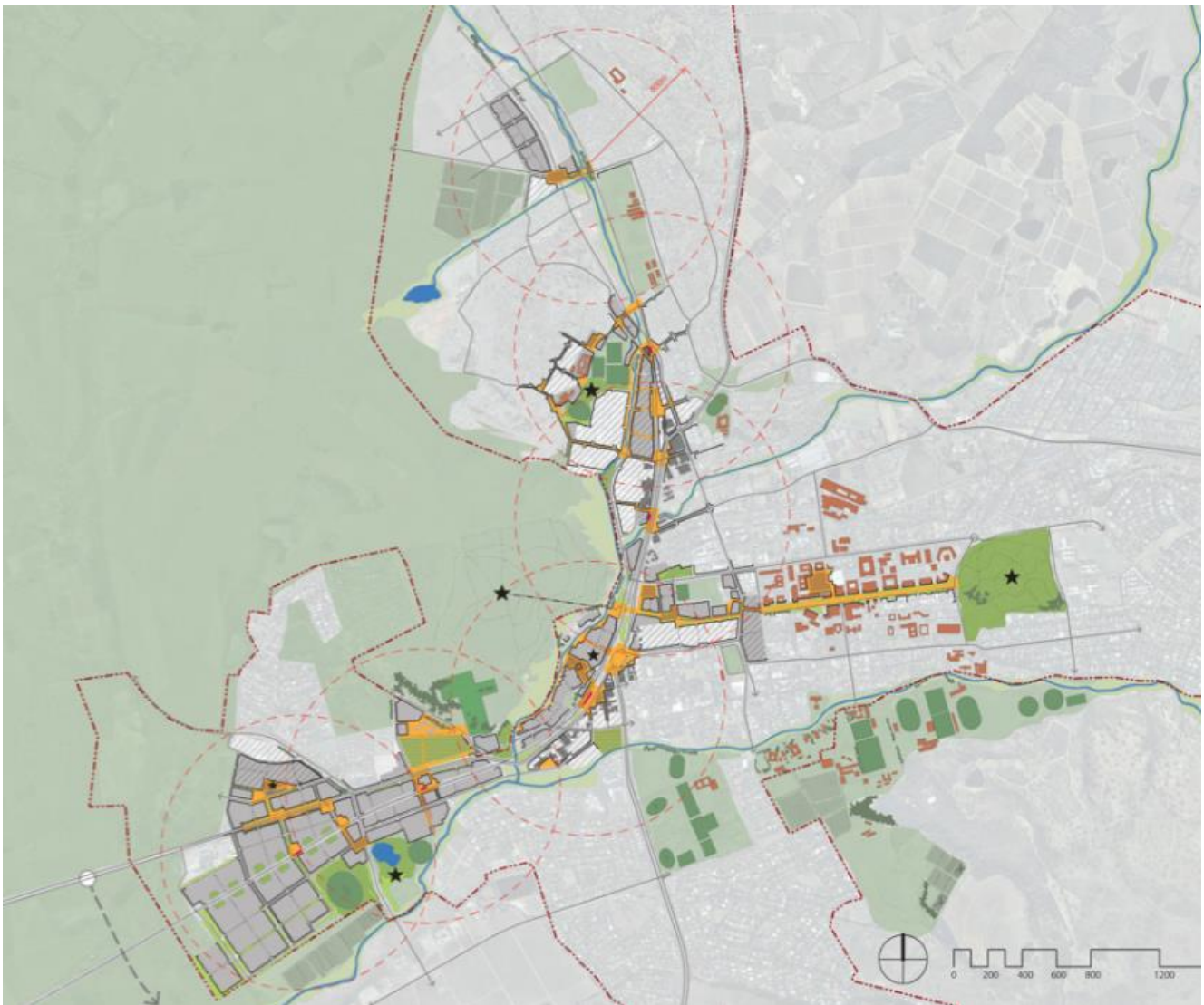
Adam Tas Corridor which includes proposed projects such as the development of the Droë Dyke precinct, the Adam Tas precinct and the Northern Extension.

The Adam Tas Corridor focusses on the development of a mix of uses where buildings and services cater to the pedestrian accessing the area via alternate modes of transportation. This type of development typically incorporates compact development and dense activity centres within easy walking distance



of transit stops and generally includes a mix of residential, employment and shopping opportunities designed for transit riders, cyclists, and pedestrians.

Figure 3:23: Adam Tas Corridor concept as approved per Spatial Development Framework by Council on 11 November 2019



Specific areas identified for this development include the Stellenbosch and Du Toit Rail Stations, PRASA land holdings along the R44 corridor, George Blake Road, the Van der Stel Sports Complex, the Bergzicht Taxi Rank and Informal Traders Area and Open Space parcels around R44 / Adam Tas Road.

The Spatial Planning Department will advertise for a professional team to compile a local spatial development framework.



m) Farm 34, Vaaldraai, Elsenburg

In May 2019, Council resolved that a feasibility study must be undertaken for farm 34, Vaaldraai currently managed by Provincial Government. The study was requested to determine how developable the land is, before a final decision is made to transferring the land Stellenbosch Municipality to manage.

During August 2019, a site inspection was done in order to prepare specifications to appoint a service provider. The extent of the property in collaboration with Provincial Department of Public Works (PDoPW) is paramount for an accurate feasibility study.

The tender was awarded and the service provider concluded the brief. A feasibility study was submitted to Council for approval on 24 April 2020. Further discussions with Provincial Department of Public Works will now commence, given the fact that the said area is outside the urban edge.

Figure 3:24: Locality plan, Farm 34, Vaaldraai- Elsenburg





Construction

In terms of the approved organogram, the Department: Project Management Unit under the Directorate: Infrastructure Services is responsible for all installation of services and the building of top structures for Municipal Housing projects.

In accordance with the approved Housing Pipeline, the following projects for the 2019/20 financial year have commenced as follows:

a) Ida's Valley Housing Project

Ida's Valley is a well-established traditional community and has been protected as a heritage site since 1976. During 1980, Council developed 'treintjiesdorp' in Newman Street for the poor community of Ida's Valley. Thereafter the development of Lindida was implemented to make provision for the middle income families in Ida's Valley. This development started in 1990 whereby families had an opportunity to buy properties in the Garden Cities development.

The municipality has tried for the past 25 years to get a new project started in Ida's Valley. The municipality went to tender in 2009 with an idea to create a development that will offer a range of housing options from subsidy to affordable housing, and which will be aesthetically pleasing.

Figure 3:25: Figure 17: Work in progress on Erf 11330, Ida's Valley with the construction of GAP houses.



The civil infrastructure for Erf 11330 also known as Hillside Village was completed in September 2019. This includes civil engineering services for 89 subsidy units as well as for the apartment site, bulk earthworks and storm water mitigation across the site, removal of all unsuitable material and resultant remedial action and the installation of retaining walls.

Another challenge was, during the construction phase of the GAP and subsidy housing, the COVID-19 pandemic brought all construction work to a halt for 2 months, thereby extending the anticipated construction period.

The marketing of the bonded houses commenced in January 2019 and 110 units on Hillside Village have been sold.



The construction of 113 affordable houses are at an advanced stage and will be handed over to the successful buyers when completed.

The subsidy houses commenced in November 2019, and the first units will be handed over to the qualifying beneficiaries in September 2020. Eighty-seven (87) units should be completed and handed over before the December 2020 Builders Holiday.

b) Erf 2181, Klappmuts (Upgrading of Mandela City, Klappmuts)

The Mandela City informal settlement is situated on Erf 2181, Klappmuts. Mandela City informal settlement consisted of approximately 500 informal structures on commencement of the project.

Figure 3:26: Site layout plan Erf 2181, Klappmuts (Upgrading of Mandela City, Klappmuts)



A service provider was appointed for the installation of services via a competitive bidding process. The construction of 20m² housing units using Alternative Building Technology (ABT) was conducted by an appointed service provider

The project is being implemented in three phases as per the approved site development plan. The first phase of the development has been completed.

It must be noted that the Mandela City project is an in-situ upgrade which requires households to be relocated in order to create space for construction.



Table 3:23: Construction progress

| Area | Yield | Completed | Remaining |
|--------------|------------|------------|------------|
| Phase 1 | 197 | 183 | 14 |
| Phase 2 | 187 | 38 | 149 |
| Total | 384 | 221 | 163 |

The contractors are currently on site, constructing 76 units in phase 2.

Delays

The project has been affected by several major delays. The completion of the project is currently delayed by 7 months and can be attributed to the following:

(i) Community-related delays

The Mandela City community has expressed discontent with the initial designs for phase 1. The municipality had extensive engagements with the community and amended the designs to suit the beneficiaries' needs. The process of amending the designs and obtaining the community by-in caused delays on construction progress.

(ii) Contractor Repudiation / Non-performance

A service provider was appointed for the construction of the ABT housing units. At the commencement of phase 2, the service provider requested a price increase which was deemed to be unreasonable by the municipality. Subsequent to several negotiations, the municipality and the service provider could not reach consensus on the price increase.

Another service provider was then appointed to complete the ABT housing units in phase 2. The re-appointment of another service provider caused major delays on progress.

(iii) National Lockdown due to COVID-19

The project was further delayed due to the National Lockdown to prevent the spread of COVID-19. The contractors were unable to work for approximately two months.

Challenges

The construction area is currently occupied by informal structures. The installation of services in Mandela City is dependent on the relocation of these informal structures in order to create space for construction. There are no available land parcels, at this stage that can be used at temporary relocation areas. This also added to the delays.

3.8.7.2 Title Deeds

Faire Donne Estate, Franschoek

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

Herewith below an extract of the approved Council Resolution:

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

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



converted into a point system in determining the final list of qualifying beneficiary.”

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

Table 3:24: Title Deeds status as at 30 June 2020

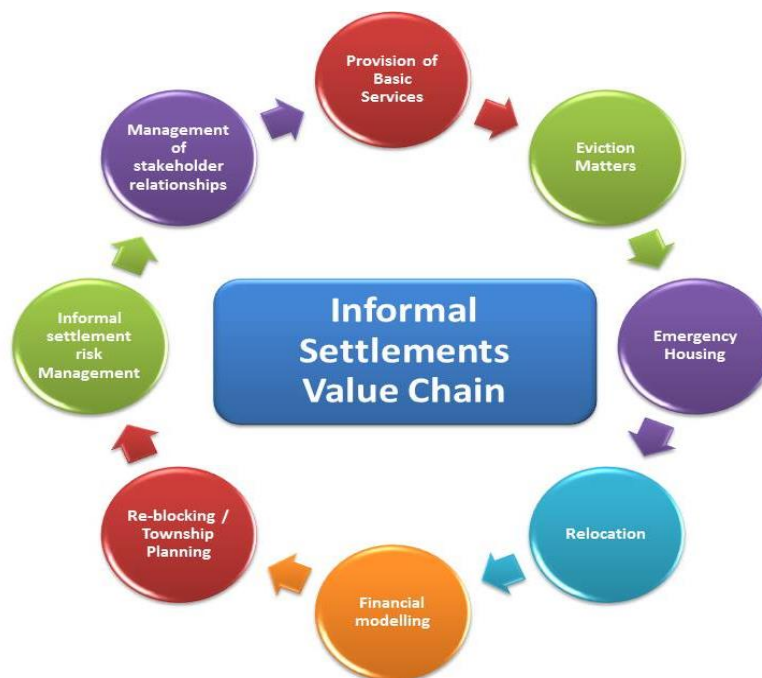
| | |
|---|----|
| Total erven re-allocated (round 1, 2 and 3) | 48 |
| Vacant properties | 8 |
| Total erven | 56 |

3.8.7.3 Informal Settlements

The Department: Informal Settlements is tasked with the monitoring of informal settlements in general, and obtaining demographic information of informal settlement and backyard dwellers and maintaining data registers of these groups by applying data management practices.

The Department: Informal Settlements also has vital role to play in community facilitation and to administer programmes and projects that have a direct bearing on the informal settlement inhabitants. This interaction can be expressed in figure below.

Figure 3:27: Informal Settlements value chain





Access to Basic Services Programme (ABS)

The Department: Informal Settlements ensures that all the informal settlements have access to basic services i.e. water, sanitation and where possible electricity. The Department undertakes regular site visits to the various informal settlements in order to report to the relevant Departments on the status of the respective services. It is imperative to the Department that a level of service is maintained that either meets the national criteria or is quite close to the national criteria.

Emergencies

The Department: Informal Settlements assists the Department Disaster Management in emergencies by verifying the data that is collected about the victims of the emergency. These emergencies are usually fire incidents in the informal settlements or flooding incidents and excessively strong winds.

Table 3:25: Disaster relief provided

| Fires reported in | Number of fires / flooding incidents verified | Number of informal new structures affected by fire (including backyard) | Number of formal structures affected by fire (Brick) | Number of structure affected by flooding | Performance comment |
|---|---|---|--|--|---|
| Formal settlements | 11 | 13 | 11 | 0 | All verifications completed within 48 hours |
| Informal settlements | 13 | 53 | 0 | 28 | All verifications completed within 48 hours |
| Total number of structures impacted by fires / flooding | 24 | 66 | 11 | 28 | 129 |

Demographic Surveys

The Department: Informal Settlements undertakes regular surveys of the various informal settlements as well as backyard dwellers in order to update and maintain a demographic register and profile. The register is quarterly submitted to the Directorate: Financial Services.

Figure 3:28: Demographic survey being conducted





Upgrading Projects

The Department: Informal Settlements is involved in all upgrading projects in informal settlements. The Department plays a role in community facilitation and to administer programmes and projects that have a direct bearing on the informal settlement inhabitants.

Table 3:26: Total properties registered at deeds office (during 2019/20)

| Total properties registered at deeds office (during 2019/20) | |
|--|----|
| Historical project title deeds registered | 50 |
| New project title deeds registered* | 15 |
| Beneficiaries that could not secure the necessary funding | 15 |
| Total erven | 65 |

* Funding for the title deeds was provided through the Title Deed Restoration Programme. It is only given for houses of subsidies approved.

3.8.7.4 Capital Expenditure – New Housing

Table 3:27: Capital Expenditure as at 30 June: New Housing

| Capital Projects | Adjustment Budget | Actual Expenditure | Variance from Adjustment Budget |
|--|-------------------|--------------------|---------------------------------|
| | R | | |
| Kayamandi Town Centre - Civil Infrastructure | 1 960 000 | 665 571 | -66.04% |
| Jamestown: Housing | 600 000 | 23 000 | -96.17% |
| Langrug Dam | 500 000 | - | -100% |
| Cloetesville IRDP Planning | 260 000 | - | -100% |
| Northern Extension: Feasibility | 200 000 | - | -100% |

Only the 5 largest capital projects are listed

New Housing spent, **23%** of the capital budget for the financial year.

3.8.7.5 Total Employees – New Housing

Table 3:28: New Housing Employee Totals

| Job Level* | Posts* | Employees* | Vacancies (full time equivalents) | Vacancies (as a % of total posts) |
|--------------|----------|------------|-----------------------------------|-----------------------------------|
| | Number | | | |
| 18 – 22 | 1 | 1 | 0 | 0% |
| 14 – 17 | 1 | 0 | 1 | 100% |
| 9 – 13 | 0 | 0 | 0 | 0% |
| 4 – 8 | 3 | 0 | 3 | 100% |
| 3 – 0 | 0 | 0 | 0 | 0% |
| Total | 5 | 1 | 4 | 80% |

* The previous tables were based on gradings of the maintenance phase where employees have been put on T-levels which skewed the true reflection of the grades of posts on the current organogram. The current table is based on the approved organogram of 2017/2019 and where posts would fit in in terms of the TASK grades currently being evaluated. It is further aligned to the number of posts on the 2017/2019 organogram. The vacancy rate is based on the total amount of vacancies as per the organogram although the rate should only be based on funded vacancies existing within the section / department.



3.8.7.6 Housing Statistics

Table 3:29: Households with Access to Basic Housing

| Year | Total households (including formal and informal settlements) | Households in formal settlements | Percentage of households in formal settlements |
|---------|--|----------------------------------|--|
| 2017/18 | 52 374* | 26 506 | 50.60% |
| 2018/19 | 52 374* | 34 071 | 65.1% |
| 2019/20 | 52 374* | 34 071 | 65.1% |

*Data obtained from STATSA

The following table shows an **increase** in the number of people on the housing waiting list. There are currently approximately **16 590** applicants on the waiting list.

Table 3:30: Housing waiting list as at 30 June

| Year | No. of people on Housing waiting list | % Housing waiting list increase |
|---------|---------------------------------------|--|
| 2014/15 | 18 833 | 0.6% (Decrease due to sanitisation of the waiting list data). |
| 2015/16 | 18 791 | 0.2% (Decrease due to sanitation of the waiting list data). |
| 2016/17 | 18 953 | 7.7% (Increase based on the previous year's "sanitised" figures. This is as a result of new applications received). |
| 2017/18 | 16 482 | 13.04% (Decrease due to sanitisation of the waiting list data). |
| 2018/19 | 16 231 | The Department rolled out an updating of the waiting list programme which resulted in all the deceased applicants being removed and duplicate applications removed and this has resulted in the decrease of the total number of active applicants on the waiting list. |
| 2019/20 | 16 590 | 2.21% (Increase due to new applications received). |

3.8.7.7 Housing Administration

Transfer of housing stock

During the period under review the municipality continued with the process to deal with historic backlog and transfer properties to beneficiaries of state subsidised houses. A process action plan was devised in terms of which administrative procedures would be streamlined. Panel attorneys were appointed to transfer the properties identified. A total of 109 title deeds were transferred for the period of the financial year. The transfers were in the following areas:

Table 3:31: Transfer of housing stock

| Area | Total |
|--------------|------------|
| Cloetesville | 12 |
| Kayamandi | 37 |
| Franschhoek | 56 |
| Klapmuts | 14 |
| Kylemore | 2 |
| Pniël | 17 |
| Ida's Valley | 77 |
| Total | 215 |

The Department is conducting continuous Housing Consumer Education Programmes with affected beneficiaries and addressing issues around title deeds. The Municipality has also appointed temporary field workers to assist with beneficiary administration



which includes tracing of beneficiaries and conducting occupation surveys to ensure that title deeds are registered in the correct person. There is also a panel of attorneys appointed to specifically deal with the title deeds restoration programme

The municipality partnered with an NGO called Free Market Foundation which assists municipalities to deal with the historic backlog in terms of transfer of properties. The NGO provides funding for the temporary appointment of staff to enhance capacity and also provides funding to the municipality of R500 per title deed registered.

3.8.7.8 Waiting list administration

The municipality continues with the “data-cleaning” process pertaining to applications that appear on the waiting list where vital information is outstanding. The area-based approach which was used where staff members went out to the various areas and invited applicants to workshops during the course of which the applicant's information was updated. The whole of Stellenbosch Municipal Area was covered during this programme of the updating of the housing demand database.

The agreement with the Western Cape Department of Human Settlements to assist with the data clean-up of the Stellenbosch Municipal Waiting list continues. The waiting list is being updated and verified on a regular basis by the Western Cape Department of Human Settlements to ensure that the number of people deemed to be on a “waiting status” are a true reflection of those persons who still require housing assistance within the Greater Stellenbosch Area.

There are a total of **16 590** applicants in the system, there is an increase due to new application received and captured on the system.

The municipality continues to make use of the online housing demand database system which has a mobile app so that people can be able to submit applications via their smartphones in the comfort of their own homes. This new online database system and the mobile app was launched in August 2019. The App makes it easier for applicants to use their smartphones to submit applications to be placed on the Housing Demand Database and the Housing Demand Database System is being updated regularly to ensure that Council has credible data for planning for future housing projects to be implemented.

Administration of public rental stock

On 25th June 2014, Council adopted a Policy for the Administration of Public Rental Stock. This document was the culmination of collaboration between stakeholder departments within the municipality. The purpose of the policy is to ensure effective management of well-maintained assets that will improve the quality of life for residents. The Department is currently busy with the review of the Human Settlements Administration and Allocation Policy which will include the allocation and management of the Public Rental Stock and will be adopted in 2020/21 financial year by Council after due public participation processes have been completed to solicit comments from the public.

Housing consumer education (HCE)

A total of thirteen (13) workshops were held with mainly tenants in our rental stock. The HCE workshops are also used to address issues around anti-social behaviour in the public rental flats. HCE programmes were also held for beneficiaries of houses that were built between 1994 and 2010. These are houses that form part of the Title Deeds Restoration Programme. These beneficiaries are advised about security of tenure, issues of inheritance and drafting of a Will. HCE workshops were also held with beneficiaries of the Ida's Valley Housing Project to educate them about homeownership, writing of a Will and By-laws governing properties.



Job Creation

Housing Administration started the roll-out of a job creation programme via the EPWP project. 37 job opportunities were created as follows:

- 18 EPWP workers appointed to assist with cleaning of the rental units and this resulted in the decrease in complaints received from tenants as our grounds are in a neater state;
- 26 temporary field workers were also appointed to assist with the transfer of state subsidised houses and to eradicate the historic backlog in terms of transfer of these houses. The field workers assisted with beneficiary verification processes and occupancy verification due to the fact that the properties that we are currently busy transferring are historic and have many issues which some of these is missing beneficiaries and deceased estates; and
- 3 registration clerks were also appointed to assist with electronic filling of all documentation in the department.

3.8.7.9 Total Employees – Housing Administration

Table 3:32: Employee totals: Housing Administration

| Job Level* | Posts* | Employees* | Vacancies (full time equivalents) | Vacancies (as a % of total posts) |
|--------------|-----------|------------|-----------------------------------|-----------------------------------|
| | Number | | | |
| 18 – 22 | 0 | 0 | 0 | 0% |
| 14 – 17 | 3 | 2 | 1 | 33.30% |
| 9 – 13 | 10 | 9 | 1 | 10% |
| 4 – 8 | 8 | 4 | 4 | 50% |
| 3 – 0 | 9 | 7 | 2 | 22.20% |
| Total | 30 | 8 | 18 | 60% |

* The previous tables were based on gradings of the maintenance phase where employees have been put on T-levels which skewed the true reflection of the grades of posts on the current organogram. The current table is based on the approved organogram of 2017/2019 and where posts would fit in in terms of the TASK grades currently being evaluated. It is further aligned to the number of posts on the 2017/2019 organogram.
The vacancy rate is based on the total amount of vacancies as per the organogram although the rate should only be based on funded vacancies existing within the section / department.

3.8.7.10 Total Employees – Informal Settlements

Table 3:33: Employee totals: Informal Human Settlements

| Job Level* | Posts* | Employees* | Vacancies (full time equivalents) | Vacancies (as a % of total posts) |
|--------------|-----------|------------|-----------------------------------|-----------------------------------|
| | Number | | | |
| 18 – 22 | 1 | 1 | 0 | 0% |
| 14 – 17 | 0 | 0 | 0 | 0% |
| 9 – 13 | 4 | 2 | 2 | 50% |
| 4 – 8 | 12 | 4 | 8 | 66.70% |
| 3 – 0 | 0 | 0 | 0 | 0% |
| Total | 17 | 7 | 10 | 58.70% |

* The previous tables were based on gradings of the maintenance phase where employees have been put on T-levels which skewed the true reflection of the grades of posts on the current organogram. The current table is based on the approved organogram of 2017/2019 and where posts would fit in in terms of the TASK grades currently being evaluated. It is further aligned to the number of posts on the 2017/2019 organogram.
The vacancy rate is based on the total amount of vacancies as per the organogram although the rate should only be based on funded vacancies existing within the section / department.



3.8.8 PROPERTY MANAGEMENT

This Department is responsible for the management of municipal-owned land and buildings, i.e. acquisition, awarding of rights and disposal thereof, excluding any housing rental stock and housing projects. The management of office accommodation is also done by this department.

During the course of this financial year this Department was instrumental in facilitating the following transactions:

- Disposal of Erf 718, Kayamandi to the Provincial Government for the purposes of extending the clinic;
- Exchange of land, i.e offering of alternative site (Erf 523 to the Seventh Day Adventist Church in Kayamandi in exchange for erf 718, to enable the above transaction;
- Disposal of erf 111 Kayamandi to the United Reform Church of South Africa;
- Renewal of various Lease Agreements;
- Acquisition NPK Building; and
- Acquisition of Erf 9194, Technopark.

3.8.8.1 Facilities Management – Property Management

This Department is also responsible for the maintenance of all Council-owned buildings and the construction / project management of all upgrading and or new facilities. Some of the highlights of the past financial year include the following:

- a) Completion of phase two of Cloeteville Flats (multi-year project valued at R10.8m);
- b) Upgrade of La Motte Community Hall;
- c) The planning phase of the following projects were finalised or started with:
 - New public ablution facilities in Franschhoek;
 - New sport Clubhouse in La Motte;
 - Upgrade of Cloeteville Hall;
 - Upgrade of Stellenbosch Townhall;
 - Hard and Soft landscaping at Klappmuts MPC;
 - Redevelopment of ex Kleine Libertas precinct;
 - Upgrade of Traffic offices; and
 - Upgrade / conversion of residential unit into office space in Simonsbergweg / Stellenbosch.

Table 3:34: Service Data Statistics – Property Management

| Details | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|--------------------------------------|---------|---------|---------|---------|---------|
| Encroachment Agreements: New | 23 | 22 | 16 | 2 | 0 |
| Encroachment Agreements: Renewals | 7 | 5 | 0 | 0 | 0 |
| Lease Agreements: New | 4 | 1 | 0 | 1 | 1 |
| Lease Agreements: Renewals | - | 2 | 2 | 0 | 1 |
| Sales Agreements | 2 | 3 | 0 | 0 | 3 |
| Servitudes | 29 | - | 0 | 5 | 2 |
| Poster applications | 81 | 30 | 25 | 35 | 8 |



3.8.8.2 Capital Expenditure – Property Management

Table 3:35: Capital Expenditure as at 30 June: Property Management

| Capital Projects | Adjustment Budget | Actual Expenditure | Variance from Adjustment Budget |
|---|-------------------|--------------------|---------------------------------|
| | R | | |
| Purchasing of land | 1 12 750 000 | 66 320 561 | -41.18% |
| La Motte Clubhouse | 3 200 000 | 948 960 | -70.35% |
| Flats: Interior Upgrading | 3 000 000 | 2 936 683 | -2.11% |
| Upgrading Fencing | 1 748 730 | 1 330 670 | -23.91% |
| Structural Upgrading: Community Hall La Motte | 1 700 000 | 1 487 160 | -12.52% |
| <i>Only the 5 largest capital projects are listed</i> | | | |

Property Management have spent, **57.48%** of the capital budget for the financial year.

3.8.8.3 Total Employees – Property Management

Table 3:36: Employee Totals: Property Management

| Job Level* | Posts* | Employees* | Vacancies (full time equivalents) | Vacancies (as a % of total posts) |
|--------------|-----------|------------|-----------------------------------|-----------------------------------|
| | Number | | | |
| 18 – 22 | 1 | 1 | 0 | 0% |
| 14 – 17 | 1 | 0 | 1 | 100% |
| 9 – 13 | 13 | 10 | 3 | 23.10% |
| 4 – 8 | 8 | 3 | 5 | 62.50% |
| 3 – 0 | 3 | 3 | 0 | 0% |
| Total | 26 | 17 | 9 | 34.60% |

* The previous tables were based on gradings of the maintenance phase where employees have been put on T-levels which skewed the true reflection of the grades of posts on the current organogram. The current table is based on the approved organogram of 2017/2019 and where posts would fit in in terms of the TASK grades currently being evaluated. It is further aligned to the number of posts on the 2017/2019 organogram.
The vacancy rate is based on the total amount of vacancies as per the organogram although the rate should only be based on funded vacancies existing within the section / department.

3.8.9 FREE BASIC SERVICES AND INDIGENT SUPPORT

The following table indicates the percentage of average registered indigent households that have access to free basic municipal services. The total indigent households exclude all informal households and include formal households that have been registered as indigent households. The total i.t.o. free basic electricity includes only indigent households claiming 100 kWh from the Stellenbosch Municipality. It also does not include the totals where the electricity distribution is conducted by ESKOM. In accordance with the approved indigent policy of the municipality, all households earning less than R6 500 per month will receive the free basic services as prescribed by national policy and in terms of Stellenbosch Municipality's Indigent Policy.



3.8.9.1 Access to Free Basic Services

Table 3:37: Access to Free Basic Services

| Year | Number of Households | | | | | | | | |
|---------|----------------------|------------------|-------|-----------------------|-------|------------------------|-------|---------------------------|-------|
| | Total no. of HH | Free Basic Water | | Free Basic Sanitation | | Free Basic Electricity | | Free Basic Refuse Removal | |
| | | Access | % | Access | % | Access | % | Access | % |
| 2013/14 | 33 974* | 5 095* | 26.20 | 5 117* | 26.20 | 5 117* | 12.07 | 5 095* | 26.20 |
| 2014/15 | 43 420* | 5 757 | 13.26 | 5 757 | 13.26 | 5 757 | 13.26 | 5 757 | 13.26 |
| 2015/16 | 48 008 | 6 486 | 13.51 | 6 486 | 13.51 | 7 042 | 14.66 | 6 486 | 13.51 |
| 2016/17 | 48 008# | 5 686 | 11.84 | 5 686 | 11.84 | 3 801 | 7.92 | 5 686 | 11.84 |
| 2017/18 | 52 374 | 6 453 | 12.32 | 6 453 | 12.32 | 6 453 | 12.32 | 6 453 | 12.32 |
| 2018/19 | 52 374* | 6 813 | 13.01 | 6 813 | 13.01 | 4 833 | 9.23 | 6 813 | 13.01 |
| 2019/20 | 52 374 | 7 012 | 13.38 | 7 012 | 13.38 | 4 932** | 9.42 | 7 012 | 13.38 |

*Average for the year
Calculations made for households earning less than R 6 000 per month during 2018/19
**Refer to formal indigent consumers who claimed free basic units, excluding Eskom

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

Services subsidised are:

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

Free Basic Services per basic service

The provision of free basic services is summarised in the tables below:

Table 3:38: Free basic Electricity Services to Indigent Households

| Financial year | Electricity | | |
|----------------|---------------------|-------------------|-------------|
| | Indigent Households | | |
| | No. of HH | Unit per HH (kwh) | Value R'000 |
| 2013/14 | 5 117* | 60 | 2 759 |
| 2014/15 | 5 757 | 60 | 3 218 |
| 2015/16 | 7 042 | 60 | 3 818 |
| 2016/17 | 7 537 | 60 | 4 740 |
| 2017/18 | 6 453 | 100 | 6 216 |
| 2018/19 | 6 813 | 100 | 8 415 |
| 2019/20 | 4932** | 100 | 6 888 |

*Average for the year
**Only Indigent consumers who claimed free units



Table 3:39: Free Basic Water Services to Indigent Households

| Water | | | |
|----------------|---------------------|------------------|-------------|
| Financial year | Indigent Households | | |
| | No. of HH | Unit per HH (kl) | Value R'000 |
| 2013/14 | 5 095* | 6 | 2 949 |
| 2014/15 | 5 757 | 6 | 4 783 |
| 2015/16 | 6 486 | 10 | 7 760 |
| 2016/17 | 5 686 | 10 | 7 280 |
| 2017/18 | 6 453 | 10 | 2 391 |
| 2018/19 | 6 813 | 6 | 2 634 |
| 2019/20 | 6 666 | 6 | 2 741 |

*Average for the year

Table 3:40: Free Basic Sanitation Services to Indigent Households

| Sanitation | | | |
|----------------|---------------------|-------------------------|-------------|
| Financial year | Indigent Households | | |
| | No. of HH | Service per HH per week | Value R'000 |
| 2013/14 | 5 117* | 73.36 | 10 016 |
| 2014/15 | 5 757 | 73.40 | 5 702 |
| 2015/16 | 6 486 | 87.48 | 6 808 |
| 2016/17 | 5 686 | 94.48 | 6 447 |
| 2017/18 | 6 453 | 102.98 | 8 330 |
| 2018/19 | 6 813 | 112.25 | 9 177 |
| 2019/20 | 6 666 | 135.99 | 9 518 |

*Average for the year

Table 3:41: Free Basic Refuse Removal Services to Indigent Households

| Refuse Removal | | | |
|----------------|---------------------|-------------------------|-------------|
| Financial year | Indigent Households | | |
| | No. of HH | Service per HH per week | Value R'000 |
| 2013/14 | 5 095* | 1 | 10 147 |
| 2014/15 | 5 757 | 1 | 5 905 |
| 2015/16 | 6 486 | 1 | 7 250 |
| 2016/17 | 5 686 | 1 | 6 704 |
| 2017/18 | 6 453 | 1 | 8 662 |
| 2018/19 | 6 813 | 1 | 9 543 |
| 2019/20 | 6 666 | 1 | 10 878 |

*Average for the year



3.9 COMPONENT A: ROADS AND TRANSPORT

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

3.9.1 ROADS

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

a) Transportation Planning and Traffic Engineering

The main road networks through Stellenbosch currently operate at capacity and at times beyond capacity, resulting in traffic congestion.

Analysis on the road networks and assessments of the public transport operations and facilities are periodically carried out to identify shortcomings and opportunities for improvements.

Through the compilation of the Draft Road Master Plan, analysis of the road networks was carried out (2019), shortcomings were identified and options for improvements to the road network were proposed.

The 2019/20 update of the Comprehensive Integrated Transport Plan (CITP updated every year and reviewed every five years) focused on better defining the Strategic Transport Framework for Stellenbosch, namely; towards car-free living, promoting sustainable transport travel demand management, infrastructure and operational enhancements and optimal land use. International case studies of similar University towns were carried out. Bus and taxi operations were analysed and assessed and recommendations has been made for improvements to public transport systems.

Traffic congestion remains a major challenge on main road intersections within Stellenbosch. To assist with the alleviation of congestion, Stellenbosch Municipality, in collaboration with Stellenbosch University, had commenced with research to develop and establish a real-time traffic control system for Stellenbosch. The research project will assist in addressing everyday congestion through the application of Smart Transportation technology namely Traffic-Adaptive-Signal-Control (TASC). TASC refers to the real-time control of signalised intersections and enables the real-time adjustment of traffic signal timing in order to increase vehicle flows through intersection and reduce congestion.

b) Road Construction and Intersection Upgrades

To improve traffic flow and increase traffic safety at intersections within Stellenbosch, numerous intersections were upgraded by the municipality through the intersection improvement programme that had commenced about 8 years ago.

The following has been completed in the 2019/20 financial year:

- Upgrading of the R44 and Trumali Street intersection including the construction of additional turning lanes on the R44 and widening of Trumali Street;
- The following Roads and Intersection upgrades are at construction phase;
 - Upgrading of Technopark Access Road; and
 - Upgrading of Technopark Intersection with R44;
- The following Roads and Intersection Upgrades are currently at planning and design phase;
 - Upgrading of R44 / Helshoogte;
 - Safety improvements at R45 / Le Roux Street; and



- Modification of R44 / Paradyskloof and extension of Skuilplaats Road.

c) Gravel Road Upgrading

The municipality had previously commenced with a gravel Road Upgrading Programme where gravel roads in the municipality's residential settlements are being upgraded to permanent asphalt standards. In the previous financial year Roads were upgraded in Kylemore, Pniël and Klapmuts. During 2019/20 financial year, the municipality has completed the upgrading of the following roads in Wemmershoek and La Motte.

Wemmershoek:

Prins Afrika; Wilger; Sonneblom; Adahlia; Leeubekkie; Skool; Gousblom; Lelie; Jakaranda; Petunia; Protea; Vygie; Angelier.

La Motte:

Akkerhout North; Akkerhout South; Geelhout; Oliehout; Ysterhout.

d) NMT

During the 2019/20 financial year, sidewalks have been constructed in the following areas, namely Stellenbosch CDB and Noordwal Oos Street, Paradyskloof, Ida's Valley and Onderpapagaai Berg. In line with our NMT Master Plan, NMT Infrastructure is annually rolled out and implemented to ensure continuous expansion of the NMT Network.

e) Public Transport

Planning and Design and procurement processes are underway for a new Taxi Rank in Groendal (Franschhoek). Planning and designs and procurement processes are underway for the installation of top structures at Klapmuts Taxi Rank and Kayamandi Taxi Rank. Improvements were also made at the Kayamandi Long Distance Taxi Stop.

f) Storm Water

The municipality's Storm Water Master Plan was updated in the 2018/2019 financial year. Improvements as identified in the Master Plan are implemented annually, and the system is periodically maintained to ensure preparedness for the winter season.

g) Bridges

Planning for the priority rehabilitation interventions proposed for the existing bridge on Distillery Road in Stellenbosch is in process. The Distillery Road Bridge is the only access road into Bosman's Crossing, a small mixed development area within Stellenbosch comprising of various commercial developments and apartment complexes.

Planning and design are in process for the designs of a pedestrian bridge that would link Kayamandi with Cloeteville. The proposed bridge would create a safe passage for pedestrians between the two communities, crossing the R304, the railway line and the Plankenbrug River.

Planning and design have been completed for the Lanquedoc Access Road and Bridge with implementation scheduled for the short term. It is proposed that the existing bridge be retained and will



function as a NMT facility, a new vehicular bridge will be constructed adjacent to the existing bridge, with the access road being aligned to tie-into the new bridge.

3.9.1.1 Roads Statistics

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

Table 3:42: Tarred (Asphalted) Roads

| Financial year | Total km tarred roads | Km of new tar and paved roads | Km existing tar roads re-tarred | Km existing tar roads re-sheeted | Km tar roads maintained |
|----------------|-----------------------|-------------------------------|---------------------------------|----------------------------------|-------------------------|
| 2012/13 | 328 | 0 | 9 | 0 | 319* |
| 2013/14 | 328 | 8 | 14 | 0 | 322* |
| 2014/15 | 336 | 2 | 18 | 0 | 320* |
| 2015/16 | 337 | 2 | 10 | 0 | 325* |
| 2016/17 | 341 | 3 | 10 | 0 | 328* |
| 2017/18 | 345 | 1 | 12 | 0 | 332* |
| 2018/19 | 347 | 2 | 7 | 0 | 338* |
| 2019/20 | 349 | 1 | 5 | 0 | 343* |

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

Table 3:43: Gravelled Roads

| Financial year | Total km gravel roads | Km new gravel roads constructed | Km gravel roads upgraded to tar / block paving | Km gravel roads graded / maintained |
|----------------|-----------------------|---------------------------------|--|-------------------------------------|
| 2012/13 | 30 | 0 | 0 | 30 |
| 2013/14 | 30 | 0 | 0 | 30 |
| 2014/15 | 30 | 0 | 1.5 | 28.5 |
| 2015/16 | 21.5 | 0 | 1.8 | 20 |
| 2016/17 | 19.7 | 0 | 1.2 | 18.5 |
| 2017/18 | 18.5 | 0 | 1 | 17 |
| 2018/19 | 17 | 0 | 2.5 | 14 |
| 2019/20 | 14 | 0 | 4 | 9 |

3.9.1.2 Capital expenditure: Roads and Storm Water

Table 3:44: Capital Expenditure as at 30 June: Roads and Storm water

| Capital Projects | Adjustment Budget | Actual Expenditure | Variance from Adjustment Budget |
|---|-------------------|--------------------|---------------------------------|
| | R | | |
| Adhoc Reconstruction of Roads (WC024) | 8 370 906 | 7 754 256 | -7.37% |
| Upgrade Gravel Roads - La Motte and Franschhoek | 7 819 993 | 8 341 818 | 6.67% |
| Technopark Access Road | 7 267 651 | 8 473 911 | 16.60% |
| R44 Access Upgrades | 5 000 000 | 4 999 811 | 0% |
| Specialised Vehicle | 2 878 321 | 865 098 | -69.94% |

Only the 5 largest capital projects are listed

Roads and Storm water spent **97.03%** of the capital budget for the financial year.



3.9.1.3 Storm Water Infrastructure

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

Table 3:45: Storm water Infrastructure

| Financial year | Total km storm water infrastructure | Km new storm-water infrastructure | Km storm water infrastructure upgraded | Km storm water infrastructure maintained |
|----------------|-------------------------------------|-----------------------------------|--|--|
| 2013/14 | 128.1 | 6.1 | 0.01 | 128.1 |
| 2014/15 | 134.2 | 0 | 0 | 134.2 |
| 2015/16 | 134.2 | 2 | 0 | 136.2 |
| 2016/17 | 136.2 | 1 | 0 | 136.2 |
| 2017/18 | 137.2 | 0 | 0 | 137.2 |
| 2018/19 | 296* | 1 | 0 | 296 |
| 2019/20 | 297 | 1 | 0 | 297 |

*km increase following reassessment

3.9.1.4 Total Employees – Roads and Storm Water

Table 3:46: Total Employees – Roads and Storm water

| Job Level* | Posts* | Employees* | Vacancies (full time equivalents) | Vacancies (as a % of total posts) |
|--------------|------------|------------|-----------------------------------|-----------------------------------|
| | Number | | | |
| 18 – 22 | 1 | 1 | 0 | 0% |
| 14 – 17 | 3 | 3 | 0 | 0% |
| 9 – 13 | 35 | 22 | 13 | 37.10% |
| 4 – 8 | 26 | 17 | 9 | 34.60% |
| 3 – 0 | 92 | 65 | 27 | 29.60% |
| Total | 157 | 108 | 49 | 31.20% |

* The previous tables were based on gradings of the maintenance phase where employees have been put on T-levels which skewed the true reflection of the grades of posts on the current organogram. The current table is based on the approved organogram of 2017/2019 and where posts would fit in in terms of the TASK grades currently being evaluated. It is further aligned to the number of posts on the 2017/2019 organogram.
The vacancy rate is based on the total amount of vacancies as per the organogram although the rate should only be based on funded vacancies existing within the section / department.

3.9.2 DEVELOPMENT SERVICES AND PROJECT MANAGEMENT DEVELOPMENT SERVICES, ASSET MANAGEMENT AND SYSTEMS AND PROJECT MANAGEMENT UNIT (PMU)

The Development Services, Asset Management and Systems and Project Management Unit (PMU) is the newly established department responsible for Technical Information Management, Asset Management, Wayleave Management, Development Services and Project / Programme Management in the Infrastructure Services Directorate.

With the appointment of the *Senior Manager: Development Services, Asset Management and Systems and Project Management Unit (PMU)* – which took place in 2018/19 financial year – both the Infrastructure Asset Management and PMU Office were established in July 2019.



3.9.2.1 Project Management Unit (PMU)

Though the *Manager: Infrastructure Asset Management and Systems* post is still vacant, the *Manager: PMU* was filled in July 2019 together with four dedicated project managers. Over the 2019/20 financial year, the PMU managed a capital expenditure budget of R30.5M. Their 2020/21 capital expenditure budget is forecast at R29.2M. The PMU is also responsible for the administration of the newly established Integrated Urban Development Grant.

In April 2016 cabinet adopted the Integrated Urban Development Framework (IUDF) as the official national urban policy of government under the custodianship of the Department of Cooperative Governance (CoGTA). The IUDF marks a new deal for South Africa's cities and towns. It sets a policy framework to guide the development of inclusive, resilient and liveable urban settlements while addressing the unique conditions and challenges facing South Africa's cities and towns. The key outcome of the IUDF is spatial transformation and to create a growth model of compact, connected and coordinated cities and towns.

Within the IUDF the Intermediate City Municipality (ICM) programme, targeting 39 municipalities, support is provided for the municipalities in the middle size and density range of the continuum. The purpose of the ICMs support strategy is to help translate IUDF policy into practical programmes of action in the ICMs. Stellenbosch Municipality qualified for the 2019/20 Integrated Urban Development Grant (IUDG) and Intermediate City Municipality (ICM) programme in terms of which the municipality achieved 100% IUDG expenditure in the first year of the Integrated Development Grant's existence.

3.9.2.2 Asset Management and Systems

Infrastructure impacts the quality of the living environment and opportunities to prosper. The municipality is required to be effective at a strategic, tactical and operational level. The manner in which the municipality discharges its responsibilities as a public entity is also important. It is required to demonstrate sound stewardship over the significant inter-generational investment made in infrastructure and custodianship to care for current users appropriately. The processes adopted must be efficient, sustainable, and effectively communicated to internal and external stakeholders.

Key themes of national legislation relating to municipal infrastructure management include:

- Long-term sustainability and risk management;
- Service delivery efficiency and improvement;
- Performance monitoring and accountability;
- Community interaction and transparent processes;
- Priority development of minimum basic services for all; and
- The provision of financial support from central government in addressing the needs of the poor.
- Maximising municipal infrastructure management supports the current Strategic Focus Areas as well. Foremost is in Strategic Focus Area 5: Good Governance and Compliance. As the 13th largest economy nationally, the greater Stellenbosch area and the municipality is a significant seat of power and deliverer of services. Deciding what to do, when, where, and to whose benefit it is the difficult task that infrastructure asset management addresses. Enhanced infrastructure capabilities also augment the achievement of the other four Strategic Focus Areas, i.e. 1: Valley of Possibility, 2: Green and Sustainable Valley, 3: Safe Valley and 4: Dignified Living.

In support of these objectives, the Cape Winelands District Municipality appointed Aurecon to perform Asset Management Maturity Assessments for its seven Local Municipalities. The kick-off meeting for Stellenbosch Municipality was held on 12 November 2019 and 36 interviews with management (across



all directorates) were subsequently completed in January and February 2020. The report was delayed by the national lockdown and a draft Stellenbosch Municipality Asset Management Maturity Assessment report was received in June 2020. The report detailed six improvement projects recommended for implementation over the next three years. The report is due to be tabled at Director's meeting in the 2020/21 financial year.

Wayleave Management also falls under this section. The collective value of services infrastructure contained within the Public Road Reserve and the road itself amounts to a considerable value. This infrastructure needs to be maintained, periodically rehabilitated and replaced from time to time. Such activities can result in considerable delays, inconvenience, danger and additional costs to the road users and municipality itself if not well planned and coordinated. This activity is coordinated through the wayleave management function. Unfortunately, most of the posts in this function are vacant. This function is performed by staff seconded partially or entirely from within the Department. The monthly and annual applications are summarised in the Wayleave Applications table below.

Table 3:47: Wayleave Applications

| Activity | 2019/20 | | | | | | | | | | | | Total |
|--------------------------------------|---------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|--------------|
| | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | |
| Wayleave Applications - Received | 18 | 13 | 37 | 28 | 28 | 4 | 19 | 19 | 21 | 0 | 18 | 11 | 216 |
| Wayleave Applications - Commented on | 10 | 12 | 6 | 14 | 10 | 13 | 3 | 5 | 21 | 4 | 0 | 35 | 133 |
| % completion to date: | | | | | | | | | | | | | 61.6% |

3.9.2.3 Development Services

The *Manager: Development Services* comments on behalf of the Directorate: Infrastructure Services on all land-use applications, submitted to Council in terms of the Stellenbosch Land-Use Planning Bylaw of 2015. Land-use applications include land-use changes such as rezonings, subdivisions, consent uses, increase in bulk and departures and normally leads to further development of a property.

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



To give perspective to the above the figures for the different functions for the 2019/20 financial year are outlined in the table below.

Table 3:48: Land-use Applications

| Activity | 2019/20 | | | | | | | | | | | | Total |
|--|---------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|--------------|
| | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | |
| Building Plans- Received | 22 | 124 | 210 | 257 | 394 | 158 | 162 | 111 | 111 | 13 | 0 | 2 | 1 564 |
| Building Plans- Commented on | 22 | 124 | 199 | 173 | 299 | 151 | 25 | 85 | 83 | 12 | 0 | 0 | 1 175 |
| Land-use Applications - Received | 11 | 13 | 24 | 12 | 7 | 21 | 6 | 8 | 12 | 15 | 0 | 0 | 211 |
| Land-use Applications - Commented on | 1 | 6 | 12 | 6 | 1 | 8 | 3 | 4 | 6 | 13 | 0 | 0 | 99 |
| DCs received for completed developments | Excluding VAT - R6 396 623. 93 | | | | | | | | | | | | |
| Total of aforementioned requests received | | | | | | | | | | | | | 1 775 |
| Total of aforementioned requests commented on | | | | | | | | | | | | | 1274 |
| % completion to date: | | | | | | | | | | | | | 71.8% |

The Development Services Section is responsible to co-ordinate and approve the final handover of newly serviced stands through the approval of engineering services clearance certificates. This section also performs a project management function by ensuring that developer created infrastructure is done according to Engineering Standards and guidelines.

Additionally, Development Charges (DCs) are calculated by this Department and set as a development condition for new developments. Social and economic development has a positive impact on the municipality's finances as it increases revenue from property rates, fees, service charges and tariffs by expanding the base of ratepayers. However, development associated with this economic growth has an impact on the demand for municipal infrastructure services as well as social infrastructure services such as clinics, schools and other public amenities. Therefore, infrastructure is needed to support sustainable social and economic development in Stellenbosch.

Development charges are a more targeted and more equitable way of ensuring that the main beneficiaries of infrastructure make an appropriate and fair contribution to that cost, without unduly burdening the municipality's ratepayers. Development Charges are thus an important form of capital contribution raised by the municipality to pay for infrastructure upgrades required in support of new developments. A summary of the annual DCs management in 2019/20 is:

- DCs Calculated: R238,7M (representing a 227% increase on 2018/19);
- DCs paid in: R6,4M;
- Assets created in lieu of DCs: R10,5M; and
- Total value created for the municipality in 2019/20: R16,9M.



3.10 COMPONENT B: PLANNING AND DEVELOPMENT

3.10.1 TOWN- AND SPATIAL PLANNING

Stellenbosch and an appropriate approach to spatial development and management

The Municipal Spatial development framework is a core component of, and part of the Integrated Development Plan as stipulated in Section 26(e) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) and Section 20(2) of the Spatial Planning and Land Use Management Act, 2013 (Act No. 16 of 2013). The spatial planning system in the Republic of South Africa consists of the following components:

- Spatial development frameworks to be prepared and adopted by national, provincial and municipal spheres of government;
- Development principles, norms and standards that must guide spatial planning, land use management and land development;
- The management and facilitation of land use through the mechanisms of land use schemes, i.e. zoning scheme bylaws; and
- Procedures and processes for the preparation, submission and consideration of land development applications and related process.

Section 8 of SPLUMA stipulate that the norms and standards must, amongst others:

- Promote social inclusion, spatial equity, desirable settlement patterns, rural revitalisation, urban regeneration and sustainable development;
- Ensure that land development and land use management processes, including applications, procedures and timeframes are efficient and effective;
- Include: -
 - (i) A report on and on analysis of existing land use patterns;
 - (ii) A framework for desired land use patterns;
 - (iii) Existing and future land use plans, programmes and projects relative to key sectors of the economy; and
 - (iv) Mechanisms for identifying strategically located vacant or under-utilised land and for providing access to, and the use of land.

Based on the above it is clear that the Municipal SDF is not just mostly a technical document, but in fact the strategic spatial representation of the IDP, and also must determine a capital expenditure framework (“CEF”) for the municipality’s development programmes, depicted spatially. The Municipal SDF “as part of” and “a core component of” the IDP further “*must include sectoral requirements, including budgets and resources for implementation*”, thereby guiding the municipal infrastructure and development budget. We present the critical underlying narrative here and argue that adhering to it, through numerous individual actions and decisions – across sectors of society – is at the core of managing development and land use in Stellenbosch better, at the heart of a better future for all.

“Stellenbosch Municipality is a special place; all of it ... its various settlements, its nature areas, farms, education institutions, its innovative corporations, small businesses, its places to visit, its places to live, its festivals, its history ... its people. In terms of its space – activities in space, landscapes, urban places, streets, and buildings – Stellenbosch Municipality continue to impress and bring opportunity, joy, and contentment; in different ways, to visitors and residents alike. Many would love to live here, work here, or visit more often. Stellenbosch Municipality has been judged as a place of high opportunity. Numerous



factors combine to a recognition that this place can contribute more to growing societal needs, in its region, and our country. If one lives here, the chances are that you can make a good livelihood. Stellenbosch Municipality is truly a place of opportunity.

Many who live within the municipal area do not have adequate shelter, or the opportunity to work. Others feel that the time has come to depart from farms, to give up farming. Many study here, but cannot enjoy university life to its full extent, because there is limited residential opportunity for students. Then again, many struggle in traffic every day, on congested roads, wasting time and money for fuel, even if privileged enough to own a private vehicle.

Stellenbosch Municipality's challenges increasingly impact on all, albeit in different ways. Citizens respond to challenges differently. Many owners of agricultural land have indicated a desire to develop their land for other, predominantly urban activities. These thoughts already involve a large land area, comparable to the size of Stellenbosch town. Others, tired of waiting for a housing opportunity here or elsewhere – and government support – invade land, staking a claim, the right to a place to live, on virgin land, even if the land is not suitable for development because of its agricultural and / or environmental value, is prone to risk, or allocated to someone else. Some, with the necessary material means, elect to close themselves off, to obtain a place to live in gated communities, secure from perceived threat to body and property.

The Stellenbosch Municipal Area grows, both naturally, and because more people are attracted here. Those drawn include the poor, middle- to higher income groups, and large corporations. Stellenbosch Municipality has a special quality of accommodating hope, good opportunities, and a better life; the perception is that your needs can be met faster, your children can get access to a school promptly, or, your journey to work will be less cumbersome.

However, Stellenbosch Municipality grows on top of unfinished business. It grows on top of ways of a past that had not been fixed, the separation of people, the focus on some as opposed to all; needs not met, exclusion. It also grows on top of limited public resources. While the municipality and other spheres of government collect and allocate funds for service delivery, it is not enough to address backlogs, fix the mistakes of the past, prepare for unexpected crisis (for example, in the form of fires), or meet anticipated future needs.

As Stellenbosch Municipality grows, things get worse. In terms of how we manage development and space, we know what direction to take. We know that we should adopt a precautionary approach to nature and agricultural land, we know that we should contain and compact settlements, we know that we should provide more choice in shelter and housing opportunity, and that we should focus on public and non-motorised transport.

This knowledge is also embedded in policy, from global conventions to national, provincial and local frameworks, including the Stellenbosch Municipal Integrated Development Plan that include the Stellenbosch Municipality Spatial Development Framework, 2019, the legal plan which directs the municipal budget and resource allocation. The issue is that we have not implemented what we believe the appropriate policy direction is well. We should ask why. We can answer that achieving in terms of new policy is not easy. It requires new ways of thinking, acting, living and doing. Higher densities, leaving the car, more interaction between groups of society sharing public space, more partnership in unlocking development opportunity, and so on.

Even if difficult, it is a matter of now or never. We cannot behave and live like before. We cannot afford to lose more nature and agricultural land, develop at low densities, and prioritise building roads for private cars more than public transport. If we do that, the system will fail. Despite difficulties, it appears



as if our approach is shifting. Land previously occupied by manufacturing enterprises in critical locations in the municipality have slowly become available for reuse. The potential of Klapmuts to accommodate enterprises, dependent on good intra- and inter-regional logistic networks is acknowledged. Landowners realise that overcoming the resource constraints, infrastructure constraints, and the cross-subsidisation required for more inclusive development – the extent of energy needed – necessitates joint work, joint planning, and implementation of a scale and nature not yet experienced in Stellenbosch. Corporations realise that they have broader responsibility – not only in contributing to good causes concerning nature, education, or the arts, but in actively constructing better living environments. We realise that we have to forge, establish and maintain active working partnerships to make our towns better. We also have the benefit of history. In times past, we have, as Stellenbosch Municipality, changed our destiny, did things for the better. Starting with an individual idea, a thought, often through an individual, great things were done. With such ideas and actions, the town established a university, saved historic buildings and places, launched cultural celebrations with broad reach, safeguarded unique nature areas, provided families with homes, begun corporations with global reach. When a fire destroyed homes, they were rebuilt promptly with collective energy and purpose. When children needed schooling, and government could not provide, some established schools.

Often, these initiatives started outside of government, albeit assisted by the government. They were started by those who thought beyond current challenges, without necessarily being able to project outcomes over time in full. They just understood that one step might lead to another. Not all the technical detail was resolved, not everything understood in its entirety. They merely acted in terms of core principles. As matters unfolded and new challenges emerged, the principles guided them.

The Municipal Spatial Development Framework, 2019 recognises that the spatial decisions and actions of many make what settlements are. It asks us to understand that plans cannot do everything, predict everything. It asks all to consider action with a few core beliefs, principles, or concepts, geared towards the common good.

Specifically, it asks us to consider seven principles:

1. First, maintain and grow the assets of Stellenbosch Municipality's natural environment and farming areas.

Humanity depends on nature for physical and spiritual sustenance, livelihoods, and survival. Ecosystems provide numerous benefits or ecosystem services that underpin economic development and support human well-being. They include provisioning services such as food, freshwater, and fuel as well as an array of regulating services such as water purification, pollination, and climate regulation. Healthy ecosystems are a prerequisite to sustaining economic development and mitigating and adapting to climate change. The plan provides for activities enabling access to nature and for diversifying farm income in a manner which does not detract from the functionality and integrity of nature and farming areas and landscapes.

2. Second, respect and grow our cultural heritage, the legacy of physical artefacts and intangible attributes of society inherited from past generations maintained in the present and preserved for the benefit of future generations.

Cultural heritage underpins aspects of the economy and differentiates places. Culture is a dynamic construct; forever emerging in response to new challenges, new interactions and opportunity, and new interpretations. Spatially, we must organise Stellenbosch in a manner which also sets the stage for new expressions of culture.



3. Third, within developable areas – areas not set aside for limited development owing to its natural or cultural significance – allow future opportunity to build on existing infrastructure investment, on the opportunity inherent in these systems when reconfigured, augmented or expanded.

Infrastructure represents significant public investment over generations, not readily replicated over the short term. It represents substantial assets for enabling individual and communal development opportunity of different kinds. From a spatial perspective, movement systems are particularly significant. Elements of the movement system, and how they interconnect, have a fundamental impact on accessibility, and therefore economic and social opportunity. Specifically, important is places of intersection between movement systems – places which focus human energy, where movement flows merge – and where people on foot can readily engage with public transport.

4. Fourth, clarify and respect the different roles and potentials of existing settlements.

All settlements are not the same. Some are large, supported by significant economic and social infrastructure, offer a range of opportunity, and can accommodate growth and change. Others are small and the chance to provide for growth or change is minimal. Generally, the potential of settlements to help change and growth relates directly to their relationship with natural assets, cultural assets, and infrastructure. We must accommodate change and growth where existing assets will be impacted on the least or lend itself to generating new opportunity.

5. Fifth, address human needs – for housing, infrastructure, and facilities – clearly in terms of the constraints and opportunity related to natural assets, cultural assets, infrastructure, and the role of settlements.

We must meet human need in areas where the assets of nature will not be degraded, where cultural assets can be best respected and expanded, and where current infrastructure and settlement agglomeration offers the greatest opportunity. Generally, we can help human need in two ways. The first is through infill and redevelopment of existing settled areas. The second is through new green-field development. We need to focus on both while restricting the spatial footprint of settlements outside existing urban areas as far as possible.

6. Sixth, pursue balanced communities. All settlements should be balanced.

That means they should provide for all groups, and dependent on size, a range of services and opportunities for residents. It also says they should provide for walking and cycling, not only cars.

7. Finally, focus energy on a few catalytic areas that offer extensive opportunity and address present risk.

Planning cannot attempt to treat all areas equally. Some areas offer more opportunity for more people than others. We need to focus on the areas and actions where a significant number of people will benefit, where we will meet their needs. There is also a need to focus on areas of 'deep' need, notwithstanding location, where limited opportunity poses a risk to livelihoods. Some informal settlements and poorer areas may not be located to offer the best chance for inhabitants, yet services need to be provided and maintained here. However, significant new development should not occur in these places, exacerbating undesirable impacts or further limiting the opportunity for people to pursue sustainable livelihoods. Spatial plans are 'partial' frameworks for action. They deal with space. Command of space is not enough to develop or manage a settlement in the interest of all. Each spatial principle, each concept, requires parallel actions in other sectors, including how we form institutions for execution, how we transport people, how we fund things, where we focus resources, and so on. The



spatial principles must help us to think through these implications, action by action, decision by decision."

Future settlement along the Baden Powell Drive-Adam Tas-R304 corridor

As indicated above, over the longer term, Muldersvlei / Koelenhof and Vlottenburg along the Baden Powell-Adam Tas-R304 corridor could possibly accommodate more growth, and be established as inclusive settlements offering a range of opportunities. However, these settlements are not prioritised for development at this stage. Critical pre-conditions for significant development include:

- The measures required to ensure that settlements provide for a range of housing types and income groups (in a balanced manner);
- Establishing regular public transport services between settlements, including services between the expanded smaller settlements and Stellenbosch town; and
- Understanding to what extent settlements can provide local employment, in this way minimising the need for transport to other settlements.

Other local planning initiatives

Ideally, each of the settlements in SM should have a LSDF, applying the principles of the MSDF in more detail. The priority for LSDFs should be determined by the position and role of settlements in the SM settlement hierarchy, but should start with the Adam Tas Corridor Development Area and Klapmuts.

Institutional Arrangements

The SM has limited staffing resources within the Directorate: Planning and Economic Development, which include the departments of Development Management (Land Use Management and Building Development Management); Development Planning (Spatial Planning, Economic Development and Tourism, Development Information ("GIS") and Heritage Resource Management) and Integrated Human Settlements (Housing Development, Informal Settlements and Housing Administration) SM have appointed two (2) Senior Managers in the position for Development Management and Development Planning, and the position of the Senior Manager: Integrated Human Settlements is an unfunded post and remains vacant. Work occurs within the framework set by annually approved Service Delivery and Budget Implementation Plans (aligned with the IDP), decision-making processes and procedures set by Council, and a suite of legislation and regulations guiding spatial planning, land use management, and environmental management (including SPLUMA, LUPA, and the National Environmental Management Act).

The Planning and Economic Development Directorate will facilitate implementation of the *mSDF* in terms of institutional alignment, including:

- The extent to which the main argument and strategies of the MSDF are incorporated into annual reports, annual IDP reviews, future municipal IDPs, and so on;
- The annual review of the MSDF as part of the IDP review process;
- The extent to which the main argument and strategies of the MSDF inform sector planning and resource allocation;
- The extent to which the main argument and strategies of the MSDF inform land use management decision-making;
- Alignment with and progress in implementing the municipality's Human Settlement Plan and Comprehensive Integrated Transport Plan; and
- The mutual responsiveness of the *mSDF* and national, provincial and regional plans, programmes and actions (including the extent to which MSDF implementation can benefit from national and



provincial programmes and funding). Over and above institutional arrangements in place, it appears that two aspects require specific focus in support of the MSDF.

Inter-municipal planning

The first relates to inter-municipal planning. As indicated elsewhere in the MSDF, SM (and other adjoining municipalities) appears to experience increasing challenges related to development pressure in Cape Town. This pressure is of different kinds. The first is pressure on the agricultural edges of Stellenbosch Municipality through residential expansion within Cape Town. The second is migration to SM (whether in the form of corporate decentralisation, or both higher and lower income home seekers), leading to pressure on available resources, service capacity, and land within and around the settlements of SM. While municipal planners do liaise on matters of common concern, there appears to be a need for greater high-level agreement on spatial planning for “both sides” of municipal boundaries. The spatial implications of pressure related to migration to SM could be managed locally, should there be agreement to redevelop existing settlement footprints rather than enabling further greenfields development (as a general rule).

However, the municipality’s increased resource needs to accommodate new growth – a non-spatial issue – should be acknowledged and addressed.

Private sector joint planning

The second relates to joint planning and action resourced by the private sector, increasingly needed for a number of reasons:

- The municipal human and financial resource base is simply too small to achieve the vision of the mSDF or implement associated strategies and plans;
- Many matters critical to implementing the MSDF fall outside the direct control or core business of the municipality, for example, the municipality does not necessarily own the land associated with projects critical to achieve MSDF objectives;
- It is increasingly evident that individual land owners are finding it difficult to develop – to make the most of what they have – individually. Specifically, the transport and movement implications of individual proposals require strong and dedicated integration;
- Individual land owners do not necessarily control the extent of land required to undertake inclusive development, focusing on opportunity for a range of income groups. Inclusive development often requires cross-subsidisation, in turn, enabled by larger land parcels and development yields; and
- The municipality’s focus is often – and understandably so – on the “immediate”, or shorter-term challenges. Much what is needed to implement the MSDF or catalytic projects requires a longer-term view, a committed focus on one challenge, and cushioning from the daily and considerable demands of municipal management.

Partnerships are needed, with different agencies and individuals working in concert with the municipality to implement agreed objectives. Further, partnerships are required between individual corporations and owners of land. The Adam Tas corridor is a prime example: making the most of the disused sawmill site, Bergkelder complex, Van der Stel Complex, Die Braak and Rhenish complex – in a manner which contributes to agreed objectives for developing Stellenbosch town – is only possible if various land owners, the municipality, University, and investors work together, including undertaking joint planning, the “pooling” of land resources, sharing of professional costs, infrastructure investment, and so on. The municipality simply does not have the resources – and is overburdened with varied demands in different locations – to lead the work and investment involved.



Land Use Management

Continually ensure timeous consideration of land-use applications in order to streamline development processes. Municipality to strengthen integrated development planning, spatial planning and economic planning. The Department: Development Management has made significant strides in addressing and reducing the backlog i.r.o. the processing of land use applications. The number of land use applications classified as backlog applications have been reduced significantly, which in turn has the resultant impact of creating economic development opportunities within the Stellenbosch Municipality.

3.10.1.1 Capital Expenditure – Planning and Development

Table 3:49: Planning and Development

| Capital Projects | Adjustment Budget | Actual Expenditure | Variance from Adjustment Budget |
|------------------|-------------------|--------------------|---------------------------------|
| | R | | |
| Informal Traders | 200 548 | 153 085 | -23.67% |

Planning and Development have spent, **76.33%** of the capital budget for the financial year.

3.10.1.2 Total Employees – Planning

Table 3:50: Total Employees – Planning

| Job Level* | Posts* | Employees* | Vacancies (full time equivalents) | Vacancies (as a % of total posts) |
|--------------|-----------|------------|-----------------------------------|-----------------------------------|
| | Number | | | |
| 18 – 22 | 3 | 3 | 0 | 0% |
| 14 – 17 | 18 | 10 | 8 | 44.40% |
| 9 – 13 | 25 | 20 | 5 | 20% |
| 4 – 8 | 10 | 5 | 5 | 50% |
| 3 – 0 | 0 | 0 | 0 | 0% |
| Total | 56 | 38 | 18 | 32.10% |

* The previous tables were based on gradings of the maintenance phase where employees have been put on T-levels which skewed the true reflection of the grades of posts on the current organogram. The current table is based on the approved organogram of 2017/2019 and where posts would fit in in terms of the TASK grades currently being evaluated. It is further aligned to the number of posts on the 2017/2019 organogram. The vacancy rate is based on the total amount of vacancies as per the organogram although the rate should only be based on funded vacancies existing within the section / department.



3.10.2 LOCAL ECONOMIC DEVELOPMENT (LED)

Table 3:51: Achievements within Local Economic Development

| Achievement / Highlight | Description | | | |
|--|--|----------------|----------------|----------------|
| Business Interventions | Number of business interventions for the financial year: | | | |
| | | 2017/18 | 2018/19 | 2019/20 |
| | Business registrations | 24 | 37 | 29 |
| | Municipal Database Registrations | 19 | 27 | N/A |
| | Advice to walk-ins | 387 | 1795 | N/A |
| | Workshops | 12 | 15 | 1 |
| | Business Licences | 13 | 2 | 22 |
| | Liquor licences applications received | 209 | 216 | 107 |
| Comments forwarded to the Liquor Board | 193 | 166 | 22 | |
| Mentorship | No mentorship activities were completed for the first two quarters of the financial year, as it was planned for the latter part of the financial year, however this could not happen because of the pandemic and lockdown regulation that was in place. | | | |
| Tendering Process Training | This was planned for the third quarter of the financial year; however, this could not take place due to the pandemic. | | | |
| Informal Trading | The Unit has implemented various informal trading sites that will be completed in the new financial year including Cloetesville, Kayamandi, Klapmuts and a process to advertise for the sites to be occupied will be followed. The Informal trading by-law is in the process of being drafted and will be circulated for public comment in the new financial year for public comment. | | | |
| Enterprise Development and Support | Training for Stellenbosch-based entrepreneurs has been hampered because of the pandemic however, virtual meeting was held with various sectors of the economy including tourism and agriculture to ascertain the impact of the pandemic on these sectors. Assistance was provided to SMME with PPE to ensure compliance with health protocols during the pandemic. The Unit has been very active with the processing of trading permits during the lockdown to ensure that these micro businesses could trade. | | | |
| Vacant Agricultural Property | The vacant land that was advertised during the previous financial year be allocated in line with the Policy on the Management of Municipal Agricultural Land. An information session was held for all interested small farmers to receive all relevant information for them to complete their applications. 90 individuals attended the briefing. | | | |

3.10.2.1 LED Challenges

The table below gives a brief description of all the challenges within local economic development during 2019/20:

Table 3:52: Challenges within Local Economic Development

| Description | Actions to address |
|---|--|
| Human Resources insufficient to drive a effective economic development and tourism programme. | Fill all vacant posts at an appropriate level to recruit competent professional people and review the organogram within the Directorate: Planning and Economic Development. |
| Slow processing of land use applications impacts negatively on new investments and economic growth in the municipal area. | Appointment of the Senior Manager: Development Management has resulted in a significant reduction of the amount of land use applications classified as backlog applications. |
| Non-permanency of EPWP administrative staff. | A number critical positions within the Section are vacant, also the Section has been tasked with implementing infrastructure development projects, which the section is not geared to undertake. |
| Current entrepreneurship development initiatives shows minimal or minor impact on new venture creation. | Establish partnerships with the private sector to ensure uptake of new entrants into the mainstream of the economy. The municipality's procurement must also be used to ensure local business are given opportunities to partner with big business to nurture and grow new businesses. |



3.10.2.2 EPWP Job Creation 2019/20

The Expanded Public Works Programme grew in leaps and bounds of the last few years and the Stellenbosch Municipality consistently is one of the top 3 performers in the Western Cape. Below are the projects and number of jobs that have been created through EPWP.

Table 3:53: Job Creation through EPWP* Projects

| EPWP Projects | Number of jobs created | |
|---|------------------------|------------|
| External EPWP Grant Projects | | |
| LED | 25 | |
| Incentive Grant (IG): Ward Office | 20 | |
| IG: Cemeteries | 8 | |
| IG: School Safety | 10 | |
| IG: Community Development | 8 | |
| IG: Stellenbosch Trail Fund Guiding Academy | 2 | |
| IG: Cleaning and Greening | 13 | |
| IG: Fire and Disaster | 9 | |
| IG: Picnic Site | 1 | |
| IG: Cleaning of Halls | 8 | |
| IG: Parks and Franschhoek Wardens | 15 | |
| IG: Parks Stellenbosch | 11 | |
| Refurbishment and filters | 10 | |
| Cleaning of Jamestown | 1 | |
| Cleaning of Halls | 8 | |
| Total Projects | Total Jobs | 149 |
| Municipal Funded Projects | | |
| Field Worker Title Deeds | 26 | |
| Archives Registration | 4 | |
| Neighbourhood Revitalisation | 13 | |
| Minor Landscaping | 5 | |
| Jan Marais Park | 9 | |
| Jonkershoek Picnic | 10 | |
| Medical Plants and Rare Species | 2 | |
| Mont Rochelle Hiking Trail | 1 | |
| Mountain Bike Routes | 7 | |
| Municipal Asset Stock | 6 | |
| Service Warriors | 1 | |
| Wheelie Bins | 1 | |
| Area Cleaning | 462 | |
| Integrated Fire | 11 | |
| Clerk Sport | 1 | |
| Biodiversity Support | 11 | |



| EPWP Projects | Number of jobs created | |
|---------------------------------------|-------------------------------|------------|
| Integrated River | 21 | |
| Cleaning of Sport field | 12 | |
| Cleaning of Storm Water | 6 | |
| Erf | 18 | |
| Service Warriors | 11 | |
| Cleaning and Greening / Million Trees | 14 | |
| IG Drought Alleviation | 20 | |
| Integrated Fire Management | 12 | |
| IG Cemeteries | 7 | |
| LED | 34 | |
| Amanzi Yimpilo | 8 | |
| New Merriman Outfall Sewer | 9 | |
| Plankenbrug Sewer | 5 | |
| Veld Rehabilitation | 14 | |
| Total Projects | Total Jobs | 761 |
| Total Projects Overall | Total Projects Overall | 910 |

3.10.2.3 Total Employees – LED

Table 3:54: Total Employees – LED

| Job Level* | Posts* | Employees* | Vacancies (full time equivalents) | Vacancies (as a % of total posts) |
|--------------|-----------|------------|-----------------------------------|-----------------------------------|
| | Number | | | |
| 18 – 22 | 0 | 0 | 0 | 0% |
| 14 – 17 | 1 | 1 | 0 | 0% |
| 9 – 13 | 6 | 0 | 6 | 100% |
| 4 – 8 | 3 | 2 | 1 | 33.30% |
| 3 – 0 | 0 | 0 | 0 | 0% |
| Total | 10 | 3 | 7 | 70% |

* The previous tables were based on gradings of the maintenance phase where employees have been put on T-levels which skewed the true reflection of the grades of posts on the current organogram. The current table is based on the approved organogram of 2017/2019 and where posts would fit in in terms of the TASK grades currently being evaluated. It is further aligned to the number of posts on the 2017/2019 organogram. The vacancy rate is based on the total amount of vacancies as per the organogram although the rate should only be based on funded vacancies existing within the section / department.

3.10.2.4 Tourism

Aim and function of Tourism Section

- Contextualise the strategic goals of tourism promotion and development funding.
- Regularise the operational functioning of external bodies appointed or supported by the municipality in its constitutional mandate toward both tourism, and economic and social development.
- Ensure co-ordination of the activities of the funded entities.
- Ensure efficient oversight of funding and outcomes.
- Acknowledge and leverage private sector and independent initiatives.
- Develop sustainable tourism events and brands.
- Enable sponsorship opportunities for commercialisation of events, brands and other opportunities.



- Smooth cyclical tourism numbers by establishing developing and implementing off-peak tourism products and initiatives.
- Develop and package opportunities and venues for business tourism.
- Enable market participation for local business.
- Enable training, mentorship and employment opportunities for local citizens.
- Quantify return on investment into events and funded entities.

Highlights:

- The establishment of a new destination marketing organisation, Visit Stellenbosch, after Wine Routes (SWR) and Stellenbosch 360 (S360) agreed on a bold and ambitious plan to bring stakeholders together and grow the tourism and experience economy in Stellenbosch.
- Visit Stellenbosch unites all tourism stakeholders under a joint destination brand and a unified destination vision with a long-term tourism plan. Centralising the operational functions and resources of various tourism role-players, Visit Stellenbosch will enable stakeholders to invest more to improve service excellence, drive tourism innovation and enhance place product experiences.
- Memorandum of agreement were signed with Visit Stellenbosch and Franschhoek Wine Valley Tourism based on the policy to for funding of organisation rendering a municipal function with condition to integrate the sector and ensure new entrance into this sector are supported and developed.

Challenges: Tourism

- Impact of COVID-19 on the tourism industry has had a severe negative impact on the sector, especially as international travelling was to a large extent prohibited since the start of the lockdown on 27 March 2020.

3.10.2.5 Capital Expenditure – Local Economic Development and Tourism

Table 3:55: Capital Expenditure as at 30 June: Local Economic Development and Tourism

| Capital Projects | Adjustment Budget | Actual Expenditure | Variance from Adjustment Budget |
|--|-------------------|--------------------|---------------------------------|
| | R | | |
| Establishment of Informal Trading Sites: Kayamandi | 5 337 505 | 2 543 827 | -52.34% |
| Establishment of Informal Trading Sites: Groendal | 3 467 117 | 2 189 882 | -36.84% |
| Establishment of Informal Trading Sites: Klapmuts | 2 085 015 | 1 559 303 | -25.21% |
| Establishment of Informal Trading Markets Cloetesville | 649 948 | 468 526 | -27.91% |
| Establishment of Informal Trading Markets: Franschhoek | 404 409 | 389 235 | -3.75% |
| <i>Only the 5 largest capital projects are listed</i> | | | |

Local Economic Development and Tourism have spent, **59.65%** of the capital budget for the financial year.



3.11 COMPONENT C: COMMUNITY AND SOCIAL SERVICES

3.11.1 LIBRARIES

Looking back at what we have accomplished over the last year seems strange. The global pandemic has forced the libraries department to re-look the way we work and the services we offer. It has also forced the municipality to re-evaluate priorities, and set in motion many new responses to access literacy programmes, recreational reading and educational information.

Unlike pre-20th century libraries, libraries are now more than just storage spaces for books, they are the important community hubs that serve as centres of learning, professional development, healthcare, and now, “idea labs”.

Libraries are free public spaces that allow everyone to feel safe and to find opportunities. They offer free educational and recreational resources to everyone. It is a truly remarkable place where socioeconomic status is immaterial. It offers resources free of charge including books, internet access and educational, self-development and professional training programmes. Libraries are safe refuges for the homeless and underserved populations. Homeless men, women, and children visit the libraries every day, and most of the time all day, to take advantage of the resources the library has to offer. For the homeless or the very poor, libraries provide them with access to the internet for job searches, books for educational and job training, and essential programmes designed to bring them out of poverty.

Libraries have helped to boost local economies. Because libraries are not a revenue generating department of the municipality as they are free for patrons, its vital role in developing the economy is overlooked. Libraries play a key role in financially strengthening local community.

They provide a work space for telecommuters, supply free internet access for people looking for employment opportunities, help individual community members financially succeed in their lives and small businesses, libraries also help entire communities succeed at boosting their economy and growing their local wealth. More so than a community centre, town hall, or public park ever could.

Libraries connect their communities in a way that benefits everyone. “They pool local resources and put them all under one welcoming roof for everyone to share”.

Libraries truly are remarkable places, and in today's world, cannot afford to underplay its importance to the educational, social and economic wellbeing of our citizens and communities. We cannot afford to ignore the fact that they are “opportunity institutions” opening its doors to and for the disenfranchised. No other department in the municipality reaches out to as many peoples in our communities who have been left behind in today's economy, those who are in the schooling system, or those just trying to find their way in an extremely demanding and harsh world. Delays in maintenance of Library buildings and the moratorium placed on filling staff vacancies have placed a huge strain on existing staff effectiveness and efficiency in the workplace. The upskilling and training of staff is a vital component if we are to remain relevant and deliver the service our communities have become used to receiving.

It is against this background that the Stellenbosch Public Libraries find themselves struggling to meet the demands placed on them by their communities.

We believe that we have grown and still continue to grow our libraries as the social hubs of our communities. We also believe that we are at the cusp of a very exciting new chapter of social development.



3.11.1.1 Libraries Future

As the Province and the country begin to ease into Level 1, libraries are trying to find ways to safely serve their communities again especially amidst the threat of an ongoing pandemic in which person-to-person transmission is riskiest in indoor spaces where people linger for a long time. We believe that we will be faced with a new set of challenges i.e. extended school closures and massive unemployment which will mean that communities will depend on their local libraries now more than ever for internet access, e-books and assistance in job searches. Students will need increased access to online resources. This means libraries will have to prioritise their resources, adapt existing programmes to what people need most and possibly even cut the ones that benefit the community the least. The moratorium placed on filling staff vacancies only serves to exacerbate the current library staff shortage situation. More partnerships will have to be developed, increased sponsorships will have to be sought and budgets increased if we are to increase literacy levels in the WCO2 Area. Budgets will have to be reviewed considering that we, especially libraries are on the brink of the 4IR and access to information is moving in this direction.

3.11.1.2 Service Statistics – Libraries

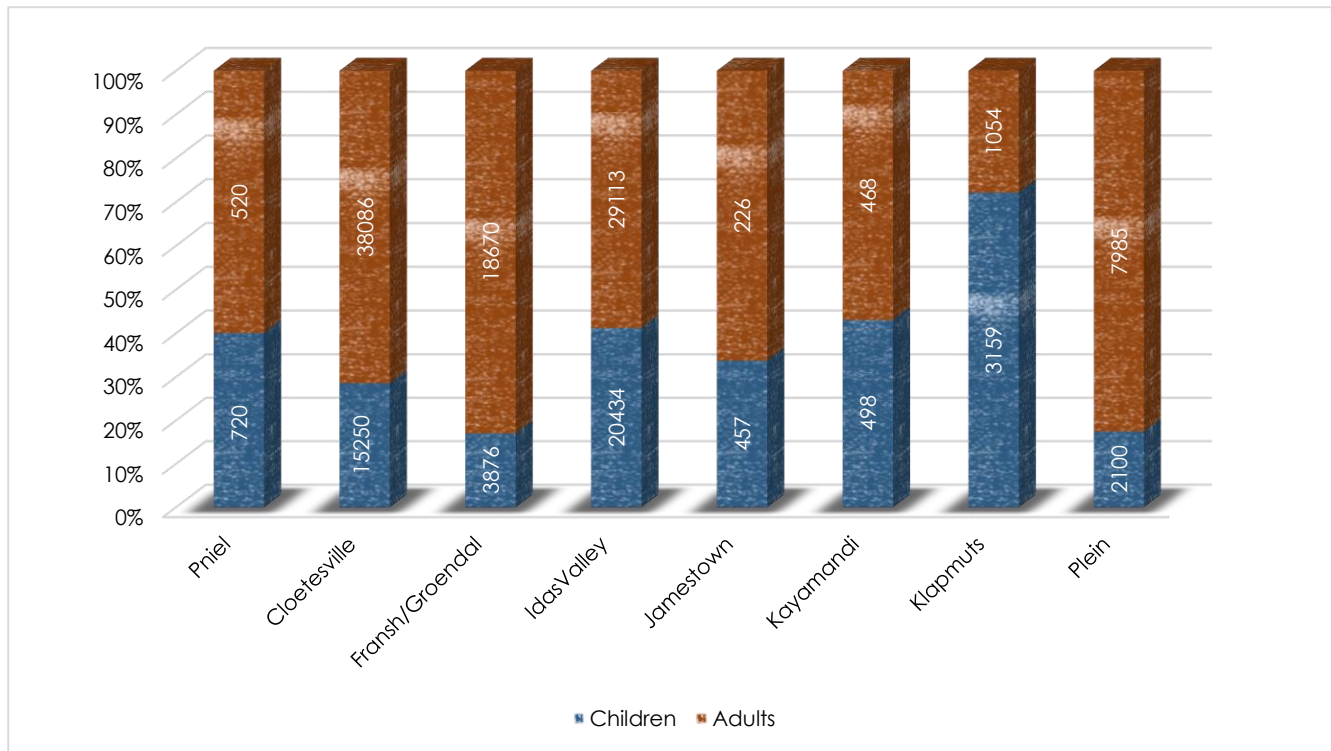
Table 3:56: Service Statistics: Libraries

| Type of service | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|--|---------|---------|---------|---------|---------|---------|
| Libraries | | | | | | |
| Number of libraries | 9 | 9 | 9 | 9 | 9 | 11 |
| Library members | 14 710 | 311 832 | 547 250 | 323 651 | 142 616 | 26 293 |
| Books circulated | 331 018 | 311 832 | 336 864 | 305 275 | 323 200 | 192 503 |
| Exhibitions held: Adults | 520 | 355 | 341 | 334 | 312 | 304 |
| Exhibitions held: Children | 0 | 269 | 799 | 257 | 316 | 232 |
| Internet access points | 32 | 32 | 32 | 32 | 32 | 36 |
| Internet sessions granted to library users | 0 | 44 892 | 52 413 | 43 790 | 53 013 | 17 818 |
| Children's programmes | 108 | 188 | 212 | 258 | 243 | 447 |
| Number of children attending programmes | 0 | 1 890 | 4 813 | 5 045 | 4 512 | 11 121 |
| Visits by school groups | 36 | 43 | 51 | 185 | 254 | 47 |
| Book group meetings for adults – old age homes | 324 | 410 | 745 | 1 119 | 102 | 128 |
| Primary and Secondary Book Education sessions | 72 | 49 | 341 | 1 378 | 975 | 25 |
| Patrons visits @ Library | N/A | N/A | 590 985 | 403 219 | 398 200 | 271 621 |
| Library Hall usage | N/A | N/A | 425 | 387 | 356 | 545 |
| Total number of Project and Pamphlet files developed | N/A | N/A | N/A | N/A | N/A | 696 |
| Total number of books reviewed | N/A | N/A | N/A | N/A | N/A | 214 |
| In-House usage | N/A | N/A | N/A | N/A | N/A | 77 783 |
| Book group meetings for adults – old age homes | N/A | N/A | N/A | N/A | N/A | 128 |
| Primary and Secondary Book Education sessions | N/A | N/A | N/A | N/A | N/A | 25 |



The following graph shows registered users per library:

Figure 3:29: The following graph displays registered users per library



3.11.1.3 Libraries Partnerships

The Libraries Department over the last year has formed many public, private partnerships with the communities within the WCO2 Area.

Table 3:57: Libraries partnerships

| Cloeteville | | |
|--|----------|--|
| Chennels Day care | Day Care | Teaching the children from an early stage the importance of libraries by presenting story hours, handcrafts, DVD shows and ECD programmes. |
| Little builders Crèche | Crèche | Assist the children to develop and grow by introducing them to books and other ECD activities |
| Kayamandi | | |
| Signa Academy | | Students taking academic practical at our Library for the period of six months. |
| Loxtion Foundation | | Loxtion Foundation showcases and celebrates life in the townships surrounding Stellenbosch through Sport and Performing Arts. They create opportunities to discover talent amongst township youth and to give them a platform to grow. |
| Pniël | | |
| Dwarsrivier Tourism | | Partnering to bring services to the community of Dwarsrivier. Hosting the event to enrich the community. |
| Community development | | Partnership aimed at bringing various services to the community of Dwarsrivier. Hosting the event to enrich the lives of the community. |
| Groendal Library 01 July 2019 – 30 June 2020 | | |



| | | |
|---|--|--|
| Inceba Trust | Mother and Child Book sharing | Focus on training illiterate parents to do book sharing with their children / grandchildren by looking at the pictures and telling the story. |
| Inceba Trust | Training of ECD employees | Inceba Trust is responsible for the training, whilst Groendal library assist with storytelling and recommending books per theme. |
| Adopt-A-Crèche | Outreach to underprivileged children from an informal settlement | Teaching children, the basic hygiene, literacy and numeracy skills by exposing them to ECD / crèche activities. Inceba train the parent's w.r.t. the Parent and Child Book sharing programme. |
| Inceba Trust Toy Library | ECD Toy Library | Aim is to incorporate the Toys into the ECD section at Groendal Library. As part of this initiative, free training will be presented to Stellenbosch Library staff i.t.o. ECD programmes / activities and the usage of educational toys. |
| ECD / Crèches | Wemmershoek, La Motte, Groendal , Langrug, Bosbou areas | 17 crèches are receiving block loans for books linked to their weekly theme. 2 visits per month for block loans and 1 storytelling / outreach per month is presented at each crèche. |
| CWP Community Work Programme | Unemployed people employed through CWP initiative | The Community Work Programme (CWP) is a government programme aimed at alleviating poverty and curbing unemployment. The work rendered by the CWP workers includes the cleaning of the Library, tidying of shelves, assist with preparing new library material (covering of books, tattle-tape etc.). The garden and outside areas are also maintained and cleaned by the workers. |
| Youth Book Week | Black Box Trolley project | The Black Box Trolley contains 10 books each with their own package (activity sheet, quiz, books etc.). The purpose of the trolley is to assist aftercare / schools centers to use the trolley with literacy projects. The books are in different categories as per reader level. Puppet shows. |
| Youth Book Week | Phendulani Reading Quiz | Seven (7) primary schools within the greater Franschhoek area compete against each other to be crowned as the winner. The team will consist of six Gr 7 learners, whom each will have to read 12 books and answer questions about these books. |
| Franschhoek Literacy Festival / Nali'Bali | Storytelling workshop | Workshop is aimed at exchanging ideas / guidelines for pre-school and primary educators / librarians. Nali'Bali and Librarians do storytelling at primary schools. (In 2019 we visited 18 classes and reached more than 1000 children). |
| Nali'Bali | Storytelling | Groendal Library registered as a FUNDA reader leader to promote storytelling and books. We make use of the Nali'Bali website to download activities and books. Groendal participate in the national membership drive for children. |
| Score Multi-Purpose Community Centre – Groendal | Seniors / Housebound adults | Aim is to combine outreach programmes / activities as we are both working with Seniors in the community. |
| ECD / Crèches | ECD area at Library: Educational toys, books etc. | ECD Centres / Crèches are invited to make use of the educational toys / books at the Groendal Library |
| Bridge House Private School | Community practical work | Assist Grade 7's with their community outreach project. Exposing them to the Library and the work done in a Library (holiday programmes, storytelling, spelling competitions etc.). |
| First Step Community Project | Unemployed youth | Students from "First Step Programme for Unemployed Youth" doing their practical work at the Library. In service training (library related work). |
| DCAS | Oral History Project | On hold due to COVID19 legislation. The aim is to keep the history of Groendal alive for the youth by means of oral history. Members of the community have been identified to participate in the oral history |



| | | |
|---|---|---|
| | | project – by telling the history of Groendal and capture it on DVD. |
| Groendal Housebound members | Book exchanges to housebound / elderly patrons | Bringing the Library to the community. Visits are done twice a month to deliver library material to the housebound. Visit new potential members to form part of the outreach. |
| Collaboration with Local / Provincial departments | PGWC: Environmental Affairs, community Safety Stellenbosch Municipality: Parks Dept. | Display and brochures to have an informed community. Combined Inter departmental activity effort for Arbor Week. |
| Community of Groendal | Friends of the Library | Currently in process of establishment: "Friends of the Groendal Library" |
| Maker-space | Children Gr R – Gr 12 | Items have been procured. Currently in process of identifying taring for library staff. The focus will be on S.T.E.M (Science, technology, Electronics, Mathematics). The idea is to expose the children to science, mathematics, technology and electronics. The programme will be linked to the school curriculum. |
| Bongo Flepu (artist, Kayamandi) | Wall mural | Wall art for Groendal Library with the faces of people who made a positive contribution in the world. Finalisation of the mural will be the painting of the quote. Partnership with an artist from Kayamandi. |
| Hospice Stellenbosch | | Partnering to bring services to the community of Dwarsrivier. Hosting activity events to enrich the lives of the Hospice community. |
| Stellenbosch Traffic Department | | Partnership with traffic department to teach young children about the importance of road safety. |
| Read to rise | | Partnering with Read to rise organisation to promote reading in young children. |
| Franschhoek | | |
| Dennegeur Agri Village | Crèche | Bringing the Library to the farm children. Storytelling and activity are done 2 x month. |
| Franschhoek Museum | Combined programmes | Combined effort to do outreach and literacy programmes. |

3.11.1.4 Capital Expenditure – Libraries

Table 3:58: Capital Expenditure as at 30 June: Libraries

| Capital Projects | Adjustment Budget | Actual Expenditure | Variance from Adjustment Budget |
|--------------------------|-------------------|--------------------|---------------------------------|
| | R | | |
| Libraries: CCTV | 200 000 | - | -100% |
| Library Books | 150 000 | 110 989 | -26.01% |
| Libraries: Small Capital | 75 000 | 32 743 | -56.34% |

Libraries Services have spent, **34.45%** of the capital budget for the financial year.



3.11.1.5 Total Employees – Libraries

Table 3:59: Total Employees- Libraries

| Job Level* | Posts* | Employees* | Vacancies (full time equivalents) | Vacancies (as a % of total posts) |
|--------------|-----------|------------|-----------------------------------|-----------------------------------|
| | Number | | | |
| 18 – 22 | 0 | 0 | 0 | 0% |
| 14 – 17 | 1 | 1 | 0 | 0% |
| 9 – 13 | 13 | 13 | 0 | 0% |
| 4 – 8 | 29 | 18 | 11 | 38% |
| 3 – 0 | 1 | 1 | 0 | 0% |
| Total | 44 | 33 | 11 | 25% |

* The previous tables were based on gradings of the maintenance phase where employees have been put on T-levels which skewed the true reflection of the grades of posts on the current organogram. The current table is based on the approved organogram of 2017/2019 and where posts would fit in in terms of the TASK grades currently being evaluated. It is further aligned to the number of posts on the 2017/2019 organogram.
The vacancy rate is based on the total amount of vacancies as per the organogram although the rate should only be based on funded vacancies existing within the section / department.

3.11.1.6 Cemeteries

Stellenbosch Municipality is responsible for the maintenance and management of six cemeteries in the greater Stellenbosch. Jamestown, Pniël and Groendal have reached their capacity, whilst Wemmershoek and Franschoek South and North are fully operational. Onder Papegaaiberg Cemetery is also to capacity [only reserved graves available]. A new cemetery in Kylemore is currently being established.

Consultants were appointed (3-year project) during 2016 to assist Stellenbosch Municipality with the identification and planning of two regional cemetery sites to address the critical need for burial space within the municipality. This project is at an advanced stage of acquiring the required environmental-, water and land use approvals.

The objective of the cemeteries department is to provide adequate burial space and ensure a dignified burial service. A Notice of Intent to Develop has been lodged with the Department of Environmental Affairs and Development Planning during October 2017 with the pre-application public participation process to commence December 2017 / January 2018.

Our challenges remain to be:

- the shortage of burial space;
- to convert burial records to electronic soft copies (in progress as per the five-year plan); and
- to promote alternative burial methods such as cremations amongst various religious groups.

3.11.1.7 Service Statistics - Cemeteries

Table 3:60: Cemeteries Service Statistics

| Type of service | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|-----------------|---------|---------|---------|---------|---------|---------|
| Pauper Burials | 3 | 0 | 2 | 0 | 6 | 15 |



3.11.1.8 Income – Cemeteries

Table 3:61: Cemeteries Service – Income

| Gravesite locations | 2017/18 | | 2018/19 | | 2019/20 | |
|----------------------------|-------------------|----------|-------------------|----------|-------------------|------------|
| | Number of Burials | Income | Number of Burials | Income | Number of Burials | Income |
| Onder Papegaaiberg | 74 | R33291 | 24 | R50 389 | 103 | R87 791 |
| Jamestown | 527 | R775 831 | 356 | R900 294 | 478 | R1 321 781 |
| Pniël | 15 | R9 615 | 11 | R7 855 | 17 | R13 676 |
| Wemmershoek | 17 | R15 633 | 9 | R7 650 | 26 | R27 219 |
| Franschhoek North Groendal | 161 | R105 489 | 38 | R40 710 | 39 | R11 052 |
| Franschhoek South | 16 | R21 010 | 54 | R45 580 | 140 | R80 172 |

3.11.1.9 Capital Expenditure – Cemeteries

Table 3:62: Capital Expenditure as at 30 June: Cemeteries

| Capital Projects | Adjustment Budget | Actual Expenditure | Variance from Adjustment Budget |
|--------------------------------------|-------------------|--------------------|---------------------------------|
| | R | | |
| Extension of Cemetery Infrastructure | R 1 171 000 | R 838 704 | -28,38% |

Cemeteries have spent, **34.45%** of the capital budget for the financial year.

3.11.1.10 Total Employees – Cemeteries

Table 3:63: Total Employees – Cemeteries

| Job Level* | Posts* | Employees* | Vacancies (full time equivalents) | Vacancies (as a % of total posts) |
|--------------|-----------|------------|-----------------------------------|-----------------------------------|
| | Number | | | |
| 18 – 22 | 0 | 0 | 0 | 0% |
| 14 – 17 | 1 | 1 | 0 | 0% |
| 9 – 13 | 5 | 4 | 1 | 20% |
| 4 – 8 | 6 | 2 | 4 | 66.70% |
| 3 – 0 | 11 | 11 | 0 | 0% |
| Total | 23 | 18 | 5 | 21.74% |

* The previous tables were based on gradings of the maintenance phase where employees have been put on T-levels which skewed the true reflection of the grades of posts on the current organogram. The current table is based on the approved organogram of 2017/2019 and where posts would fit in in terms of the TASK grades currently being evaluated. It is further aligned to the number of posts on the 2017/2019 organogram. The vacancy rate is based on the total amount of vacancies as per the organogram although the rate should only be based on funded vacancies existing within the section / department.



3.11.2 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES– COMMUNITY DEVELOPMENT

3.11.2.1 Service Statistics – Child Care, Aged Care, Social Programmes

Table 3:64: Community Development

| Type of service | | |
|---|--|---|
| Early Childhood Development Services / Children | <p>ECD Policy Capacity Building of ECD Practitioners Initiatives in awareness programmes (ECD children) ECD Registration Compliance Strengthening and Establishing ECD Forums Transversal committees / Adhoc committees Grant in Aid to ECDs</p> | <p>ECD GIS Database updates:</p> <ul style="list-style-type: none"> 99 ECD Facilities contact and registration status information were updated. <p>Capacity Building of ECD Practitioners</p> <ul style="list-style-type: none"> Capacity Building and access to information related to ECD registration in collaboration with DSD and TEEC. Working on Fire training was provided to 30 practitioners in Kayamandi Collaboration with Ranyaka and Nedbank focusing on registration requirements. 20 local ECD's are now being mentored and supported. 21 ECD practitioners received training on alcohol abuse and the manifestation thereof in ECD. 19 Unregistered ECD's participated in a training workshop on the writing of internal policies governing the facilities. Strengthening of ECD forums of namely Kayamandi, Klapmuts, Stellenbosch and Franschhoek in order to tackle challenges and uplift one another as a unit. This included preparation from opening up again, understanding the COVID-19 regulations and DSD requirements for safely opening up the sector again. <p>Awareness programmes for children</p> <ul style="list-style-type: none"> Universal Children Day at Klapmuts Stadium for the Greater Stellenbosch ECD Forum reaching 2000 children awareness through sports. Preparing and informing ECD centres on COVID-19 and the regulations necessitating closure during lockdown. 150 ECDs. <p>Transversal / Adhoc programmes</p> <ul style="list-style-type: none"> Various holiday programmes are supported by the department in different communities. 300 Children participated in a spelling Bee competition in Kayamandi. Building families: Foster family support project. A one day "camp" for 30 youth from Ikaya Primary was conducted in collaboration with Inkuthazo Yesizwe to focus on self-discipline and responsibility. |
| Persons with Disabilities | <p>Awareness programmes Universal Access Grant in Aid Donations</p> | <p>International Day of Persons with Disabilities: 23 November 2019 Theme: WALK WITH DISABILITY</p> <ul style="list-style-type: none"> Focus was social inclusion and emphasis for everyone to walk with people with disabilities. A march was organised by the Stellenbosch Disability Network with supporting organisations and the municipality. A memorandum was handed to Cllr Pietersen which focused on universal access for persons with disabilities. |
| Older Persons | <p>Golden Games Transversal Committees / Adhoc programmes Older Persons Forums</p> | <p>Golden Games</p> <ul style="list-style-type: none"> The Stellenbosch official was elected as the team administrator for the National Golden Games which took place in Port Elizabeth. The Cape Winelands regional games were attended by 230 elderlies from the different communities. <p>Older Persons Forums</p> <ul style="list-style-type: none"> The forum still requires regular support, but attendance is good. 21 persons attended a capacity building workshop to strengthen individual elderly clubs. |



| Type of service | | |
|-----------------|--|--|
| | | <p>Awareness Programme:</p> <ul style="list-style-type: none"> • Women's Day celebration for elderly women on farms (60 persons) • Inter-generational Heritage celebration bringing together 90 youth and elderly persons. • 16 Days of Activism: Dwarsrivier ladies reaching 50 women. • Financial Literacy programme. • A health and wellness day was attended by 54 elderly persons from the Dwarsriver Valley. • International Elderly Abuse day was attended by 56 persons. |
| Gender | Special Events | <p>Women's Week</p> <ul style="list-style-type: none"> • Franschhoek in partnership with SCORE benefiting 62 local ladies. • Pniël reaching 60 women. • Doornbosch Farms reaching 70 women. • Kayamandi with 60 participants. • 100 women from Cloetesville. • 50 ACVV and Child Welfare foster parents. • 100 ladies working with children from Klapmuts. <p>Awareness Programmes</p> <ul style="list-style-type: none"> • A Foster / Safety parent programme benefitting 42 persons was held in partnership with DSD. • Widow empowerment programme reaching 114 widows focussing on a celebration of heritage. • International Diabetes and Wellness was hosted for 70 ladies from Kayamandi. • World Aids Day was celebrated with @heart. • Help a Girl Child programme with a GBV focus reaching 438 children in Kayamandi. • 97 Young girls benefitted from the Sisi Subz programme in collaboration with BBF Safety Group, Sonke Gender Justice and the Western Cape Government Departments of Education and Health. • 150 Gr 7 learners attended a session on decision making promoting the concept of Ladies of the Future to guide them through their secondary school phase. • Help a girl Campaign in collaboration with Help a Girl Organisation and Provincial Safety launched a campaign to assist the girls of Makupula Secondary to receive pad donations. 460 learners received from the first programme and 230 from the second programme. <p>116 Days of Activism Launch and projects speaking to</p> <ul style="list-style-type: none"> • A launch of the campaign was hosted by the Executive Mayor. • The Safety of elderly women on farms reaching 50 women and in Cloetesville reaching 80. |
| Youth | Youth Empowerment programmes Youth Capacity Building Transversal committees / Adhoc programmes Grant in aid Donations | <p>JPI 27</p> <ul style="list-style-type: none"> • In collaboration with Department of Education and DCAS. • Two schools were chosen to pilot programme. Pniël Primary and Kayamandi Secondary. Progress is made at Pniël Primary School and Makapula when lock down brought all activities to a standstill. <p>Youth Capacity Building</p> <p>The Mayoral Youth Skills Development programme originated from the high unemployment rate among local youth and the need for access to skills development. Stellenbosch also has employment opportunities for artisan trained persons in a number of local industries as evident in the research report produced by a Belgian student as part of her internship at the municipality. Successful candidates received free access to an accredited skill development programme after undergoing a recruitment process. As part of the recruitment and selection process they were introduced to the different</p> |



| Type of service | | |
|-----------------------------|---|---|
| | | <p>industries. All courses included a practical placements component along with a job preparedness programme focussing on life-skills. 14 Youth participated in the General Building Maintenance training, 13 in the plumbing course, 37 youth were trained as Five Star table attendants, 20 as food service assistants and 12 as assistant chefs.</p> <p>Transversal committees/ Adhoc programmes</p> <ul style="list-style-type: none"> • 1 300 youth were exposed to work opportunities and careers in the agricultural sector in collaboration with Kaap Agrimark, and Elsenburg College. • Pniël Youth 16 Days of Activism reaching 59 youth. • Accessing job portals with the Department of Labour. 76 youth participated. • Cape Winelands Drama Festival. Two groups from Franschhoek participated and came second in the finals. • Parenting workshop for parents of youth to address problems experienced by parents to reach out and connect to the youth. • 13 Youth from the Wemmershoek community participated in a Job Hunting workshop. • Youth and the IDP was attended by 27 youth. • Youth in Foster Care Programme: Career Guidance. • Job Preparedness: La Motte (49 youth), Cloetesville (30) participated in the workshops. • Youth attending a regional youth camp (10). • 10 Youth attended the script writing workshops. • EPWP Artisan placement in Maintenance Department = 4 local youth. • 59 youth participated in a dialogue session in Kayamandi. |
| <p>People on the street</p> | <p>Municipal Policy Development, Awareness Raising through collaboration and Services</p> | <p>Public Participation and Policy Development: Street People policy approved.</p> <p>Give Responsibly The campaign gained momentum during the second part of 2019, but with COVID-19 and the lock down regulations came to a complete stand still. This did not stop the following from happening in the background to allow the campaign to be pushed to the forefront of people's minds once the lock down has been lifted:</p> <ul style="list-style-type: none"> • The Cheese App (an electronic coupon) has been developed to assist with taking cash off the streets. This means that a resident can now assist some homeless persons without being in the vicinity of a retail partner selling coupons; • Currently we have 26 local businesses supporting the campaign through the sale of coupons; and • Five marketing videos has been developed in partnership with the university that can be used on different platforms to educate the public on the campaign. <p>Restorative Justice A programme in collaboration with Community Safety to assist with the implementation of Street Bylaws that would not only provide a form of paying back for transgressions through manual labour, but also act as a referral system for social services.</p> <p>Temporary Safe Space for Homeless Persons With the start of lock down, the municipality established and managed a temporary shelter for homeless persons first at Klapmuts Sport Grounds and then at Van der Stel. The shelter provided the following services:</p> <ul style="list-style-type: none"> • Regular referrals and transport to health services; • Ablution Facilities; • Opportunities to wash their cloths; • Bedding and blankets; and • Daily meals. <p>Mandela Day</p> |



| Type of service | | |
|---------------------------|--|---|
| | | The municipality partnered with Straatlig in a pop-up street store for homeless persons reaching 147 people. |
| Grant in Aid | Donations to community organisations serving among others: youth, gender, ECD's, Old Age Homes, Health Organisations and Sport Clubs | <p>Capacity Building</p> <ul style="list-style-type: none"> One financial management workshop was conducted to assist emerging organisations to comply with the financial reporting requirements of the Grant in Aid policy. The workshop was attended by 76 persons. Two compulsory workshops on the application process and policy were concluded. The workshops were attended by 220 prospective applicants. 21 organisations also participated in a capacity building session hosted by the department to assist DSD with organisational compliance and NGO registrations. <p>Donations</p> <ul style="list-style-type: none"> 119 applications were received. Table 3.61 indicates the number of approved donations. |
| Social Relief of Distress | Provision of basic needs to persons adversely affected by disaster incidences and the Temporary Homeless Shelter | <p>75 incidences were responded to, supporting 434 persons The following resources were distributed:</p> <ul style="list-style-type: none"> Matrasses: 508; Blankets: 479; Food Parcels: 138; Male Vanity Packs: 306; Female Vanity Packs: 222; and Baby Packs: 6. |
| Mobile Thusong | Assisting provincial government to reach persons in rural settings | <p>On 21 and 22 October 2019, a Thusong programme was hosted in Pniël. Persons were bussed in from the surrounding areas reaching 754 people. The following departments were present on the days:</p> <p>Departments of Home Affairs, Water Affairs, Labour, Arts and Culture, Education and Health. Stellenbosch Municipality were represented through the Housing Department, Finance, Electricity and Community Development.</p> <p>The following were also present: SASSA, Boland College, CPUT, SEDA, SA Human Rights Commission, IEC and Stats SA.</p> |

Table 3:65: Number Grant In Aid Applications Recommended and Approved

| Sub Category | Applications Recommended | Amount Approved |
|-----------------------------------|--------------------------|-----------------|
| General Social Development | 4 | 158 200 |
| Early Childhood Development (ECD) | 27 | 1 040 000 |
| Disability | 2 | 80 000 |
| Elderly | 3 | 120 000 |
| Youth | 8 | 320 000 |
| Substance Abuse | 2 | 80 000 |
| Food Security | 1 | 40 000 |
| People living on the street | 1 | 1 365 201 |
| Skills Development | 3 | 120 000 |
| Physical and Psychological Health | 2 | 80 000 |
| Sport Clubs | 10 | 400 000 |
| Arts and Culture | 5 | 185 000 |



3.12 COMPONENT D: ENVIRONMENTAL PROTECTION

3.12.1 POLLUTION CONTROL, BIO-DIVERSITY, LANDSCAPE, OPEN SPACES, PARKS

Stellenbosch Municipality is continually developing its capacity to protect the environment within its boundaries and to strive towards a municipality and communities that recognise the vital importance of their rich natural capital and manage these in a manner that ensures sustainability and fulfils the needs of all concerned. To this effect Stellenbosch Municipality has developed the Stellenbosch Environmental Management Framework, a municipal strategic environmental management policy that responds to and complies with the relevant statutes and directives. This document was adopted by Council during its June 2019 meeting.

Stellenbosch Municipality, through the Department Community Services is in the process of compiling dedicated Environmental Management Plans (EMPs) for all its declared nature reserves and nature areas. Papegaaiberg Nature Reserve has an approved EMP, currently under review along with Jan Marais Park's EMP. A first draft EMP for Mont Rochelle Nature Reserve has been completed and is ready for public input before being submitted to Council. The Paradyskloof Nature Area was accepted by Council during its May 2019 meeting. Stellenbosch Municipality has also completed an Invasive Alien Plant Management Plan, as required in terms of the National Environmental Management: Biodiversity Act (10 of 2004) and an Integrated Fire Management Plan to assist in the management of large vacant nature areas under the management of Council.

An Air Quality Control By-Law as well as a Noise Control Policy has been developed and adopted by Council. The latter is implemented by a dedicated Air Quality / Noise Control Officer appointed within the Department: Community Services.

Stellenbosch Municipality works closely with the Department of Environmental Affairs and Development Planning in reporting on illegal activities, as well as administering the rehabilitation action of Section 30 (National Environmental Management Act, 107 of 1998) Emergency Incidents.

Re: Noise complaints received and dealt with in 2018 and 2019 respectively:

Complaints are captured on a central database and dealt with within the required timeframes. The statistics included both air quality related matters and noise complaints. All noise complaints are investigated in terms of The Western Cape Noise Control Regulations PN200/2013.

**Table 3:66: Air Quality Complaints 2018**

| 2018 Complaints | 1 st Quarter | 2 nd Quarter | 3 rd Quarter | 4 th Quarter |
|--------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Fumes | 2 | 2 | 3 | 3 |
| Smoke | 2 | 0 | 3 | 2 |
| Dust | 3 | 4 | 3 | 3 |
| Burning of waste / tyres | 0 | 0 | 0 | 0 |
| Farm land burning | 0 | 0 | 0 | 0 |
| Crop spraying | 0 | 0 | 0 | 0 |
| Offensive odors | 0 | 2 | 3 | 2 |
| Unlicensed facilities | 0 | 0 | 0 | 0 |
| Noise | 34 | 45 | 47 | 40 |
| Other | 1 | 0 | 0 | 0 |
| Total | 42 | 53 | 59 | 50 |

Table 3:67: Air Quality Complaints 2019

| 2019 Complaints | 1 st Quarter | 2 nd Quarter | 3 rd Quarter | 4 th Quarter |
|--------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Fumes | 3 | 4 | 2 | 4 |
| Smoke | 2 | 3 | 4 | 4 |
| Dust | 5 | 4 | 3 | 5 |
| Burning of waste / tyres | 0 | 0 | 0 | 2 |
| Farm land burning | 2 | 2 | 3 | 3 |
| Crop spraying | 0 | 0 | 0 | 2 |
| Offensive odors | 2 | 2 | 3 | 3 |
| Unlicensed facilities | 0 | 0 | 0 | 0 |
| Noise | 40 | 45 | 48 | 45 |
| Other | 2 | 0 | 0 | 1 |
| Total | 56 | 60 | 59 | 63 |

- Total noise complaints for 2018 = **166**
- Total noise complaints for 2019 = **178**

3.12.1.1 Environmental Implementation

Table 3:68: Visitors Statistics – Environmental Implementation

| Type of service | 2019/20 |
|--|---------|
| Visitors Statistics: Nature Reserves | |
| Paradyskloof Nature Area | 5 468 |
| Jan Marais Nature Reserve | 2 990 |
| Eco Centre Visits – Training, Group Visits / Schools | 1 419 |
| Mont Rochelle Nature Reserve | 3 836 |
| Ida's Valley Protected Area | 2 617 |
| Onderpappegaaiberg Area | 501 |

**Table 3:69: EPWP Statistics – Environmental Management**

| Type of service | 2019/20 |
|--|---------|
| EPWP Statistics | |
| Forest Guards | 15 |
| Fire Management | 11 |
| Mountain Trails | 6 |
| Jan Marias Nature Reserve | 7 |
| Integrated River | 16 |
| Biodiversity Veld Rehabilitation | 12 |
| Environmental Clerk | 0 |
| Urban Forestry Cleaning and Greening Project | 11 |

3.12.1.2 Urban Forestry

The aim of the Urban Forestry Sub-section is to facilitate the planting, protection, blanking, maintenance and long term management of all trees located on municipal property through tree management (arboricultural) practices, thus promoting a sustainable development approach. This approach is geared towards making WC024 the greenest municipality in South Africa through Urban Forestry practices which guides investors towards future sustainable development.

Table 3:70: Management of trees in WC024 – Urban Forestry

| Type of service | 2019/20 |
|----------------------------------|---------|
| Management Trees In WC024 | |
| Trees planting programme | 60 |
| Pruning of trees | 129 |
| Felling of trees | 16 |
| Stump grinding of trees | 5 |
| Spraying of oak trees | 3 |
| Root barrier management | 6 |
| Wayleaves | 65 |



3.13 COMPONENT E: SECURITY AND SAFETY

3.13.1 LAW ENFORCEMENT

Stellenbosch Municipality has a Control Room that is operational 24/7. Besides the function of call taking and dispatch, the Control Room is a fully fledged operational centre where CCTV/ LPR (Licence Plate Recognition) cameras are monitored daily. These cameras have been strategically placed to monitor hotspot areas for criminality within the WC024 area. The LPR cameras are linked to a cloud and send alerts of suspect vehicles or stolen vehicles which has been loaded and verified by SAPS to key role players such as the Control Room, law enforcement agencies and the local SAPS. The LPR cameras have in the past resulted in the successful arrest of wanted criminals by SAPS. It has also proven to be an effective crime deterrent.

Stellenbosch has an approved comprehensive safety plan that addresses all the aspects of safety, from road safety and crime, to dealing with disasters and fires. The safety plan was compiled with the input of the community and the respective safety disciplines. The plan is reviewed on an annual basis. Safety is the responsibility of all residents of Stellenbosch. The socio-economic challenges of inequality, poverty and unemployment are major contributors to unsafe environments in WC024.

With this Safety Plan the Stellenbosch Municipality, all the relevant role-players as well as the residents of the Greater Stellenbosch, commit themselves to maintain and promote a zero-tolerance approach to crime, through the Stellenbosch Safety Initiative (SSI). The SSI consists of operational members from SAPS, Traffic, Fire, Law Enforcement and Security partners.

Stellenbosch Municipality was also aided by the Department of Community Safety with the training and deployment of 18 Peace Officers in Stellenbosch and Franschhoek on a three-month contract.

Highlights:

- SSI task team members meet weekly to plan and execute joint operations with SAPS as key role-player.
- Special Operations Unit established in terms of Safety Plan.
- Centralised Control Room and CCTV monitoring at Fire Station (Phase 1 completed).
- The expansion of the Control Room is in progress (Phase 2).
- The LPR camera project (entrances and exits to Stellenbosch and Franschhoek) completed with LPR camera installations.

Challenges:

- To render a 24/7 Law Enforcement patrol service.
- Provide appropriate security of assets and facilities.
- Increase and maintain surveillance of key places.
- Prevent land invasions.
- Insufficient staff to fulfil operational requirements.
- Insufficient vehicle fleet to fulfil its mandate for a safer environment.
- Insufficient office space to accommodate departmental staff.



Law Enforcement attended to the following incidents:

Table 3:71: Law enforcement incidents responded to

| | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Total |
|-------------------------------|-----|-----|-----|-----|-----|-------|-----|-----|-----|-----|-----|-----|-------|
| Arrest | 0 | 1 | 12 | 5 | 1 | 0 | 14 | 0 | 0 | 0 | 0 | 0 | 33 |
| Vagrants removed | 406 | 627 | 301 | 861 | 914 | 1 031 | 580 | 140 | 407 | 54 | 131 | 100 | 5 552 |
| Drinking in public | 75 | 32 | 83 | 22 | 89 | 107 | 127 | 0 | 12 | 12 | 0 | 4 | 563 |
| Illegal car guard | 86 | 301 | 100 | 274 | 246 | 195 | 295 | 142 | 147 | 4 | 89 | 35 | 1 914 |
| Beggars removed | 106 | 138 | 42 | 124 | 147 | 159 | 180 | 0 | 0 | 0 | 0 | 0 | 896 |
| Illegal hawkers | 10 | 0 | 3 | 3 | 14 | 13 | 5 | 0 | 0 | 0 | 0 | 0 | 48 |
| Warnings | 34 | 113 | 15 | 148 | 31 | 219 | 92 | 0 | 0 | 0 | 0 | 0 | 652 |
| Disorderly behaviour | 0 | 11 | 0 | 2 | 3 | 7 | 2 | 0 | 0 | 0 | 0 | 0 | 25 |
| Noise complaint | 21 | 22 | 53 | 88 | 21 | 30 | 5 | 0 | 21 | 2 | 26 | 54 | 343 |
| Dog complaints | 8 | 2 | 13 | 20 | 13 | 10 | 0 | 0 | 8 | 1 | 4 | 9 | 88 |
| Fines issued 56's | 27 | 33 | 6 | 1 | 2 | 0 | 0 | 53 | 29 | 217 | 196 | 88 | 652 |
| Illegal structures demolished | 5 | 18 | 8 | 17 | 13 | 5 | 32 | 8 | 74 | 6 | 31 | 13 | 230 |
| Illegal extensions | 2 | 1 | 6 | 0 | 0 | 1 | 2 | 0 | 0 | 0 | 0 | 0 | 12 |
| Illegal car washers | 0 | 33 | 0 | 2 | 3 | 32 | 0 | 0 | 0 | 0 | 0 | 0 | 70 |
| Others | 89 | 226 | 14 | 7 | 80 | 65 | 180 | 275 | 412 | 350 | 254 | 62 | 2 014 |

3.13.1.1 Capital Expenditure – Law Enforcement

Table 3:72: Capital Expenditure as at 30 June: Law Enforcement

| Capital Projects | Adjustment Budget | Actual Expenditure | Variance from Adjustment Budget |
|--|-------------------|--------------------|---------------------------------|
| | R | | |
| Law Enforcement: Vehicle Fleet | 2 135 000 | 1 912 008 | -10.44% |
| Install and Upgrade CCTV Cameras In WC024 | 1 000 000 | 119 379 | -88.06% |
| Install Computerised Access Security Systems and CCTV Cameras at Municipal Buildings | 1 000 000 | 474 937 | -52.51% |
| Law Enforcement Tools and Equipment | 600 000 | 532 528 | -11.25% |
| Furniture Tools and Equipment | 350 000 | 294 838 | -15.76% |

Only the 5 largest capital projects are listed

Law Enforcement have spent, **63.08%** of the capital budget for the financial year.

3.13.2 TRAFFIC LAW ENFORCEMENT

Traffic Services is performing its functions as guided by the National Road Safety Strategy with its main objectives being to achieve traffic safety on municipal roads including the functions as defined in the municipality's Integrated Development Plan.

The National Road Safety Strategy provides all year-round road safety initiatives. The department has increased its enforcement strategy in collaboration with stakeholders and affected parties. Operations like Automatic Number-plate Recognition operations are conducted to improve compliance with and payment of traffic fines.



On-going objectives are to improve road user behaviour; reduce the incidence of traffic offences; including speeding; drunk-driving and driving under the influence of narcotics; dangerous overtaking; the removal of unfit road users from traffic; roadworthiness of vehicles; public transport compliance with regard to vehicles and drivers; provide sufficient and coordinated regulation of traffic on strategic roads; pedestrian education and compliance, eradication of corruption; administrative compliance and overall improvement of enforcement systems.

The outbreak of COVID-19 during the period of March 2020 caused the whole country to go into lockdown as from 23 March 2020, which affected normal operations negatively. As a result, our administrative activities were not operational for more than 2 months. Since the implementation of the lockdown especially during levels 4 and 5, the Law Enforcement agencies were very much focussed on the task as laid down by the restrictions and were very effective. The working relationship improved as all security / policing / law enforcement role-players worked together under difficult conditions whereby good results were achieved. The Outbreak of COVID-19 did expose our challenges in terms of limited staff resources.

3.13.2.1 Highlights for Traffic Law Enforcement

The new approach in terms of Traffic Law Enforcement strategies has managed to yield good results; for example, in this financial year a total number of roadblocks held increased from 205 the previous year to 267. In terms of accidents reported, fewer casualties in terms of fatal accidents reported 15 versus 33, while the total number of culpable homicide cases reported during this this year came to 9, down from 18 recorded in the previous year.

This is achieved as a result of lockdown regulations that required coordinated deployment of law enforcement agencies to enforce lock down regulations that has put a total ban on the sale of alcohol during level 5 and level 4 and with declining restrictions on other levels. The curfew regulations further assisted by reducing movement of people on our roads and we managed to achieve good results. The improvement of Visible Crime Prevention and joint operations between enforcement agencies managed to deliver excellent results, for example during this period a total number of 16 993 moving violations were issued as compared to 10 644 on the previous financial year. Cognisance need to be taken that these include COVID-19 transgressions.

Stop and check done for the period 2019/20 = 943, during COVID- 19 the lockdown period our stop and check operations were increased for compliance purposes.

Awareness initiatives on Public Safety done for the period = 30.

A total number of 8 pedestrians' fatalities was recorded as compared to 11 in the previous financial year.

A total number of 19 vehicle fatal accidents were reported, a marginal decrease as compared to a total of 33 fatal accidents reported during the period 2018/19.

It is observed that due to lockdown regulations accidents statistics did decrease during the disaster period on our roads.



3.13.2.2 Service Statistics – Traffic Services

Table 3:73: Service Data for Traffic Services

| Details | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|---|------------|------------|------------|------------|
| Number of Traffic Officers in the field on an average day | 21 | 21 | 30 | 27 |
| Number of Traffic Officers on duty on an average day | 28 | 28 | 30 | 30 |
| Motor vehicle licenses processed | 153 119 | 80 472 | 77 374 | 69 338 |
| Learner driver licenses processed | 5 200 | 4 560 | 8 677 | 3273 |
| R-value of fines collected | 28 652 120 | 23 773 325 | 26 557 540 | 23 138 195 |
| Roadblocks held | 25 | 156 | 205 | 267 |
| Special functions – escorts | 144 | 157 | 170 | 42 |
| Awareness initiatives on public safety | 120 | 211 | 104 | 75 |

Table 3:74: Additional Service Data of Traffic Services

| Description | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|--|---------|---------|---------|---------|
| Accidents | | | | |
| Fatal | 21 | 11 | 33 | 15 |
| Serious injuries | 76 | 66 | 71 | 60 |
| Slight injuries | 517 | 330 | 428 | 306 |
| No injuries | 2 551 | 3 145 | 2 979 | 2 450 |
| Reckless / careless: case dockets | 48 | 52 | 24 | 21 |
| Culpable homicide: case dockets | 17 | 18 | 18 | 9 |
| Pedestrians: fatal | 10 | 06 | 11 | 8 |
| Pedestrians: serious injuries | 29 | 34 | 21 | 42 |
| Pedestrians: slight injuries | 106 | 68 | 98 | 110 |
| Learner's licences | | | | |
| Appointments | 5 200 | 4 560 | 4 915 | 3 464 |
| Applications passed | 2 958 | 2 829 | 2 829 | 2201 |
| Duplicate request | 112 | 136 | 110 | 96 |
| Applicants tested | 4 462 | 4 146 | 4 025 | 3 223 |
| Applicants failed | 1 890 | 1 601 | 1 465 | 1 072 |
| Applicant absent | 644 | 335 | 414 | 386 |
| Driver's licences | | | | |
| Appointments | 2 382 | 2 323 | 1 739 | 1 442 |
| Conversions | 9 018 | 9 492 | 9 172 | 7 521 |
| Applicants tested | 1 615 | 1 640 | 1 348 | 1 276 |
| Driving licenses issued (temp) | 4 492 | 4 692 | 5 070 | 3 604 |
| Applicants passed | 824 | 729 | 594 | 564 |
| Applicants failed | 988 | 1 090 | 823 | 711 |
| Applicants absent | 374 | 284 | 264 | 340 |
| Applications instructors | 6 | 10 | 9 | 4 |
| Issued instructors | 5 | 6 | 10 | 4 |
| Application / issued PRDP | 1 686 | 1 697 | 1 720 | 1 428 |
| Testing centre: roadworthy certificates | | | | |



| Description | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|---|---------|---------|---------|---------|
| Motor vehicles | 637 | 762 | 210 | 0 |
| Light delivery vehicles | 124 | 128 | 45 | 0 |
| Heavy delivery vehicles (trucks) | 78 | 45 | 22 | 0 |
| Trailers | 77 | 44 | 40 | 21 |
| Taxis | 65 | 41 | 18 | 0 |
| Busses | 10 | 17 | 0 | 0 |
| Motorbikes | 90 | 53 | 78 | 31 |
| Motor vehicle registration | | | | |
| Duplicate registrations cert. | 1478 | 1639 | 1 557 | 1 150 |
| Registration only | 14 591 | 14 432 | 14 457 | 11 481 |
| Licence fees (12%) (renew) | 83 219 | 80 472 | 77 374 | 69 338 |
| Temporary permits | 236 | 212 | 220 | 194 |
| Special permits | 380 | 436 | 324 | 284 |
| Specific registration number | 702 | 711 | 581 | 488 |
| RTMC | 51 083 | 52 391 | 52 857 | 45 939 |
| Traffic offences | | | | |
| Vehicle defective / faulty | 834 | 1 094 | 1 999 | 3663 |
| Moving violations | 19 994 | 14 661 | 1 369 | 16 993 |
| Parking offences / violations/mobile | 7 055 | 23 968 | 25 715 | 16 254 |
| Speed camera / mobile / fixed and robot traffic - TMT | 233 711 | 573 339 | 251 378 | 284 029 |

3.13.2.3 Capital Expenditure – Traffic Services

Table 3:75: Capital Expenditure as at 30 June: Traffic Services

| Capital Projects | Adjustment Budget | Actual Expenditure | Variance from Adjustment Budget |
|--------------------------------|-------------------|--------------------|---------------------------------|
| | R | | |
| Replacement of Patrol Vehicles | 927 293 | 968 434 | 4.44% |
| Furniture, Tools and Equipment | 300 000 | 151 795 | -49.40% |
| Mobile Radios | 200 000 | 146 429 | -26.79% |

Traffic Services have spent, **88.75%** of the capital budget for the financial year.



3.13.2.4 Total Employees – Traffic and Law Enforcement Services

Table 3:76: Total Employees – Traffic and Law Enforcement

| Job Level* | Posts* | Employees* | Vacancies (full time equivalents) | Vacancies (as a % of total posts) |
|--------------|------------|------------|-----------------------------------|-----------------------------------|
| | | Number | | |
| 18 – 22 | 1 | 1 | 0 | 0% |
| 14 – 17 | 4 | 2 | 2 | 50% |
| 9 – 13 | 70 | 45 | 25 | 35.70% |
| 4 – 8 | 83 | 6 | 41 | 49.40% |
| 3 – 0 | 0 | 0 | 0 | 0% |
| Total | 158 | 54 | 68 | 43% |

* The previous tables were based on gradings of the maintenance phase where employees have been put on T-levels which skewed the true reflection of the grades of posts on the current organogram. The current table is based on the approved organogram of 2017/2019 and where posts would fit in in terms of the TASK grades currently being evaluated. It is further aligned to the number of posts on the 2017/2019 organogram. The vacancy rate is based on the total amount of vacancies as per the organogram although the rate should only be based on funded vacancies existing within the section / department.

3.13.3 FIRE AND DISASTER MANAGEMENT

"Fire Services is a vital public service. It is part of the fabric of all our communities. The service it provides is essential in preventing fires from starting in the first place and in responding quickly and effectively to those incidents with which it has to deal. Increasingly, it is now developing a wider role. That role involves tackling new threats which we are now facing, including terrorism and threats such as flooding and other environmental disasters" (Prescott, Deputy Prime Minister, United Kingdom, 2003)

Stellenbosch also welcomes and endorses the vision for fire services in terms of the new White Paper on Fire Services –

A fire service that is proactive in preventing fires and other risks rather than simply reacting to fires through:

- Acting in support of the wider developmental agenda as outlined in the NDP;
- Establishing sound institutional and administrative capabilities
- Demonstrating good governance and administration;
- Adopting community-based approaches;
- Putting people and their concerns first; and
- Professionalisation of the function.

Disaster Management and its objectives:

- Building of institutional capacity within the Stellenbosch Municipality;
- Perform disaster risk reduction initiatives to ensure safer and resilient communities;
- Ensure implementation of community safety programmes and campaigns to promote safe resilient sustainable communities;
- Establishing of efficient early warning systems;
- Improving emergency preparedness in vulnerable communities; and
- Ensure appropriate response by relevant services to emergencies and disasters within the Stellenbosch Municipality.



Highlights:

- Launch of the new hydraulic ladder platform fire truck.
- Acceptance of a fully-geared new rapid response 4x4 fire truck.
- Replacement of fire gear (helmets, bunker gear and boots) for all fire personnel.
- Upgrading of centralised control centre at Stellenbosch fire station approved.
- Establishment of dedicated COVID-19 sanitising team.

Challenges:

- a) Rapid expansion / density of informal settlements.

3.13.3.1 Service Statistics – Fire and Disaster Management

Table 3:77: Service Data for Fire and Disaster Management

| Details | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|---|---------------|---------|---------|---------|---------|---------|---------|
| Total fires attended in the year | 425 | 817 | 794 | 647 | 1 011 | 1 043 | 947 |
| Total of other incidents attended in the year | 866 | 1 953 | 555 | 1 952 | 1 655 | 1 511 | 1 740 |
| Average turnout time - urban areas (minutes) | 8.25 | 8.25 | 8.25 | 8.25 | 8.25 | 8.25 | 8.25 |
| Average turnout time - rural areas (minutes) | 20.5 | 22.75 | 22.75 | 22.75 | 20.5 | 20 | 15 |
| Fire fighters in post at year end | 42 | 43 | 56 | 52 | 57 | 57 | 58 |
| Total fire appliances at year end | 9 | 11 | 9 | 10 | 11 | 13 | 15 |
| Average number of appliances off the road during the year | 4 | 2 | 2 | 3 | 2 | 2 | 2 |
| Total operational callouts | 1 291 | 2 770 | 1 349 | 2 704 | 2 666 | 2 556 | 2687 |
| Immediate relief to victims | Not available | 552 | 1 021 | 831 | 849 | 437 | 573 |
| Emergency flood kits | 567 | 116 | 411 | 300 | 184 | 118 | 372 |
| Emergency housing kits | 53 | 299 | 341 | 277 | 190 | 149 | 262 |
| Meals (food parcels) | - | 215 | 349 | 327 | 180 | 158 | 138 |
| Blankets | - | 297 | 699 | 315 | 526 | 473 | 479 |
| COVID-19 Meals served at Temporary Homeless Shelter | - | - | - | - | - | - | 14 544 |

3.13.3.2 Capital Expenditure – Fire and Disaster Management

Table 3:78: Capital Expenditure as at 30 June: Fire and Disaster Management

| Capital Projects | Adjustment Budget | Actual Expenditure | Variance from Adjustment Budget |
|---|-------------------|--------------------|---------------------------------|
| | R | | |
| Hydraulic Ladder Fire Truck | 10 744 000 | 10 743 580 | 0.00% |
| Major Fire Pumper | 4 500 000 | - | -100.00% |
| Upgrading of Stellenbosch Fire Station | 3 923 728 | 471 801 | -87.98% |
| Specialised Vehicle | 1 625 193 | 1 625 193 | 0.00% |
| Rescue equipment | 869 000 | 852 091 | -1.95% |
| <i>Only the 5 largest capital projects are listed</i> | | | |

Fire and Disaster Management have spent, **63.36%** of the capital budget for the financial year.



3.13.3.3 Total Employees - Fire and Disaster Management

Table 3:79: Total Employees – Fire Services

| Job Level* | Posts* | Employees* | Vacancies (full time equivalents) | Vacancies (as a % of total posts) |
|--------------|-----------|------------|-----------------------------------|-----------------------------------|
| | | Number | | |
| 18 – 22 | 1 | 1 | 0 | 0% |
| 14 – 17 | 5 | 5 | 0 | 0% |
| 9 – 13 | 14 | 9 | 5 | 35.70% |
| 4 – 8 | 70 | 17 | 53 | 75.70% |
| 3 – 0 | 0 | 0 | 0 | 0% |
| Total | 90 | 32 | 58 | 64.40% |

* The previous tables were based on gradings of the maintenance phase where employees have been put on T-levels which skewed the true reflection of the grades of posts on the current organogram. The current table is based on the approved organogram of 2017/2019 and where posts would fit in in terms of the TASK grades currently being evaluated. It is further aligned to the number of posts on the 2017/2019 organogram.
The vacancy rate is based on the total amount of vacancies as per the organogram although the rate should only be based on funded vacancies existing within the section / department.



3.14 COMPONENT F: SPORT AND RECREATION

3.14.1 HOLIDAY RESORTS AND CAMP SITES

The Stellenbosch Municipality is responsible for the management and maintenance of one picnic site. The Jonkershoek Picnic Site is situated in the Jonkershoek Valley on the banks of the Eerste River. The picnic site attracts up to 15 840 visitors per annum due to its natural beauty and tranquillity set at the foothills of the Jonkershoek mountains. The site provides outdoor leisure for visitors, catering for braai and picnics along the river course.

3.14.1.1 Service Statistics – Holiday Resorts and Campsites

Table 3:80: Service Statistics – Holiday Resorts and Campsites

| Type of service | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|--|--|---|--|---|--|---|
| Number of resorts | 1 | 1 | 1 | 1 | 1 | 1 |
| % Occupation for the year for Jonkershoek picnic site (open from 1 September to 30 April) | PAX: 17 248 CARS: 5 234 Income: R462 790 | PAX:16 256 CARS:4687 Income: R459 197 | PAX:15840 CARS:3372 Income: R448 701 | PAX:13636 CARS:2434 Income: R403 579.74 | PAX:20690 CARS:5246 Income: R648 115 | PAX:12993 CARS:2063 Income: R462 832.73 |

The Stellenbosch Municipality is responsible for the management and maintenance of seventeen sports grounds in its municipal area. These grounds are surrounded by the scenic beauty of the Stellenbosch Mountains. Ten are located in the urban areas and seven in the rural areas.

It is the Municipality's goal to create active, healthy communities and to provide a sporting hub for all its residents and visitors by offering a wide range of well-maintained and well-managed sporting facilities.

Stellenbosch Municipality manages and maintains one swimming pool in the greater Stellenbosch area. The swimming pool is situated in Cloetesville and can accommodate two hundred and seventy-five (275) people at any time per day. The existing facility can host swimming galas and aims to further sports development and recreation.

3.14.1.2 Service Statistics Sport - Grounds and Swimming Pools

Table 3:81: Service Statistics Sport Grounds and Swimming Pool

| Type of service | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|---|---------|---------|---------|---------|---------|---------|
| Number of sport grounds / fields | 17 | 17 | 17 | 17 | 17 | 17 |
| Number of swimming pools | 1 | 1 | 1 | 1 | 1 | 1 |
| Number of stadiums | 10 | 10 | 10 | 10 | 10 | 10 |



3.14.1.3 Capital Expenditure – Sport Grounds and Swimming Pools

Table 3:82: Capital Expenditure as at 30 June: Sport Grounds and Swimming Pools

| Capital Projects | Adjustment Budget | Actual Expenditure | Variance from Adjustment Budget |
|---|-------------------|--------------------|---------------------------------|
| | R | | |
| Vehicle Fleet | 1 751 897 | 1 417 966 | -19.06% |
| Upgrade of swimming pool | 1 500 000 | 34 783 | -97.68% |
| Building of Clubhouse and Ablution Facilities: Lanquedoc Sports Grounds | 1 146 049 | 663 626 | -42.09% |
| Upgrade of Sport Facilities | 600 000 | 362 244 | -39.63% |
| Upgrading of Lanquedoc Sports Grounds | 600 000 | 600 246 | 0.04% |
| Only the 5 largest capital projects are listed | | | |

Sport Grounds and Swimming Pools have spent, **49.68%** of the capital budget for the financial year.

3.14.1.4 Total Employees – Sport Grounds and Swimming Pools

Table 3:83: Total Employees – Sport Grounds and Swimming Pools

| Job Level* | Posts* | Employees* | Vacancies (full time equivalents) | Vacancies (as a % of total posts) |
|--------------|-----------|------------|-----------------------------------|-----------------------------------|
| | Number | | | |
| 18 – 22 | 0 | 0 | 0 | 0% |
| 14 – 17 | 1 | 1 | 0 | 0% |
| 9 – 13 | 11 | 6 | 5 | 45.50% |
| 4 – 8 | 27 | 21 | 6 | 22.20% |
| 3 – 0 | 11 | 8 | 3 | 27.30% |
| Total | 50 | 36 | 14 | 28% |

* The previous tables were based on gradings of the maintenance phase where employees have been put on T-levels which skewed the true reflection of the grades of posts on the current organogram. The current table is based on the approved organogram of 2017/2019 and where posts would fit in in terms of the TASK grades currently being evaluated. It is further aligned to the number of posts on the 2017/2019 organogram. The vacancy rate is based on the total amount of vacancies as per the organogram although the rate should only be based on funded vacancies existing within the section / department.

3.14.1.5 Community Halls and Facilities

Stellenbosch is the proud owner of two top-class town halls and nine community facilities that cater for local residents and national and international visitors.

The facilities are available throughout the year (365 days per annum) and can be booked for events such as meetings, weddings, training sessions, conferences and community and social events.

Table 3:84: Total functions: Community Halls and Facilities

| Type of service | 2019/20 |
|---|---------|
| Total functions at municipal halls | |
| Stellenbosch Town Hall | 65 |
| Klapmuts Centre | 59 |
| Eikestad Hall | 142 |
| Wemmershoek Hall | 31 |
| La Motte Community Hall | 12 |
| Franschhoek Town Hall | 11 |
| Groendal Community Hall | 76 |



| Type of service | 2019/20 |
|-------------------------|---------|
| Kylemore Community Hall | 20 |
| Pniël Banquet Hall | 44 |

Table 3:85: Total Revenue / Income: Community Halls and Facilities

| Type of service | 2019/20 |
|-------------------------|---------------|
| Stellenbosch Town Hall | R1 047 814.66 |
| Klapmuts Centre | R47 356 |
| Eikestad Hall | R93 475 |
| Wemmershoek Hall | R35 526 |
| La Motte Community Hall | R23 731 |
| Franschhoek Town Hall | R66 260.90 |
| Groendal Community Hall | R61 394.10 |
| Kylemore Community Hall | R11 260.70 |
| Pniël Banquet Hall | R36 706.20 |

3.14.1.6 Total Employees - Community Halls and Facilities

Table 3:86: Total Employees – Community Halls and Facilities

| Job Level* | Posts* | Employees* | Vacancies (full time equivalents) | Vacancies (as a % of total posts) |
|--------------|-----------|------------|-----------------------------------|-----------------------------------|
| | Number | | | |
| 18 – 22 | 0 | 0 | 0 | 0% |
| 14 – 17 | 0 | 0 | 0 | 0% |
| 9 – 13 | 3 | 1 | 2 | 66.70% |
| 4 – 8 | 1 | 0 | 1 | 100% |
| 3 – 0 | 18 | 13 | 5 | 27.80% |
| Total | 22 | 14 | 8 | 36.40% |

* The previous tables were based on gradings of the maintenance phase where employees have been put on T-levels which skewed the true reflection of the grades of posts on the current organogram. The current table is based on the approved organogram of 2017/2019 and where posts would fit in in terms of the TASK grades currently being evaluated. It is further aligned to the number of posts on the 2017/2019 organogram. The vacancy rate is based on the total amount of vacancies as per the organogram although the rate should only be based on funded vacancies existing within the section / department.



3.15 COMPONENT G: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices, financial services, human resource services, ICT services and property services.

3.15.1 FINANCIAL SERVICES

3.15.1.1 Service statistics

Table 3:87: Service Statistics for Financial Services

| Details of the types of account raised and recovered | 2019/20 | | |
|--|----------------|------------------------------------|--|
| | Billed in Year | Actual for accounts billed in year | Proportion of value of accounts billed that were collected |
| | R | | % |
| Property Rates | 360 089 277 | 350 679 382 | 97.39% |
| Electricity | 562 275 303 | 538 583 477 | 95.79% |
| Water | 171 631 994 | 172 237 261 | 100.35% |
| Sanitation | 83 261 986 | 95 886 699 | 115.16% |
| Refuse | 62 956 545 | 65 908 062 | 104.69% |

3.15.1.2 Total Employees – Finance

Table 3:88: Total Employees – Finance

| Job Level* | Posts* | Employees* | Vacancies (full time equivalents) | Vacancies (as a % of total posts) |
|--------------|------------|------------|-----------------------------------|-----------------------------------|
| | Number | | | |
| 18 – 22 | 2 | 1 | 1 | 50% |
| 14 – 17 | 13 | 10 | 3 | 23.10% |
| 9 – 13 | 56 | 49 | 7 | 12.50% |
| 4 – 8 | 103 | 54 | 49 | 47.60% |
| 3 – 0 | 0 | 0 | 0 | 0% |
| Total | 174 | 114 | 60 | 34.50% |

* The previous tables were based on gradings of the maintenance phase where employees have been put on T-levels which skewed the true reflection of the grades of posts on the current organogram. The current table is based on the approved organogram of 2017/2019 and where posts would fit in in terms of the TASK grades currently being evaluated. It is further aligned to the number of posts on the 2017/2019 organogram. The vacancy rate is based on the total amount of vacancies as per the organogram although the rate should only be based on funded vacancies existing within the section / department.



3.15.2 HUMAN RESOURCE SERVICES

Stellenbosch Municipality views the Human Resources Management component as the governance of the organisation's employees. More commonly, human resources per se refers to the people or human capital appointed or employed by the organisation whose skills are used to reduce risk and maximise return on investment. The vision of the Human Resources Department is undoubtedly to build partnerships with management at all levels of the organisation, to create a culture or working environment where employees are valued or appreciated and to ensure a diverse, qualified, healthy and highly motivated workforce focused on achieving the critical outcomes, through the development and administration of cost-effective and results-oriented human resources. Accordingly, the mission of the Human Resources Management Department is to address and achieve the goals and challenges of Stellenbosch Municipality by providing services that promote a work environment that is characterised by fair treatment of staff, open communications, personal accountability, trust and mutual respect. We will seek and provide solutions to workplace issues that support and optimise the operating principles of the organisation.

The Human Resources Management Department objectives for Stellenbosch Municipality include but are not limited to:

- Helping the organisation achieve its goals;
- Ensuring effective utilisation and maximum development of human resources;
- Ensuring respect for human beings;
- Identifying and satisfying the needs of individuals;
- Ensuring reconciliation of individual goals with those of the organisation;
- Achieving and maintaining high morale among employees;
- Providing the organisation with well-trained and well-motivated employees;
- Increasing employees job satisfaction and self-actualisation;
- Developing and maintaining quality of work life;
- Being ethically and socially responsive to the needs of the community;
- Developing overall personality of each employee in its multidimensional aspect;
- Enhancing employee's capabilities to perform the present job; and
- Ensuring service excellence for the broader Stellenbosch community.

The Human Resources services include:

- Strategic Human Resources Management,
- Labour Relations;
- Recruitment and Selection;
- Training and Development;
- Employee Assistance;
- Occupational Health and Safety;
- Employment Equity; and
- All Human Resources Administration.

Each director, manager, departmental head, superintendent, assistant superintendent and foreman are responsible for setting objectives, delegating responsibilities and tasks, motivating staff, disciplining staff, developing skills and career paths, measuring performance and generally guiding their staff. In these endeavours, management and line management are assisted by the Human Resource Department, who provides policies, guidelines, support, systems and specialised inputs.



Main focus priorities for HR Services in 2019/20 were:

- Implementation of the biometric time and attendance system:
The system was implemented from November 2018 and most workplaces have a finger device installed where employees log in. The system worked and accurate records of movement and attendance could be monitored. However, due to the COVID-19 pandemic the system was disabled in March 2020 until further notice. Other options in terms of alternative registering methods are currently under investigation and consideration.
- Finalisation of Human Resources management policies;

The following policies were approved during 2019/20:

- a) Measures to Recover Arrear Monies from Employees owing on their municipal accounts to Stellenbosch Municipality for a period of 90 plus – 01 August 2019.
 - Implementation of the TASK Job Evaluation System:
The policy was adopted and concluded and currently job descriptions are forwarded for evaluation to the CWJEU.
 - Finalisation of historical human resources issues:
The placement of permanent staff and some contract staff has been completed and the employees in the pool are currently being resolved.

The highlights for the Human Resources Department in 2019/20 were the following:

- 230 employees were trained;
- 1st online / virtual training for the Finance Department;
- 14 employees sent for Municipal Minimum Competency Level Training;
- During 2019/20 only 5 out of 19 SALGBC arbitrations were ruled against the Municipality;
- OHS Training were provided to 55 Health and Safety Representatives, 23 First Aider Training and 13 Fire Warden;
- 6 directorate specific recruitment email addresses for emailed job applications were created;
- Virtual shortlisting discussions were conducted via MS Teams;
- Virtual interviews and assessments were conducted via MS Teams; and
- Virtual induction sessions were conducted via Zoom and MS Teams.

The challenges for the Human Resources Department in 2019/20 were the following:

- Shortage of conducive training venues;
- The provision of staff wellness services to the employees of Stellenbosch Municipality; and
- Suitably qualified / trained Chairpersons and Initiators within the Stellenbosch Municipality.

The following was submitted within the 2019/20 year and is under consideration at the LLF:

- a) Measures to recover arrear monies from employees;
- b) TASK Evaluation policy; and
- c) Employee Parking Policy.



3.15.2.1 Total Employees – Human Resources (HR)

Table 3:89: Total Employees – HR

| Job Level* | Posts* | Employees* | Vacancies (full time equivalents) | Vacancies (as a % of total posts) |
|--------------|-----------|------------|-----------------------------------|-----------------------------------|
| | | Number | | |
| 18 – 22 | 1 | 1 | 0 | 0% |
| 14 – 17 | 3 | 2 | 1 | 33.30% |
| 9 – 13 | 14 | 11 | 3 | 21.40% |
| 4 – 8 | 4 | 2 | 2 | 50% |
| 3 – 0 | 0 | 0 | 0 | 0% |
| Total | 22 | 16 | 6 | 27.30% |

* The previous tables were based on gradings of the maintenance phase where employees have been put on T-levels which skewed the true reflection of the grades of posts on the current organogram. The current table is based on the approved organogram of 2017/2019 and where posts would fit in in terms of the TASK grades currently being evaluated. It is further aligned to the number of posts on the 2017/2019 organogram.
The vacancy rate is based on the total amount of vacancies as per the organogram although the rate should only be based on funded vacancies existing within the section / department.

3.15.2.2 Information and Communication Technology (ICT) Services

The ICT department committed its time in the 2019/20 financial year to purchasing and replacing computer software and hardware to improve the efficiency of the various municipal business units.

Highlights:

- Firewall Project was extended by way of procuring 2 additional firewall hardware devices for our DR site located at TERACO. These newly procured items will act as secondary firewalls synchronising with the main firewall at our Data Centre, that was implemented during the 2019/20 financial year.
- The municipality's Data Storage for ICT systems was further enhanced by procuring an additional Tintri VMstore T850 hybrid-flash solution. Tintri's VMware storage speeds performance 6x to save us time and packs storage 10x more densely to save us money.
- Telephony Voice Services was successfully moved from Liquid Telecom to Telkom / BCX with the aim of further reducing our monthly costs. This procurement included redundancy by way of making available a redundant service at our Traffic services that can provide a service in the event the main building's service fails.
- High site wireless hardware links were procured and delivered during this time with the plan to upgrade our network to the outer laying areas under the WC024 area. These are the larger high end wireless devices that will be installed at our high sites on the different mountain ranges where we have towers installed.
- The team further spent time on taking over the network support of the camera infrastructure by way of extending the Avalon contract to cover this critical service. This has reduced the cost of this service as the ICT network has been able to incorporate the camera Infrastructure. This has in turn saved the municipality and the public money in providing this critical service.
- The newly commissioned Server room saw us add additional server storage hardware to accommodate for the other law enforcement and traffic services moving into the server room. This included flexible high speed storage which is easily shared as and when required. Additional storage cabinets (x2) were further procured to accommodate for future growth in this space.
- The ICT Department spent a large amount of its effort on once again reducing costs by way of procuring printers via the National treasury RT3-2018 contract. Our costs for replacing toners had skyrocketed during the year and this change needed to happen soonest. This contract saw us reduce our printer footprint and begin to centrally manage usage across printers. The many office



printers were replaced with shared departmental printers further assisting in reducing costs.

- Successfully implemented the Housing Database System VOIS for Human Settlements.
- Software Audit Financial Year 2019/20 was conducted, and the report was submitted to the ICT Steering Committee.
- The upgrade of the Backup Infrastructure to accommodate and include all critical systems to ensure sustainability of the ICT services.
- A Geospatial Forum was established.
- Biometric project was revived and municipal officials are clocking in. The system ensured effective monitoring of staff attendance and movement but had to be disabled when lockdown was announced. We are currently investigation other options of electronic measurements.
- Biometric Morph software was upgraded to version 14 and is currently stable. There were 28 more clocks which were added at various municipal sites. Biometrics reports are currently distributed monthly to all departments.
- Microsoft System Center Configuration Manager (SCCM) was deployed to assist with Microsoft 365 upgrade.
- ICT developed an Enterprise Architecture Framework to show the view of the current ICT environment with regards to High-level business processes, ICT Governance, ICT Processes, Application and Data Architecture, Infrastructure Architecture and ICT Resources and Skill
- All existing ICT Policies were reviewed, and new ICT Policies were developed and approved by the ICT Steering Committee.
- ICT Governance, Risk and Compliance Management Framework was developed to institutionalise the Corporate Governance of ICT and ICT Risk Management as an integral part of corporate governance within municipalities in a uniform and coordinated manner.
- The Disaster Recovery and Colocation Services project including WAN and Internet Services were successfully implemented by First Technology and will remain in place till the 30 June 2022. The DR site is at TERACO in Claremont and meets all the AG requirements.

Challenges:

- ICT structure does not align to best practices and thus cannot be agile enough to support the municipality.
- Lack of system integration.
- After hours' system maintenance resources to ensure continued service provision, especially after load shedding / power failure.

3.15.2.3 Service Statistics – Information and Communication Technology (ICT) Services

Table 3:90: Service Statistics – ICT

| Details | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|---|---------|---------|---------|---------|---------|---------|
| | % | | | | | |
| Ensure the availability of the network to ensure effective ICT systems for municipal processes | 98 | 98 | 99.9 | 99.9 | 99 | 99 |
| Provide ICT support to all municipal departments by attending to requests within 4 working days | 97 | 98 | 98 | 98 | 98 | 98 |
| Connecting all municipal sites to the ICT network | 100 | 100 | 100 | 100 | 100 | 100 |



3.15.2.4 Capital Expenditure – Information and Communication Technology (ICT) Services

Table 3:91: Capital Expenditure as at 30 June 2019: ICT Services

| Capital Projects | Adjustment Budget | Actual Expenditure | Variance from Adjustment Budget |
|--|-------------------|--------------------|---------------------------------|
| | R | | |
| Upgrade and Expansion of IT Infrastructure Platforms | 8 439 969 | 8 343 315 | -1.15% |
| Purchase and Replacement of Computer / software and Peripheral devices | 1 230 230 | 534 915 | -56.52% |
| Public WI-FI Network | 548 400 | 547 658 | -0.14% |

ICT have spent, **92.24%** of the capital budget for the financial year.

3.15.2.5 Total Employees – Information and Communication Technology (ICT) Services

Table 3:92: Total Employees – ICT

| Job Level* | Posts* | Employees* | Vacancies (full time equivalents) | Vacancies (as a % of total posts) |
|--------------|-----------|------------|-----------------------------------|-----------------------------------|
| | Number | | | |
| 18 – 22 | 1 | 1 | 0 | 0% |
| 14 – 17 | 5 | 5 | 0 | 0% |
| 9 – 13 | 9 | 6 | 3 | 33.30% |
| 4 – 8 | 0 | 0 | 0 | 0% |
| 3 – 0 | 0 | 0 | 0 | 0% |
| Total | 15 | 12 | 3 | 20% |

* The previous tables were based on gradings of the maintenance phase where employees have been put on T-levels which skewed the true reflection of the grades of posts on the current organogram. The current table is based on the approved organogram of 2017/2019 and where posts would fit in in terms of the TASK grades currently being evaluated. It is further aligned to the number of posts on the 2017/2019 organogram. The vacancy rate is based on the total amount of vacancies as per the organogram although the rate should only be based on funded vacancies existing within the section / department.

3.15.3 LEGAL SERVICES

The Legal Services Department in conjunction with user departments ensures and manages the implementation, monitoring, evaluation and reporting on key service delivery objectives with respect to Legal Services.

The main objectives are the following:

- Advise and manage litigations instituted by the municipality and against it;
- Provide legal advice, opinions and input on policies, contracts, agreements, memorandums, legislation, by-laws and authorities;
- Advising Council on items submitted to meetings;
- Ensuring by-laws are promulgated after consultation with user departments and approval by Council; and
- Attend to new legislation and proclamations for comment as and when required.



Challenges:

- To deal with urgent requests for legal input to Portfolio and Council Committees.
- Lack of skilled administrative support to chief legal advisor.
- Availability of well-maintained legal library and reference resources.

3.15.3.1 Total Employees – Legal Services

Table 3:93: Total Employees – Legal Services

| Job Level* | Posts* | Employees* | Vacancies (full time equivalents) | Vacancies (as a % of total posts) |
|--------------|----------|------------|-----------------------------------|-----------------------------------|
| | Number | | | |
| 18 – 22 | 1 | 1 | 0 | 0% |
| 14 – 17 | 0 | 0 | 0 | 0% |
| 9 – 13 | 0 | 0 | 0 | 0% |
| 4 – 8 | 1 | 0 | 1 | 100% |
| 3 – 0 | 0 | 0 | 0 | 0% |
| Total | 2 | 1 | 1 | 50% |

* The previous tables were based on gradings of the maintenance phase where employees have been put on T-levels which skewed the true reflection of the grades of posts on the current organogram. The current table is based on the approved organogram of 2017/2019 and where posts would fit in in terms of the TASK grades currently being evaluated. It is further aligned to the number of posts on the 2017/2019 organogram.
The vacancy rate is based on the total amount of vacancies as per the organogram although the rate should only be based on funded vacancies existing within the section / department.

3.15.3.2 Municipal Court – Additional Court - Stellenbosch

The Municipal Court is responsible for the following prosecutions:

- Traffic by-laws;
- Provincial Traffic by-laws;
- SAPS by-laws;
- Law Enforcement by-laws;
- Fire by-laws;
- Building and Land Use Regulations, and all other By- Law contraventions;
- Electrical By-laws; and
- Noise pollution.

Mission Statement

Our aim is to: -

- promote Justice and service delivery;
- enhance revenue to invest in our community;
- "let Justice be seen to be done"; and
- minimise crime and have a safer Stellenbosch.

The Municipal Court was established to:

- Support and secure good governance;
- Ease the burden on regular courts;
- Increase the speed of services;
- Allow for more successful prosecutions by applying specialist knowledge;
- Improve communications between the by-law prosecutors and enforcers;



- Support by-law enforcement;
- Ensure a user friendly court; and
- Keeps members of the public who committed a minor crime (such as a traffic offence) away from hardened criminals.

Our revenue for the past financial year amounted to a healthy R3 957 980 with 13 859 cases on our court role.

We are also looking into having an Ad Hoc Court in Franschhoek / Klappmuts in the near future. This could be another boost for our Municipal Court service to the community. Prosecuting some of our cases in the Paarl Magistrate`s Court is also currently being considered.

The introduction of the Additional Municipal Court has definitely been an essential, strategic implementation that will benefit the whole community of Stellenbosch.

3.15.3.3 Statistical Report – Case Load

Table 3:94: Statistical Report Case load

| Months: | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | June |
|----------------------------|-----|-------|------|-------|-------|-----|-------|-----|-----|-----|-----|-------|
| Cases on the role | 656 | 1 255 | 1096 | 1 096 | 1 297 | 823 | 1 693 | 577 | 457 | 21 | 894 | 1 058 |
| Withdrawn | 6 | 0 | 0 | 10 | 4 | 1 | 6 | 8 | 2 | 0 | 0 | 38 |
| Struck off the role | 30 | 48 | 69 | 31 | 33 | 63 | 68 | 11 | 21 | 0 | 2 | 0 |
| Warrants authorised | 576 | 1 110 | 965 | 986 | 1 197 | 748 | 1 589 | 547 | 410 | 0 | 885 | 991 |
| Deferment | 0 | 14 | 7 | 4 | 29 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Payments | 40 | 73 | 53 | 65 | 34 | 10 | 5 | 2 | 20 | 0 | 4 | 1 |
| Postponed | 4 | 5 | 0 | 0 | 0 | 1 | 25 | 9 | 4 | 21 | 3 | 28 |
| Mediations | 0 | 5 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

3.15.3.4 Financial Report

Table 3:95: Financial Report of the Municipal Court

| | Traffic Fines | SAPS Fines | Law Enforcement Fines | Contempt of Court Fines | Provincial Fines | Electricity | Building | Total Amount |
|-------------|---------------|------------|-----------------------|-------------------------|------------------|-------------|----------|--------------|
| Jul | R372 110 | R0 | R0 | R0 | R800 | R7 500 | R0 | R38 0410 |
| Aug | R291 070 | R0 | R0 | R30 600 | R300 | R7 500 | R0 | R329 470 |
| Sep | R393 880 | R200 | R250 | R54 600 | R0 | R0 | R5 000 | R453 930 |
| Oct | R385 430 | R0 | R0 | R67 800 | R0 | R0 | R1 500 | R454 730 |
| Nov | R312 320 | R250 | R0 | R57 900 | R1 000 | R5 000 | R12 000 | R388 470 |
| Dec | R251 780 | R500 | R0 | R46 200 | R0 | R4 000 | R3 500 | R305 980 |
| Jan | R395 470 | R0 | R0 | R60 000 | R0 | R0 | R0 | R455 470 |
| Feb | R387 130 | R500 | R0 | R53 500 | R0 | R2 500 | R3 500 | R447 130 |
| Mar | R445 560 | R0 | R2 600 | R50 400 | R250 | R0 | R12 500 | R511 310 |
| Apr | R32 740 | R2 100 | R0 | R1 500 | R0 | R2 500 | R0 | R38 840 |
| May | R20 300 | R5 100 | R4 500 | R300 | R0 | R0 | R4 000 | R34 200 |
| June | R73 430 | R3 700 | R1 600 | R5 700 | R0 | R2 000 | R0 | R86 430 |



3.15.3.5 Total Employees – Municipal Court

Table 3:96: Total Employees – Municipal Court

| Job Level* | Posts* | Employees* | Vacancies (full time equivalents) | Vacancies (as a % of total posts) |
|--------------|----------|------------|-----------------------------------|-----------------------------------|
| | Number | | | |
| 18 – 22 | 0 | 0 | 0 | 0% |
| 14 – 17 | 2 | 1 | 1 | 50% |
| 9 – 13 | 1 | 1 | 0 | 0% |
| 4 – 8 | 3 | 3 | 0 | 0% |
| 3 – 0 | 0 | 0 | 0 | 0% |
| Total | 6 | 5 | 1 | 16.70% |

* The previous tables were based on gradings of the maintenance phase where employees have been put on T-levels which skewed the true reflection of the grades of posts on the current organogram. The current table is based on the approved organogram of 2017/2019 and where posts would fit in in terms of the TASK grades currently being evaluated. It is further aligned to the number of posts on the 2017/2019 organogram.
The vacancy rate is based on the total amount of vacancies as per the organogram although the rate should only be based on funded vacancies existing within the section / department.



CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

4.1 NATIONAL KEY PERFORMANCE INDICATORS – MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

The following table indicates the municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These key performance indicators are linked to the National Key Performance Area – Municipal Transformation and Organisational Development.

Table 4:1: National KPIs – Municipal Transformation and Organisational Development

| KPA and Indicators | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|--|---------|---------|---------|---------|----------|--|
| The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan | 4 | 13 | 4 | 50%* | 33%* | 66.67% |
| The percentage of a municipality's budget actually spent on implementing its workplace skills plan | 0.83% | 0.97% | 0.94% | 72%** | 94.56%** | R2 262 082.24 / R1 778 283 844 x 100 = 0.13% |
| *The unit of measurement changed from number to percentage for the employment equity target. | | | | | | |
| ** Percentage was calculated using the total personnel budget as in terms of the Skills Development Act. The aforementioned percentage for the 2018/19 financial year is based on the Total Annual Payroll as depicted in the SDBIP. | | | | | | |

4.2 INTRODUCTION TO THE MUNICIPAL WORKFORCE

Stellenbosch Municipality, as at 30 June 2020, employed **1 158** officials (excl. Councillors and excluding non-permanent positions), who individually and collectively contribute to the achievement of the municipality's objectives. The primary objective of Human Resource Management is to render an innovative HR service that addresses both skills development and an administrative function.

4.2.1 EMPLOYMENT EQUITY

The Employment Equity Act (1998), Chapter 3, section 15 (1), states that affirmative action measures are measures designed to ensure that suitable qualified people from designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce of a designated employer. The national performance indicator also refers to the "number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan" The following table provides clarity on the employment equity status as at 30 September 2020.

**Table 4.2: EE Targets / Actual by Racial Classification**

| | African | | | Coloured | | | Indian | | | White | | |
|---------|-------------|-------------|----------------|-------------|-------------|----------------|-------------|-------------|----------------|-------------|-------------|----------------|
| | Target June | Actual June | Target reached | Target June | Actual June | Target reached | Target June | Actual June | Target reached | Target June | Actual June | Target reached |
| 2015/16 | 334 | 361 | 92.52% | 497 | 676 | 73.52% | 28 | 3 | 9.33% | 83 | 111 | 74.77% |
| 2016/17 | 334 | 368 | 90.76% | 497 | 671 | 74.06% | 23 | 5 | 4.60% | 75 | 103 | 72.81% |
| 2017/18 | 334 | 378 | 113% | 497 | 671 | 74.06% | 23 | 4 | 17% | 75 | 110 | 146% |
| 2018/19 | 334 | 372 | 111.4% | 497 | 651 | 131% | 23 | 4 | 17% | 75 | 94 | 125.3% |
| 2019/20 | 334 | 383 | 111.4% | 497 | 680 | 137% | 23 | 4 | 17% | 75 | 96 | 128% |

Table 4.3: Targets / Actual by Gender Classification

| | Male | | | Female | | | Disability | | |
|---------|-------------|-------------|----------------|-------------|-------------|----------------|-------------|-------------|----------------|
| | Target June | Actual June | Target reached | Target June | Actual June | Target reached | Target June | Actual June | Target reached |
| 2015/16 | 425 | 783 | 54.27% | 518 | 368 | 71.04% | 0 | 0 | n/a |
| 2016/17 | 681 | 782 | 78.87% | 670 | 363 | 54.18% | 0 | 10 | n/a |
| 2017/18 | 681 | 785 | 115% | 670 | 378 | 56% | 10 | 10 | 100% |
| 2018/19 | 681 | 750 | 110.1% | 670 | 371 | 55.3% | 10 | 10 | 100% |
| 2019/20 | 681 | 760 | 111.6% | 670 | 398 | 59.4% | 10 | 10 | 100% |

4.2.1.1 Occupational Categories - Race

The table below categorises the number of employees by race within the occupational levels:

Table 4.4: Occupational Categories – Race

| Occupational Levels | Male | | | | Female | | | | Total |
|---|------------|------------|----------|-----------|------------|------------|----------|-----------|--------------|
| | A | C | I | W | A | C | I | W | |
| Top Management and Councillors | 4 | 16 | 0 | 6 | 5 | 9 | 0 | 7 | 47 |
| Senior management | 2 | 11 | 0 | 9 | 1 | 3 | 0 | 0 | 26 |
| Professionally qualified and experienced specialists and mid-management | 9 | 25 | 2 | 11 | 9 | 15 | 1 | 9 | 81 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents | 52 | 155 | 1 | 31 | 72 | 120 | 0 | 23 | 454 |
| Semi-skilled and discretionary decision making | 82 | 125 | 0 | 3 | 28 | 60 | 0 | 3 | 301 |
| Unskilled and defined decision making | 103 | 135 | 0 | 0 | 25 | 27 | 0 | 0 | 290 |
| Total permanent | 252 | 467 | 3 | 60 | 140 | 234 | 1 | 42 | 1 199 |
| Non- permanent employees (incl. EPWP, Conditional Grants, Provincial Grants) | 12 | 20 | 0 | 2 | 14 | 29 | 0 | 2 | 79 |
| Grand total | 264 | 487 | 3 | 62 | 154 | 248 | 1 | 44 | 1 278 |



4.2.1.2 Directorates by Race

The following table categorises the number of employees by race within the different Directorates:

Table 4.5: Directorates by Race

| Directorate | Male | | | | Female | | | | Total |
|---|------------|------------|----------|-----------|------------|------------|----------|-----------|--------------|
| | A | C | I | W | A | C | I | W | |
| Office of the Mayor | 4 | 13 | 0 | 5 | 5 | 8 | 0 | 6 | 41 |
| Office of the Municipal Manager | 0 | 2 | 0 | 1 | 3 | 5 | 0 | 2 | 13 |
| Financial Services | 7 | 31 | 1 | 3 | 21 | 48 | 0 | 6 | 117 |
| Planning and Economic Development | 7 | 26 | 0 | 6 | 15 | 19 | 0 | 6 | 79 |
| Corporate Services | 10 | 30 | 1 | 2 | 13 | 22 | 0 | 5 | 83 |
| Community and Protection Services | 81 | 128 | 1 | 25 | 62 | 99 | 1 | 13 | 410 |
| Infrastructure Services | 143 | 237 | 0 | 18 | 21 | 33 | 0 | 4 | 456 |
| Total permanent | 252 | 467 | 3 | 60 | 140 | 234 | 1 | 42 | 1 199 |
| Non-permanent (incl. EPWP, Conditional Grants, Provincial Grants) | 12 | 20 | 0 | 2 | 14 | 29 | 0 | 2 | 79 |
| Grand total | 264 | 487 | 3 | 62 | 154 | 248 | 1 | 44 | 1 278 |

4.2.2 VACANCY RATE

The approved organogram for the Municipality had **1 120** (funded) posts based on the 2017/18 financial year. On 1 July 2018 the approved organogram of 25th October 2017 was implemented which brought about a total post compliment of 1 873 posts and was further reviewed and revised with another 123 posts which made the total post compliment 1 996 posts on 27 February 2019. The actual positions filled in the 2019/20, financial year are indicated in the tables below by post level and by functional level. A total of 838 posts were vacant at the end of 2019/20, resulting in a vacancy rate of **41.98%**. Below is a table that indicates the vacancies within the municipality:

Table 4.6: Vacancy rate per post and functional level

| Per Post Level | | |
|---|--------------------------------------|------------|
| Post level | Filled | Vacant |
| Top Management (MM and MSA section 57 Managers) | 6 | 0 |
| Senior Management | 26 | 6 |
| Middle management | 81 | 21 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents | 454 | 289 |
| Semi-skilled | 301 | 522 |
| Unskilled and defined decision making | 290 | 0 |
| Total | (Excluding Councillors) 1 158 | 838 |
| Per Functional Level | | |
| Functional area | Filled | Vacant |
| Office of the Mayor | 41 | 0 |
| Office of the Municipal Manager | 13 | 12 |
| Financial Services | 117 | 60 |
| Planning and Economic Development | 79 | 55 |
| Corporate | 83 | 80 |
| Community and Protection Services | 410 | 205 |



| Per Post Level | | |
|-------------------------|-------------------------------------|------------|
| Post level | Filled | Vacant |
| Infrastructure Services | 456 | 426 |
| Total | (Including Councillors) 1158 | 838 |

4.2.3 TURNOVER RATE

A high turnover may be costly to a municipality and might negatively affect productivity, service delivery and institutional memory / organisational knowledge. Below is a table that shows the turnover rate in the municipality.

The table below indicates the turn-over rate over the last five years:

Table 4:7: Turn-over Rate

| Financial year | Total no appointments at the end of each Financial Year | New appointments | Number of terminations during the year | Turn-over Rate |
|----------------|---|------------------|--|----------------|
| 2015/16 | 1 110 | 136 | 71 | 6.4% |
| 2016/17 | 1 144 | 100 | 36 | 3.14% |
| 2017/18 | 1 120 | 42 | 69 | 6.16% |
| 2018/19 | 1 121 | 55 | 39 | 3.47% |
| 2019/20 | 1 158 | 60 | 51 | 4.40% |

4.2.4 MANAGING THE MUNICIPAL WORKFORCE

Managing the municipal workforce refers to analysing and coordinating employee behaviour.

4.2.4.1 Injuries

An occupational injury is a personal injury, disease or death resulting from an occupational accident. Compensation claims for such occupational injuries are calculated according to the seriousness of the injury/disease and can be costly to a municipality. An occupational injury will influence the loss of man hours and therefore financial and productivity performance.

The injury rate shows an increase for the 2019/20 financial year from 86 employees in 2018/19 to 96 employees in the 2019/20 financial year. The table below indicates the total number of injuries within the different directorates:

Table 4:8: Injuries as at 30 June

| Directorates | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|--|------------|------------|------------|-----------|-----------|
| Office of the Municipal Manager | 2 | 1 | 1 | 0 | 0 |
| Financial Services | 2 | 3 | 0 | 0 | 2 |
| Planning and Economic Development Services | 0 | 0 | 3 | 3 | 2 |
| Corporate Services | 2 | 1 | 1 | 1 | 7 |
| Community and Protection Services | 40 | 54 | 73 | 49 | 36 |
| Infrastructure Services | 86 | 64 | 42 | 32 | 42 |
| Human Settlements and Property Management | 4 | 7 | 5 | 1 | 3 |
| Total | 136 | 130 | 120 | 86 | 92 |



Injuries in the Operational Services are normally higher due to the nature of work and the constant handling of equipment and machinery.

4.2.4.2 Sick Leave

The number of days' sick leave taken by employees has service delivery and cost implications. The monitoring of sick leave identifies certain patterns or trends. Once these patterns are identified, corrective action can be taken.

The total number of employees that have taken sick leave during the 2019/20 financial year shows a decrease of 1 524 working days when comparing it to the 2018/19 financial year.

The table below indicates the total number of sick leave days taken within the different directorates:

Table 4:9: Sick Leave as at 30 June

| Department | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2019/20 (%) |
|-----------------------------------|------------------|-----------------|--------------|--------------|-----------------|--------------|
| Office of the Municipal Manager | 342 | 96 | 66 | 89 | 83.5 | 22.37 |
| Financial Services | 1339.5 | 908.50 | 631 | 692 | 679 | 21.76 |
| Planning and Economic Development | 1 244.5 | 501 | 267 | 393 | 425 | 20.43 |
| Corporate Services | 808.43 | 727 | 410 | 493 | 593.87 | 26.83 |
| Community and Protection Services | 3 758.5 | 2 726 | 1 562 | 2 958 | 1803.19 | 16.49 |
| Infrastructure Services | 5 230 | 3 633 | 2 730 | 2 765 | 2646 | 21.76 |
| Total | 12 730.93 | 9 046.50 | 6 110 | 7 754 | 6 230.56 | 20.18 |

Note: These Sections' figures will be incorporated in the Planning and Economic Development and Corporate Services Directorates respectively for the 2019/20 financial year. The Human Resources System will be modified to effect these organogram changes.

4.2.4.3 Human Resources Policies and Plans

Policies and plans provide guidance for fair and consistent staff treatment and a consistent approach to the managing of staff.

The table below shows the status of the Human Resources policies and plans:

Table 4:10: Approved Policies

| Name of policy | Date approved / revised |
|---|-------------------------|
| Guidelines for Official Parking | August 2008 |
| Staff Attraction and Retention Policy | August 2008 |
| Smoking Policy | August 2008 |
| Skills Development Policy | August 2008 |
| Minimum Service Level Agreement on Essential Services | August 2008 |
| Recruitment and Selection | 29 November 2012 |
| Leave Policy Guideline and Procedures | 29 November 2012 |
| Overtime and Standby Policy Guidelines and Procedures | 29 November 2012 |
| Occupational Health and Safety Policy | 29 November 2012 |
| HIV AIDS Policy | 29 November 2012 |
| Employee Assistance Programme | 25 February 2015 |
| Education, Training, Development Policy | 25 February 2015 |
| Attendance and Punctuality Policy | 25 February 2015 |
| Evaluation of Probationary Periods Policy | 25 February 2015 |
| Whistleblowing Policy | 25 February 2015 |



| Name of policy | Date approved / revised |
|--|-------------------------|
| New Occupational Health and Safety Policy | 25 February 2015 |
| Substance Abuse Policy | 25 February 2015 |
| Succession Planning and Career Patching Policy | 25 February 2015 |
| Unpaid leave policy | 25 February 2015 |
| Work Related Functions Policy | 25 February 2015 |
| Nepotism Policy | 25 February 2015 |
| External Bursary Aid Policy | 25 February 2015 |
| Smoking Policy (Review) | 25 October 2017 |
| Communication Policy | 25 July 2018 |
| Guidelines on Flexi-time | 25 July 2018 |
| Time and Attendance | 26 September 2018 |
| Employee Bursary Policy (Internal) | 26 September 2018 |
| Proposal on Appointment of Certain Temporary Employees during the Restructuring Process | 26 September 2018 |
| Firearms Policy | 28 November 2018 |
| Acting Allowance Policy | 28 November 2018 |
| Motor Vehicle Allowance Policy | 28 November 2018 |
| Guidelines on Negotiation in regard to Remuneration (Within the National Negotiated Framework) for the Retention and Attraction of Staff | 24 April 2019 |
| Additional Allowance Responsibility Policy | 24 April 2019 |
| MS:A: Essential Services | 04 June 2019 |
| TASK Implementation Policy | 26 February 2020 |

Table 4:11: Policies still to be developed

| Policies still to be developed | |
|---|--|
| Name of policy | Proposed date of approval |
| Measures to Recover Arrear Monies from Employees owing on their municipal accounts to Stellenbosch Municipality for a period of 90 days plus. | 1 August 2019 (this policy was delegated for approval by the Municipal Manager) |
| HIV / AIDS Policy (Review). | 30 June 2021 |
| New Recruitment and Selection Policy. | 30 June 2021 (policy currently at HR Sub-Committee for discussion). |
| Staff Parking Policy. | To be tabled at the October 2020 Council meeting for approval. |
| Consequence Management Policy. | To be tabled at the November 2020 Council meeting for approval. |

The Human Resources Department submits policies to the Local Labour Forum on a regular basis for review purposes.

4.2.5 CAPACITY BUILDING OF THE MUNICIPAL WORKFORCE

Section 68(1) of the MSA states that a municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way. For this purpose, the human resource capacity of a municipality must comply with the Skills Development Act (SDA), 1998 (Act No. 81 of 1998), and the Skills Development Levies Act, 1999 (Act No. 28 of 1999).



4.2.5.1 Skills Matrix

The table below indicates the number of employees that received training in the year under review:

Table 4:12: Skills Matrix

| Management level | Gender | Number of employees identified for training at start of the year | Number of employees that received training |
|--|---------------|--|--|
| MM and S57 | Female | 0 | 0 |
| | Male | 0 | 0 |
| Legislators, senior officials and managers | Female | 1 | 3 |
| | Male | 15 | 15 |
| Professionals | Female | 13 | 1 |
| | Male | 10 | 1 |
| Associate professionals and Technicians | Female | 15 | 3 |
| | Male | 72 | 23 |
| Community and Personal Services | Female | 0 | 0 |
| | Male | 0 | 0 |
| Clerks | Female | 75 | 6 |
| | Male | 10 | 2 |
| Service and sales workers | Female | 53 | 73 |
| | Male | 81 | 130 |
| Plant and machine operators and assemblers | Female | 0 | 0 |
| | Male | 17 | 17 |
| Elementary occupations | Female | 26 | 15 |
| | Male | 167 | 90 |
| Sub-total | Female | 183 | 101 |
| | Male | 372 | 278 |
| Total | | 555 | 379 |

4.2.5.2 Skills Development – Training Provided

The Skills Development Act, 1998 (Act No. 97 of 1998) and the MSA, require that employers supply employees with the necessary training in order to develop its human resource capacity. Section 55(1)(f) states that as head of administration, the Municipal Manager is responsible for the management, utilisation and training of staff.



4.2.5.3 Skills Development - Budget Allocation

The table below indicates that a total amount of **R 4 493 705** was allocated to the workplace skills plan and that **37.5%** of the total amount was spent in the 2019/20 financial year:

Table 4:13: Budget allocated and spent for skills development

| Year | Total personnel budget | Total Allocated | Total Spend | % Spent |
|---------|------------------------|-----------------|-------------|---------|
| | R | R | R | |
| 2013/14 | 280 637 485 | 2 450 170 | 1 776 397 | 73% |
| 2014/15 | 324 832 04 | 2 743 370 | 2 716 719 | 99% |
| 2015/16 | 416 062 658 | 3 420 000 | 3 406 325 | 99% |
| 2016/17 | 7 801 472 | 3 400 000 | 3 204 069 | 94% |
| 2017/18 | 444 578 881 | 4 919 000 | 3 541 680 | 72% |
| 2018/19 | 528 251 635 | 2 511 080 | 2 374 501 | 94% |
| 2019/20 | 577 204 284 | 4 493 705 | 1 686 233 | 37.50% |

4.2.6 MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE

4.2.6.1 Personnel Expenditure

The percentage personnel expenditure is essential in the budgeting process as it reflects on current and future efficiency. The table below indicates the percentage of the municipal budget that was spent on salaries and allowance for the past three financial years and that the municipality is well below the national norm of between 35 to 40%:

Table 4:14: Personnel Expenditure as % of Total Operating Expenditure

| Financial year | Total expenditure salary and allowances | Total operating expenditure | Percentage |
|----------------|---|-----------------------------|------------|
| | R | | % |
| 2014/15 | 282 932 | 1 047 586 | 27% |
| 2015/16 | 313 819 | 1 150 240 | 27% |
| 2016/17 | 367 463 | 1 254 937 | 29% |
| 2017/18 | 407 801 | 1 307 335 | 31% |
| 2018/19 | 444 711 | 1 508 629 | 29% |
| 2019/20 | 481 583 | 1 661 441 | 29% |



Below is a summary of Councillor and staff benefits for the year under review:

Table 4:15: Councillor and staff benefits

| Financial year | 2018/19 | 2019/20 | 2019/20 | 2019/20 |
|--|----------------|-----------------|-----------------|----------------|
| Description | Actual | Original Budget | Adjusted Budget | Actual |
| R'000 | | | | |
| Councillors (Political Office Bearers plus Other) | | | | |
| Salary | 11 509 | 11 322 | 12 934 | 12 263 |
| Pension Contributions | 557 | 132 | 800 | 559 |
| Medical Aid Contributions | 222 | 50 | 87 | 215 |
| Motor Vehicle Allowance | 4 136 | 4 139 | 4 667 | 4 331 |
| Cell Phone and Other Allowances | 1 849 | 1 740 | 1 263 | 1 754 |
| Sub-Total - Councillors | 18 272 | 17 384 | 19 751 | 19 121 |
| % Increase / (Decrease) on Actual | 8.44% | 9.11% | 9.11% | 4.64% |
| Other Municipal Staff | | | | |
| Basic Salaries and Wages | 300 678 | 301 814 | 323 631 | 322 143 |
| Pension and UIF Contributions | 45 559 | 47 734 | 60 625 | 48 803 |
| Medical Aid Contributions | 21 652 | 21 652 | 25 249 | 23 337 |
| Overtime | 37 414 | 44 111 | 51 545 | 31 607 |
| Performance Bonus | 710 | 591 | 0 | 591 |
| Motor Vehicle Allowance | 9 781 | 9 519 | 13 959 | 10 048 |
| Cellphone Allowance | 1 342 | 1 342 | 1 003 | 1 631 |
| Housing Allowances | 2 853 | 2 853 | 2 875 | 2 916 |
| Other benefits and allowances | 6 615 | 30 766 | 76 738 | 30 951 |
| Payments in lieu of leave | 5 321 | 858 | 2 007 | -1 |
| Long service awards | 4 840 | -6 | 66 | 4 109 |
| Post-retirement benefit obligations | 7946 | 421 | 34 | 5 448 |
| Sub-Total - Other Municipal Staff | 444 711 | 461 655 | 557 733 | 481 583 |
| % Increase/(Decrease) | 8.58% | 3.81% | 25.41% | 8.29% |
| Total Municipality | 462 984 | 626 465 | 580 988 | 500 745 |
| % Increase / (Decrease) | 8.77% | 35.31% | 25.49% | 8.16% |



CHAPTER 5: FINANCIAL PERFORMANCE

5.1 COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

The Statement of financial performance provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality.

5.1.1 FINANCIAL SUMMARY

The table below indicates the summary of the financial performance for the 2019/20 financial year:

Table 5.1: Financial Performance

| Description | 2018/19 | 2019/20 | | 2019/20 Variance | | |
|--|------------------|------------------|-------------------|------------------|------------------|-------------------|
| | Actual | Original Budget | Adjustment Budget | Actual | Original Budget | Adjustment Budget |
| | R'000 | | | % | | |
| Financial Performance | | | | | | |
| Property rates | 330 960 | 356 122 | 356 122 | 360 089 | 1.11 | 1.11 |
| Service charges | 817 760 | 1 024 589 | 929 589 | 880 126 | -14.10 | -5.32 |
| Investment revenue | 44 272 | 44 171 | 42 171 | 40 472 | -8.37 | -4.03 |
| Transfers recognised - operational | 145 451 | 172 339 | 184 687 | 160 652 | -6.78 | -13.01 |
| Other own revenue | 190 191 | 181 426 | 177 103 | 166 608 | -8.17 | -5.93 |
| Total revenue (excluding capital transfers and contributions) | 1 528 634 | 1 778 647 | 1 689 671 | 1 607 947 | -9.60 | -4.84 |
| Employee costs | 444 711 | 603 268 | 557 733 | 481 583 | -20.17 | -13.65 |
| Remuneration of councillors | 18 272 | 19 936 | 19 936 | 19 121 | -4.09 | -4.09 |
| Depreciation and asset impairment | 193 789 | 206 956 | 206 956 | 197 275 | -4.68 | -4.68 |
| Finance charges | 41 788 | 39 877 | 29 877 | 56 004 | 40.44 | 87.45 |
| Materials and bulk purchases | 412 265 | 441 448 | 461 084 | 476 298 | 7.89 | 3.30 |
| Transfers and grants | 9 129 | 10 049 | 10 949 | 10 855 | 8.02 | -0.85 |
| Other expenditure | 388 675 | 486 713 | 491 749 | 491 749 | 420 305 | -13.64 |
| Total Expenditure | 1 508 629 | 1 808 247 | | 1 778 284 | 1 661 441 | -8.12 |
| Surplus / (Deficit) | 20 005 | -29 600 | | -88 613 | -53 494 | 80.72 |
| Transfers recognised - capital | 87 982 | 141 088 | 144 868 | 124 374 | -11.85 | -14.15 |
| Contributions recognised - capital and contributed assets | 13051 | - | 0 | 10 275 | 0 | 0 |
| Surplus / (Deficit) after capital transfers and contributions | 121 038 | 111 488 | 56 255 | 81 155 | -27.21 | 44.26 |
| Capital expenditure and funds sources | | | | | | |
| Capital expenditure | | | | | | |
| Transfers recognised - capital | 87 982 | 141 088 | 144 386 | 124 374 | -11.85 | -13.86 |
| Public contributions and donations | - | - | - | - | - | - |



| Description | 2018/19 | 2019/20 | | | 2019/20 Variance | |
|--|----------------|-----------------|-------------------|----------------|------------------|-------------------|
| | Actual | Original Budget | Adjustment Budget | Actual | Original Budget | Adjustment Budget |
| | R'000 | | | | % | |
| Borrowing | 122 904 | 160 000 | 37 096 | 33 365 | -79.15 | -10.06 |
| Internally generated funds | 286 825 | 257 189 | 396 423 | 248 192 | -3.50 | -37.39 |
| Total sources of capital funds | 493 303 | 558 277 | 577 905 | 405 931 | -27.29 | -29.76 |
| Financial position | | | | | | |
| Total current assets | 910 210 | 780 320 | 733 365 | 710 439 | -8.96 | -3.13 |
| Total non-current assets | 5 468 752 | 5 907 057 | 5 926 685 | 4 679 141 | -20.79 | -21.05 |
| Total current liabilities | 435 473 | 352 300 | 352 300 | 407 397 | 15.64 | 15.64 |
| Total non-current liabilities | 596 463 | 743 814 | 743 814 | 554 003 | -25.52 | -25.52 |
| Community wealth/equity | 5 347 026 | 5 591 263 | 5 563 937 | 5 428 180 | -2.92 | -2.44 |
| Cash flows | | | | | | |
| Net cash from (used) operating | 387 190 | 355 914 | 355 232 | 281 952 | -20.78 | -20.63 |
| Net cash from (used) investing | -383 881 | -558 277 | -577 905 | -314 371 | -43.69 | -45.60 |
| Net cash from (used) financing | 145 498 | 139 117 | -20 883 | -25 870 | -118.60 | 23.88 |
| Cash / cash equivalents at the year end | 169 491 | 423 733 | 433 363 | 111 202 | -73.76 | -74.34 |
| Cash backing / surplus reconciliation | | | | | | |
| Cash and investments available | 169 491 | 370 118 | 323 163 | 417 839 187 | 12.89 | 29.30 |
| Application of cash and investments | 380 386 | 271 759 | 257 572 | 335 206 798 | 23.35 | 30.14 |
| Balance - surplus (shortfall) | -210 896 | 98 359 | 65 591 | 82 632 389 | -15.99 | 25.98 |
| Asset management | | | | | | |
| Asset register summary (WDV) | 5 464 543 | 5 900 562 | 5 920 191 | 5 673 990 | -3.84 | -4.16 |
| Depreciation | 193 789 | 197 184 | 197 184 | 197 275 | 0.05 | 0.05 |
| Renewal of Existing Assets | 46 361 | 218 416 | 196 864 | 17 171 | -92.14 | -91.28 |
| Repairs and Maintenance | 60 923 | 91 240 | 91 240 | 58292 | -36.11 | -36.11 |
| Free Services | | | | | | |
| Cost of Free Basic Services provided | 96 808 | 49 768 | 49 768 | 92 406 | 85.67 | 85.67 |
| Revenue cost of free services provided | 66 773 | 84 568 | 84 568 | - | - | - |
| Households below minimum service level | | | | | | |
| Water: | 2 | 1 | 1 | - | - | - |
| Sanitation / sewerage: | 2 | 1 | 1 | - | - | - |
| Energy: | 3 | 2 | 2 | - | - | - |
| Refuse: | 5 | 4 | 4 | - | - | - |

Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned.



The table below shows a summary of performance against budgets:

Table 5.2: Performance against Budgets

| Financial Year | Revenue | | | | Operating expenditure | | | |
|----------------|-----------|-----------|----------|--------|-----------------------|-----------|---------|--------|
| | Budget | Actual | Diff. | % | Budget | Actual | Diff. | % |
| | R'000 | | | | R'000 | | | |
| 2015/16 | 1 349 945 | 1 416 703 | 66 758 | 4.95% | 1 284 671 | 1 265 567 | 19 104 | 1.49% |
| 2016/17 | 1 490 495 | 1 534 354 | 43 859 | 2.94% | 1 450 845 | 1 316 387 | 134 458 | 9.27% |
| 2017/18 | 1 629 546 | 1 609 729 | -19 817 | -1.22% | 1 575 255 | 1 363 953 | 211 302 | 13.41% |
| 2018/19 | 1 730 833 | 1 612 139 | -118 694 | -6.86% | 1 719 105 | 1 487 578 | 231 527 | 13.47% |
| 2019/20 | 1 834 539 | 1 742 596 | -91 943 | -5.01% | 1 778 284 | 1 661 441 | 116 843 | 6.57% |

5.1.1.1 Revenue Collection by Vote

The table below indicates the revenue collection performance by vote:

Table 5.3: Revenue collection performance by vote

| Vote Description | 2018/19 | 2019/20 | | 2019/20 Variance | | |
|-----------------------------------|------------------|------------------|------------------|------------------|-----------------|-------------------|
| | Actual | Original Budget | Adjusted Budget | Actual | Original Budget | Adjustment Budget |
| | R'000 | | | | % | |
| Municipal Manager | 0 | 387 | 387 | - | -100 | -100 |
| Planning and Development | 67 693 | 96 045 | 98 418 | 25 044 | -73.92 | -74.55 |
| Infrastructure Services | 188 011 | 147 702 | 149 721 | 143 842 | -2.61 | -3.93 |
| Community and Protection Services | 931 339 | 1 196 525 | 1 166 183 | 1 072 412 | -10.37 | -8.04 |
| Corporate Services | 10 431 | 10 396 | 13 710 | 51 062 | 391.16 | 272.43 |
| Financial Services | 432 193 | 468 680 | 461 120 | 450 236 | -3.94 | -2.36 |
| Total Revenue by Vote | 1 612 139 | 1 919 735 | 1 889 539 | 1 742 596 | -9.23 | -7.78 |

5.1.1.2 Revenue Collection by Source

The table below indicates the Revenue collection performance by source for the 2019/20 financial year:

Table 5.4: Revenue Collection by Source

| Description | 2018/19 | 2019/20 | | 2019/20 Variance | | |
|--|---------|-----------------|--------------------|------------------|-----------------|-------------------|
| | Actual | Original Budget | Adjustments Budget | Actual | Original Budget | Adjustment Budget |
| | R'000 | | | | % | |
| Property rates | 330 960 | 356 122 | 356 122 | 360 089 | 1.11 | 1.11 |
| Service Charges | 817 760 | 1 024 589 | 929 589 | 880 126 | -14.10 | -5.32 |
| Rentals of facilities and equipment | 17 891 | 18 831 | 18 831 | 13 601 | -27.78 | -27.78 |
| Interest earned - external investments | 44 272 | 44 171 | 42 171 | 40 472 | -8.37 | -4.03 |
| Interest earned - outstanding debtors | 8 025 | 11 270 | 11 270 | 6 954 | -38.30 | -38.30 |
| Dividends received | 0 | 0 | 0 | 0 | 0 | 0 |
| Fines | 118 046 | 108 260 | 98 260 | 99 993 | -7.64 | 1.76 |
| Licences and permits | 5 044 | 5 398 | 5 398 | 5 725 | 6.06 | 6.06 |
| Agency services | 4 400 | 2 852 | 2 852 | 2 664 | -6.58 | -6.58 |



| Description | 2018/19 | 2019/20 | | | 2019/20 Variance | |
|--|------------------|------------------|--------------------|------------------|------------------|-------------------|
| | Actual | Original Budget | Adjustments Budget | Actual | Original Budget | Adjustment Budget |
| | R'000 | | | | % | |
| Transfers recognised - operational | 145 451 | 172 339 | 184 687 | 160 652 | -6.78 | -13.01 |
| Transfers recognised - capital | 87 982 | 141 088 | 144 868 | 134 649 | -4.56 | -7.05 |
| Other revenue | 43 565 | 34 815 | 40 491 | 36 929 | 6.07 | -8.80 |
| Gains on disposal of PPE | 6 271 | 0 | 0 | 742 | 100 | 100 |
| Total Revenue (excluding capital transfers and contributions) | 1 629 667 | 1 919 735 | 1 834 539 | 1 742 596 | -9.23 | -5.01 |

5.1.1.3 Operational Services Performance

The table below indicates the operational services performance for the 2019/20 financial year:

Table 5:5: Operational Services Performance: Expenditure

| Description | 2018/19 | 2019/20 | | | 2019/20 Variance | |
|---|----------------|-----------------|--------------------|----------------|------------------|-------------------|
| | Actual | Original Budget | Adjustments Budget | Actual | Original Budget | Adjustment Budget |
| | R'000 | | | | % | |
| Operating Cost | | | | | | |
| Water | 126 368 | 162 936 | 149 136 | 131 579 | 23.83 | 13.34 |
| Waste Water (Sanitation) | 106 838 | 113 539 | 100 415 | 124 338 | -8.69 | -19.24 |
| Electricity | 447 401 | 451 548 | 460 972 | 514 263 | -12.20 | -10.36 |
| Waste Management | 87 676 | 80 392 | 97 690 | 120 997 | -33.56 | -19.26 |
| Housing | 30 673 | 40 202 | 39 492 | 26 101 | 54.03 | 51.31 |
| Component A: sub-total | 798 957 | 848 617 | 847 705 | 917 279 | -7.49 | -7.58 |
| Roads and Storm water | 90 533 | 153 247 | 152 618 | 102 443 | 49.59 | 48.98 |
| Component B: sub-total | 90 533 | 153 247 | 152 618 | 102 443 | 49.59 | 48.98 |
| Town Planning and Spatial Planning | 18 993 | 17 100 | 16 420 | 19 789 | -13.59 | -17.02 |
| Local Economic Development | 10 755 | 13 325 | 12 799 | 10 574 | 26.02 | 21.04 |
| Component C: sub-total | 29 748 | 30 425 | 29 219 | 30 363 | 0.21 | -3.77 |
| Libraries | 12 922 | 32 871 | 32 405 | 14 787 | 122.31 | 119.15 |
| Cemeteries | 3 759 | 4 925 | 5 799 | 5 333 | -7.64 | 8.75 |
| Community development | 10 963 | 8 669 | 11 273 | 13 567 | -36.10 | -16.91 |
| Component D: sub-total | 27 644 | 46 466 | 49 478 | 33 686 | 37.94 | 46.88 |
| Environmental Protection | – | – | – | – | 0 | 0 |
| Component E: sub-total | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| Traffic services | 196 519 | 183 660 | 196 947 | 195 854 | -6.23 | 0.56 |
| Fire Services and Disaster Management | 41 128 | 43 570 | 43 848 | 44 278 | -1.60 | -0.97 |
| Component F: sub-total | 237 647 | 227 230 | 240 795 | 240 132 | -5.37 | 0.28 |
| Holiday Resorts and Campsites | 219 | 162 | 292 | 280 | -42.12 | 4.33 |
| Sport grounds, parks, swimming pools | 63 324 | 73 774 | 65 891 | 59 013 | 25.01 | 11.65 |
| Community Halls, Facilities and Thusong Centres | 4 278 | 697 | 1 307 | 4 229 | -83.52 | -69.10 |
| Component G: sub-total | 67 821 | 74 634 | 67 490 | 63 522 | 17.49 | 6.25 |
| Office of the MM | 24 955 | 41 609 | 28 271 | 24 568 | 69.36 | 15.07 |
| Financial Services | 50 816 | 0 | 136 107 | 59 217 | -100.00 | 129.84 |



| Description | 2018/19 | 2019/20 | | | 2019/20 Variance | |
|----------------------------------|------------------|--------------------|-----------------------|------------------|---------------------|----------------------|
| | Actual | Original Budget | Adjustments Budget | Actual | Original Budget | Adjustment Budget |
| | R'000 | | | | | |
| Administration | 70 820 | 93 125 | 94 963 | 70 110 | 32.83 | 35.45 |
| Property and contract management | 30 215 | 0 | 38 887 | 31 590 | -100.00 | 23.10 |
| HR | 29 038 | 78 913 | 23 624 | 33 799 | 133.48 | -30.10 |
| IT | 26 979 | 32 738 | 30 846 | 32 535 | 0.62 | -5.19 |
| Internal Audit | 10 118 | 15 075 | 12 982 | 11 384 | 32.43 | 14.04 |
| Legal Services | 13 339 | 0 | 15 527 | 10 816 | -100 | 43.56 |
| Component H: sub-total | 256 280 | 261 459 | 381 206 | 274 017 | -4.58 | 39.12 |
| Total Expenditure | 1 508 629 | 1 642 079 | 1 768 512 | 1 661 441 | -1.17 | 6.44 |

In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

5.2 FINANCIAL PERFORMANCE PER MUNICIPAL FUNCTION

5.2.1 WATER SERVICES

Table 5.6: Financial Performance: Water Services

| Description | 2018/19 | 2019/20 | | | Variance to Budget |
|--------------------------------------|--------------------------------|--------------------|----------------------|-----------------|-----------------------|
| | Actual (Audited Outcome) | Original Budget | Adjustment Budget | Actual | |
| | R'000 | | | | |
| Total Operational Revenue | (165 401) | (129 793) | (116 519) | (197 989) | 34.44 |
| Expenditure: | | | | | |
| Employees | 27 669 | 31 531 | 31 881 | 30 116 | -4.70 |
| Repairs and Maintenance | 6 650 | 12 961 | 12 961 | 3 929 | -229.88 |
| Other | 92 049 | 118 444 | 104 294 | 97 534 | -21.44 |
| Total Operational Expenditure | 126 368 | 162 936 | 149 136 | 131 579 | -23.83 |
| Net Operational (Service) | (39 033) | 33 143 | 32 617 | (66 409) | 149.91 |

Variances are calculated by dividing the difference between the actual and original budget by the actual.



5.2.2 SANITATION SERVICES

Table 5.7: Financial Performance: Sanitation Services

| Description | 2018/19 | 2019/20 | | | |
|--------------------------------------|--------------------------|------------------|-------------------|----------------|--------------------|
| | Actual (Audited Outcome) | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| | R'000 | | | | |
| Total Operational Revenue | (113 615) | (221 996) | (205 882) | (114 242) | -94.32 |
| Expenditure: | | | | | |
| Employees | 41 576 | 47 115 | 47 115 | 43 378 | -8.62 |
| Repairs and Maintenance | 6 397 | 16 143 | 16 143 | 2 453 | -558.21 |
| Other | 58 865 | 50 281 | 37 157 | 78 508 | 35.95 |
| Total Operational Expenditure | 106 838 | 113 539 | 100 415 | 124 338 | 8.69 |
| Net Operational (Service) | (6 777) | (108 457) | (105 467) | 10 096 | 1174.26 |

Variances are calculated by dividing the difference between the actual and original budget by the actual.

5.2.3 ELECTRICITY SERVICES

Table 5.8: Financial Performance: Electricity Services

| Description | 2018/19 | 2019/20 | | | |
|--------------------------------------|--------------------------|------------------|-------------------|-----------------|--------------------|
| | Actual (Audited Outcome) | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| | R'000 | | | | |
| Total Operational Revenue | (562 881) | (667 526) | (722 555) | (593 017) | -12.56 |
| Expenditure: | | | | | |
| Employees | 27 019 | 21 467 | 19 467 | 31 467 | 31.78 |
| Repairs and Maintenance | 8 022 | 12 540 | 12 540 | 7 851 | -59.71 |
| Other | 412 360 | 417 541 | 428 965 | 474 945 | 12.09 |
| Total Operational Expenditure | 447 401 | 451 548 | 460 972 | 514 263 | 12.20 |
| Net Operational (Service) | (115 479) | (215 978) | (261 582) | (78 754) | -174.25 |

Variances are calculated by dividing the difference between the actual and original budget by the actual.



5.2.4 WASTE MANAGEMENT SERVICES (REFUSE COLLECTIONS, WASTE DISPOSAL AND RECYCLING)

Table 5:9: Financial Performance: Waste Management Services (Refuse Collections, Waste Disposal, and Recycling)

| Description | 2018/19 | 2019/20 | | | |
|---|--------------------------|-----------------|-------------------|----------------|--------------------|
| | Actual (Audited Outcome) | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| | R'000 | | | | |
| Total Operational Revenue | (79 362) | (95 145) | (95 198) | (89 912) | -5.82 |
| Expenditure: | | | | | |
| Employees | 24 678 | 26 623 | 26 623 | 32 142 | 17.17 |
| Repairs and Maintenance | 2 438 | 5 581 | 5 581 | 2 381 | -134.37 |
| Other | 60 560 | 48 188 | 65 486 | 86 474 | 44.27 |
| Total Operational Expenditure | 87 676 | 80 392 | 97 690 | 120 997 | 33.56 |
| Net Operational (Service) | 8 314 | (14 753) | 2 492 | 31 086 | 147.46 |
| Variances are calculated by dividing the difference between the actual and original budget by the actual. | | | | | |

5.2.5 HOUSING DEVELOPMENT

Table 5:10: Financial Performance: Housing Personnel Expenditure

| Description | 2018/19 | 2018/19 | | | |
|---|--------------------------|-----------------|-------------------|---------------|--------------------|
| | Actual (Audited Outcome) | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| | R'000 | | | | |
| Total Operational Revenue | (9 054) | (22 847) | (20 102) | (14 218) | -60.69 |
| Expenditure: | | | | | |
| Employees | 19 567 | 24 706 | 24 476 | 19 102 | -29.33 |
| Repairs and Maintenance | 1 181 | 1 001 | 1 001 | 144 | -597.31 |
| Other | 9 926 | 14 496 | 14 016 | 6 855 | -111.46 |
| Total Operational Expenditure | 30 673 | 40 202 | 39 492 | 26 101 | -54.03 |
| Net Operational (Service) | 21 619 | 17 355 | 19 390 | 11 883 | -46.05 |
| Variances are calculated by dividing the difference between the actual and original budget by the actual. | | | | | |



5.2.6 ROADS AND STORM WATER

Table 5:11: Financial Performance: Roads and Storm water

| Description | 2018/19 | 2019/20 | | | |
|--------------------------------------|--------------------------|-----------------|-------------------|----------------|--------------------|
| | Actual (Audited Outcome) | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| | R'000 | | | | |
| Total Operational Revenue | (4 295) | (2 003) | (2 028) | (3 823) | 47.60 |
| Expenditure: | | | | | |
| Employees | 26 345 | 26 784 | 26 436 | 29 877 | 10.35 |
| Repairs and Maintenance | 10 279 | 12 170 | 12 170 | 20 367 | 40.24 |
| Other | 53 910 | 114 293 | 114 012 | 52 199 | -118.96 |
| Total Operational Expenditure | 90 533 | 153 247 | 152 618 | 102 443 | -49.59 |
| Net Operational (Service) | 86 238 | 151 244 | 150 590 | 98 619 | -53.36 |

Variations are calculated by dividing the difference between the actual and original budget by the actual.

5.2.7 TOWN AND SPATIAL PLANNING

Table 5:12: Financial Performance: Town Planning and Spatial planning

| Description | 2018/19 | 2019/20 | | | |
|--------------------------------------|--------------------------|-----------------|-------------------|---------------|--------------------|
| | Actual (Audited Outcome) | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| | R'000 | | | | |
| Total Operational Revenue | (148) | (27 501) | (5 786) | (77) | -35 655.14 |
| Expenditure: | | | | | |
| Employees | 17 870 | 15 694 | 15 394 | 18 296 | 14.22 |
| Repairs and Maintenance | 6 | – | – | – | 0 |
| Other | 1 117 | 1 406 | 1 026 | 1 494 | 5.87 |
| Total Operational Expenditure | 18 993 | 17 100 | 16 420 | 19 789 | 13.59 |
| Net Operational (Service) | 18 845 | (10 401) | 10 635 | 19 712 | 152.77 |

Variations are calculated by dividing the difference between the actual and original budget by the actual.



5.2.8 LOCAL ECONOMIC DEVELOPMENT (LED)

Table 5:13: Financial Performance: LED

| Description | 2018/19 | 2019/20 | | | |
|--------------------------------------|--------------------------|-----------------|-------------------|---------------|--------------------|
| | Actual (Audited Outcome) | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| | R'000 | | | | |
| Total Operational Revenue | - | (1 192) | (1 192) | (1 435) | 16.99 |
| Expenditure: | | | | | |
| Employees | 5 257 | 5 369 | 5 369 | 4 882 | -9.98 |
| Repairs and Maintenance | 24 | 60 | 60 | 0 | -103943.22 |
| Other | 5 474 | 7 896 | 7 370 | 5 692 | -38.73 |
| Total Operational Expenditure | 10 755 | 13 325 | 12 799 | 10 574 | -26.02 |
| Net Operational (Service) | 10 755 | 12 134 | 11 608 | 9 139 | -32.77 |

Variances are calculated by dividing the difference between the actual and original budget by the actual.

5.2.9 LIBRARIES

Table 5:14: Financial Performance: Libraries

| Description | 2018/19 | 2019/20 | | | |
|--------------------------------------|--------------------------|-----------------|-------------------|---------------|--------------------|
| | Actual (Audited Outcome) | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| | R'000 | | | | |
| Total Operational Revenue | (12 330) | (17 575) | (844) | (12 574) | -39.77 |
| Expenditure: | | | | | |
| Employees | 11 158 | 30 074 | 30 073 | 12 829 | -134.41 |
| Repairs and Maintenance | 13 | 224 | 224 | 7 | -2981.49 |
| Other | 1 751 | 2 574 | 2 108 | 1 950 | -32 |
| Total Operational Expenditure | 12 922 | 32 871 | 32 405 | 14 787 | -122.31 |
| Net Operational (Service) | 591 | 15 296 | 31 561 | 2 212 | -591.41 |

Variances are calculated by dividing the difference between the actual and original budget by the actual.



5.2.10 COMMUNITY DEVELOPMENT

Table 5:15: Financial Performance: Community Development

| Description | 2018/19 | 2019/20 | | | |
|---|--------------------------|-----------------|-------------------|---------------|--------------------|
| | Actual (Audited Outcome) | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| | R'000 | | | | |
| Total Operational Revenue | (5 722) | – | (56) | (1 985) | 100 |
| Expenditure: | | | | | |
| Employees | 3 640 | 234 | 534 | 4 076 | 94.26 |
| Repairs and Maintenance | 20 | 11 | 11 | 5 | -127.47 |
| Other | 7 303 | 8 424 | 10 728 | 9 486 | 11.19 |
| Total Operational Expenditure | 10 963 | 8 669 | 11 273 | 13 567 | 36.10 |
| Net Operational (Service) | 5 241 | 8 669 | 11 217 | 11 581 | 25.15 |
| Variances are calculated by dividing the difference between the actual and original budget by the actual. | | | | | |

5.2.11 CEMETERIES

Table 5:16: Financial Performance: Cemeteries

| Description | 2018/19 | 2019/20 | | | |
|---|--------------------------|-----------------|-------------------|--------------|--------------------|
| | Actual (Audited Outcome) | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| | R'000 | | | | |
| Total Operational Revenue | (859) | (7 817) | (7 206) | (1 246) | -527.37 |
| Expenditure: | | | | | |
| Employees | 2 778 | 2 778 | 2 778 | 3 166 | 12.25 |
| Repairs and Maintenance | 113 | 350 | 350 | 1 407 | 75.12 |
| Other | 868 | 1 798 | 2 672 | 760 | -136.58 |
| Total Operational Expenditure | 3 759 | 4 925 | 5 799 | 5 333 | 7.64 |
| Net Operational (Service) | 2 900 | (2 892) | (1 406) | 4 087 | 170.76 |
| Variances are calculated by dividing the difference between the actual and original budget by the actual. | | | | | |



5.2.12 TRAFFIC SERVICES AND LAW ENFORCEMENT

Table 5:17: Financial Performance: Traffic Services

| Description | 2018/19 | 2019/20 | | | |
|--------------------------------------|--------------------------|-----------------|-------------------|----------------|--------------------|
| | Actual (Audited Outcome) | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| | R'000 | | | | |
| Total Operational Revenue | (131 770) | (120 565) | (128 947) | (120 391) | -0.14 |
| Expenditure: | | | | | |
| Employees | 60 250 | 53 958 | 54 693 | 61 347 | 12.05 |
| Repairs and Maintenance | 2 215 | 2 037 | 2 037 | 1 208 | -68.67 |
| Other | 134 054 | 127 666 | 140 217 | 133 299 | 4.23 |
| Total Operational Expenditure | 196 519 | 183 660 | 196 947 | 195 854 | 6.23 |
| Net Operational (Service) | 64 750 | 63 096 | 67 999 | 75 463 | 16.39 |

Variations are calculated by dividing the difference between the actual and original budget by the actual.

5.2.13 FIRE SERVICES AND DISASTER MANAGEMENT

Table 5:18: Financial Performance: Fire Services and Disaster Management Personnel Expenditure

| Description | 2018/19 | 2019/20 | | | |
|--------------------------------------|--------------------------|-----------------|-------------------|---------------|--------------------|
| | Actual (Audited Outcome) | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| | R'000 | | | | |
| Total Operational Revenue | (353) | (1 127) | (377) | (672) | -67.78 |
| Expenditure: | | | | | |
| Employees | 34 756 | 37 147 | 35 147 | 36 721 | -1.16 |
| Repairs and Maintenance | 1 524 | 818 | 818 | 1 090 | 24.93 |
| Other | 4 848 | 5 605 | 7 883 | 6 467 | 13.33 |
| Total Operational Expenditure | 41 128 | 43 570 | 43 848 | 44 278 | 1.60 |
| Net Operational (Service) | 40 745 | 42 443 | 43 471 | 43 606 | 2.67 |

Variations are calculated by dividing the difference between the actual and original budget by the actual.



5.2.14 HOLIDAY RESORTS AND CAMPSITES

Table 5:19: Financial Performance: Holiday Resorts and Campsites

| Description | 2018/19 | 2019/20 | | | |
|---|--------------------------|-----------------|-------------------|--------------|--------------------|
| | Actual (Audited Outcome) | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| | R'000 | | | | |
| Total Operational Revenue | (293) | – | – | (398) | 100 |
| Expenditure: | | | | | |
| Employees | 166 | – | 130 | 237 | 100 |
| Repairs and Maintenance | – | 64 | 64 | 4 | 0 |
| Other | 53 | 98 | 98 | 39 | -152.71 |
| Total Operational Expenditure | 219 | 162 | 292 | 280 | 42.12 |
| Net Operational (Service) | (74) | 162 | 292 | (118) | 236.75 |
| Variances are calculated by dividing the difference between the actual and original budget by the actual. | | | | | |

5.2.15 SPORT GROUNDS, PARKS AND SWIMMING POOLS

Table 5:20: Financial Performance: Sport Grounds, Parks and Swimming Pools

| Description | 2018/19 | 2019/20 | | | |
|---|--------------------------|-----------------|-------------------|---------------|--------------------|
| | Actual (Audited Outcome) | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| | R'000 | | | | |
| Total Operational Revenue | (410) | (2 569) | (2 854) | (1 543) | -66.52 |
| Expenditure: | | | | | |
| Employees | 34 979 | 35 815 | 35 283 | 38 089 | 5.97 |
| Repairs and Maintenance | 13 878 | 16 547 | 16 547 | 11 712 | -41.29 |
| Other | 14 468 | 21 413 | 14 061 | 9 212 | -132.45 |
| Total Operational Expenditure | 63 324 | 73 774 | 65 891 | 59 013 | -25.01 |
| Net Operational (Service) | 62 915 | 71 205 | 63 037 | 57 470 | -23.90 |
| Variances are calculated by dividing the difference between the actual and original budget by the actual. | | | | | |



5.2.16 COMMUNITY HALLS AND THUSONG CENTRES

Table 5:21: Financial Performance: Community Halls and Thusong Centres

| Description | 2018/19 | 2019/20 | | | |
|---|--------------------------|------------------|-------------------|--------------|--------------------|
| | Actual (Audited Outcome) | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| | R'000 | | | | |
| Total Operational Revenue | (4 159) | (155 369) | (766) | (3 599) | -4216.49 |
| Expenditure: | | | | | |
| Employees | 3 207 | 13 | 313 | 3 046 | 99.58 |
| Repairs and Maintenance | 3 | 164 | 164 | 162 | -1.19 |
| Other | 1 068 | 521 | 831 | 1 022 | 49.03 |
| Total Operational Expenditure | 4 278 | 697 | 1 307 | 4 229 | 83.52 |
| Net Operational (Service) | 119 | (154 672) | 541 | 630 | 24655.58 |
| Variances are calculated by dividing the difference between the actual and original budget by the actual. | | | | | |

5.2.17 OFFICE OF THE MUNICIPAL MANAGER

Table 5:22: Financial Performance: Office of the Municipal Manager

| Description | 2018/19 | 2019/20 | | | |
|---|--------------------------|-----------------|-------------------|---------------|--------------------|
| | Actual (Audited Outcome) | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| | R'000 | | | | |
| Total Operational Revenue | - | (3 187) | (0) | - | -100 |
| Expenditure: | | | | | |
| Employees | 18 626 | 32 499 | 21 451 | 18 525 | -75.43 |
| Repairs and Maintenance | 4 | 61 | 61 | 8 | -691.43 |
| Other | 6 325 | 9 049 | 6 759 | 6 035 | -49.95 |
| Total Operational Expenditure | 24 955 | 41 609 | 28 271 | 24 568 | -69.36 |
| Net Operational (Service) | 24 955 | 38 422 | 28 271 | 24 568 | -56.39 |
| Variances are calculated by dividing the difference between the actual and original budget by the actual. | | | | | |



5.2.18 HUMAN RESOURCE SERVICES

Table 5:23: Financial Performance: Human Resource Services

| Description | 2018/19 | 2019/20 | | | |
|--------------------------------------|--------------------------|-----------------|-------------------|---------------|--------------------|
| | Actual (Audited Outcome) | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| | R'000 | | | | |
| Total Operational Revenue | (1 008) | (724) | (916) | (1 324) | 45.32 |
| Expenditure: | | | | | |
| Employees | 6 445 | 70 048 | 16 678 | 13 538 | -417.43 |
| Repairs and Maintenance | 2 | 50 | 50 | – | -100 |
| Other | 22 592 | 8 814 | 6 895 | 20 261 | 56.50 |
| Total Operational Expenditure | 29 038 | 78 913 | 23 624 | 33 799 | -133.48 |
| Net Operational (Service) | 28 030 | 78 188 | 22 708 | 32 474 | -140.77 |

Variances are calculated by dividing the difference between the actual and original budget by the actual.

5.2.19 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Table 5:24: Financial Performance: Information and Communication Technology (ICT) Services

| Description | 2018/19 | 2019/20 | | | |
|--------------------------------------|--------------------------|-----------------|-------------------|---------------|--------------------|
| | Actual (Audited Outcome) | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| | R'000 | | | | |
| Total Operational Revenue | 0 | 0 | 0 | 0 | 0 |
| Expenditure: | | | | | |
| Employees | 7 643 | 9 359 | 7 359 | 8 384 | -11.64 |
| Repairs and Maintenance | 30 | 503 | 503 | 215 | -133.56 |
| Other | 19 306 | 22 876 | 22 984 | 23 936 | 4.43 |
| Total Operational Expenditure | 26 979 | 32 738 | 30 846 | 32 535 | -0.62 |
| Net Operational (Service) | 26 979 | 32 738 | 30 846 | 32 535 | -0.62 |

Variances are calculated by dividing the difference between the actual and original budget by the actual.



5.2.20 LEGAL SERVICES

Table 5:25: Financial Performance: Legal Services

| Description | 2018/19 | 2019/20 | | | |
|--------------------------------------|--------------------------|-----------------|-------------------|---------------|--------------------|
| | Actual (Audited Outcome) | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| | R'000 | | | | |
| Total Operational Revenue | (2) | – | (5) | (1) | 100 |
| Expenditure: | | | | | |
| Employees | 4 316 | 5 491 | 5 491 | 4 636 | -18.45 |
| Repairs and Maintenance | – | 29 | 29 | – | 0 |
| Other | 9 023 | (5 520) | 10 007 | 6 180 | 189.33 |
| Total Operational Expenditure | 13 339 | – | 15 527 | 10 816 | 100 |
| Net Operational (Service) | 13 337 | – | 15 522 | 10 814 | 100 |

Variances are calculated by dividing the difference between the actual and original budget by the actual.

5.2.21 PROPERTY MANAGEMENT

Table 5:26: Financial Performance: Property and Contract Management

| Description | 2018/19 | 2019/20 | | | |
|--------------------------------------|--------------------------|-----------------|-------------------|---------------|--------------------|
| | Actual (Audited Outcome) | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| | R'000 | | | | |
| Total Operational Revenue | (8 782) | (11) | (2 851) | (3 143) | 99.64 |
| Expenditure: | | | | | |
| Employees | 7 728 | 9 982 | 6 982 | 8 159 | -22.34 |
| Repairs and Maintenance | 6 848 | 8 174 | 8 174 | 5 233 | -56.19 |
| Other | 15 639 | (18 155) | 23 731 | 18 197 | 199.77 |
| Total Operational Expenditure | 30 215 | – | 38 887 | 31 590 | 100 |
| Net Operational (Service) | 21 432 | (11) | 36 036 | 28 446 | 100.04 |

Variances are calculated by dividing the difference between the actual and original budget by the actual.



5.2.22 FINANCIAL SERVICES

Table 5:27: Financial Performance: Financial Services

| Description | 2018/19 | 2019/20 | | | |
|--------------------------------------|--------------------------|------------------|-------------------|------------------|--------------------|
| | Actual (Audited Outcome) | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| | R'000 | | | | |
| Total Operational Revenue | (432 193) | (323 335) | (458 201) | (450 236) | 28.19 |
| Expenditure: | | | | | |
| Employees | 30 050 | 66 497 | 91 065 | 30 219 | -120.05 |
| Repairs and Maintenance | 1 240 | 1 334 | 1 334 | 53 | -2 433.89 |
| Other | 19 526 | (67 831) | 43 708 | 28 945 | 334.34 |
| Total Operational Expenditure | 50 816 | – | 136 107 | 59 217 | 100 |
| Net Operational (Service) | (381 377) | (323 335) | (322 094) | (391 019) | 17.31 |

Variations are calculated by dividing the difference between the actual and original budget by the actual.

5.2.23 INTERNAL AUDIT

Table 5:28: Financial Performance: Financial Services

| Description | 2018/19 | 2019/20 | | | |
|--------------------------------------|--------------------------|-----------------|-------------------|---------------|--------------------|
| | Actual (Audited Outcome) | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| | R'000 | | | | |
| Total Operational Revenue | 0 | 0 | 0 | 0 | 0 |
| Expenditure: | | | | | |
| Employees | 3 838 | 5 307 | 5 307 | 4 548 | -16.68 |
| Repairs and Maintenance | 0 | 0 | 0 | 0 | 0 |
| Other | 6 280 | 9 768 | 7 675 | 6 835 | -42.91 |
| Total Operational Expenditure | 10 118 | 15 075 | 12 982 | 11 384 | -32.43 |
| Net Operational (Service) | 10 118 | 15 075 | 12 982 | 11 384 | -32.43 |

Variations are calculated by dividing the difference between the actual and original budget by the actual.



5.2.24 ADMINISTRATION

Table 5:29: Financial Performance: Administration

| Description | 2018/19 | 2019/20 | | | |
|---|--------------------------|-----------------|-------------------|---------------|--------------------|
| | Actual (Audited Outcome) | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| | R'000 | | | | |
| Total Operational Revenue | (9 048) | 12 531 | (10 718) | (6 395) | 295.96 |
| Expenditure: | | | | | |
| Employees | 25 151 | 48 038 | 50 961 | 24 801 | -93.70 |
| Repairs and Maintenance | 37 | 418 | 418 | 64 | -554.56 |
| Other | 45 632 | 44 669 | 43 584 | 45 245 | 1.27 |
| Total Operational Expenditure | 70 820 | 93 125 | 94 963 | 70 110 | -32.83 |
| Net Operational (Service) | 61 772 | 105 656 | 84 245 | 63 715 | -65.83 |
| Variances are calculated by dividing the difference between the actual and original budget by the actual. | | | | | |

5.3 GRANTS

5.3.1 GRANT PERFORMANCE

The Municipality had a total amount of **R 172 million** for operational expenditure available that was received in the form of grants from the National and Provincial Governments during the 2019/20 financial year. The performance in the spending of these grants is summarised as follows:

Table 5:30: Grant Performance

| Description | 2018/19 | 2019/20 | | | 2019/20 Variance | |
|---|----------------|----------------|-------------------|----------------|------------------|-------------------|
| | Actual | Budget | Adjustment Budget | Actual | Original Budget | Adjustment Budget |
| | R'000 | | | | | % |
| National Government: | 131 719 | 144 704 | 143 410 | 143 254 | 100% | 100 |
| Equitable Share | 124 176 | 136 177 | 136 177 | 136 177 | 0 | 0 |
| Financial Management Grant | 1 550 | 1 550 | 1 550 | 1 550 | 0 | 0 |
| EPWP | 5 722 | 5 227 | 5 227 | 5 227 | 0 | 0 |
| Municipal Systems Improvement Grant | | 1 750 | 0 | 0 | 100 | 0 |
| Natural Resources Management Grant | 271 | 0 | 247 | 91 | 0 | 63.16 |
| Municipal Disaster Management Grant | 0 | 0 | 209 | 209 | 0 | 0 |
| Provincial Government: | 13 509 | 27 635 | 24 552 | 16 559 | 40.08 | 32.56 |
| Community Development Workers Operational Support Grant | 56 | 0 | 56 | 19 | 0 | 66.07 |
| Library Services: Conditional Grant | 12 210 | 12 454 | 12 454 | 12 454 | 0 | 0 |
| WC Financial Management Support Grant | 255 | 255 | 255 | 255 | 0 | 0 |
| Local Government Support Grant | - | - | 900 | 900 | 0 | 0 |
| Housing Accreditation Grant | 56 | 224 | 224 | 168 | 25 | 25 |
| Financial Management Capacity Building Grant | 139 | 380 | 740 | 380 | 0 | 48.65 |



| Description | 2018/19 | 2019/20 | | | 2019/20 Variance | |
|--|----------------|----------------|-------------------|----------------|------------------|-------------------|
| | Actual | Budget | Adjustment Budget | Actual | Original Budget | Adjustment Budget |
| | R'000 | | | | % | |
| LG Graduate Internship Grant | 12 | | 140 | 66 | 0 | 52.86 |
| Human Settlements Development Grant | 0 | 12 438 | 5 626 | 0 | 100 | 100 |
| Regional Socio-Economic Project / violence through urban upgrading (RSEP / VPUU) | 0 | 1 500 | 0 | 0 | 100 | 0 |
| Maintenance and Construction of Transport Infrastructure | 371 | 384 | 384 | 384 | 0 | 0 |
| Title Deeds Restoration Grant | 410 | 0 | 3773 | 1933 | 0 | 48.77 |
| District Municipality: | 0 | 0 | 2 503 | 472 | 0 | 81.14 |
| Cape Winelands District Grant | 0 | 0 | 2 503 | 472 | 0 | 81.14 |
| Other Grant Providers: | 223 | 0 | 2 035 | 304 | 0 | 85.06 |
| LG SETA Discretionary | 0 | 0 | 35 | 63 | 0 | -80 |
| Taipei donation COVID-19 Donation | 0 | 0 | 0 | 132 | 0 | 100 |
| Khaya Lam Free Market Foundation | 223 | 0 | 0 | 0 | 0 | 100 |
| DBSA Grant | 0 | 0 | 2 000 | 172 | 0 | 91.40 |
| Total Operating Transfers and Grants | 145 451 | 172 339 | 172 500 | 160 589 | 6.82 | 6.90 |

5.3.2 LEVEL OF RELIANCE ON GRANTS AND SUBSIDIES

Table 5:31: Reliance on Grants

| Financial year | Total grants and subsidies received | Total Operating Revenue | Percentage |
|----------------|-------------------------------------|-------------------------|------------|
| | R'000 | | % |
| 2015/16 | 227 268 | 1 411 274 | 16.10 |
| 2016/17 | 227 752 | 1 534 354 | 14.84 |
| 2017/18 | 211 190 | 1 609 728 | 13.12 |
| 2018/19 | 233 433 | 1 541 685 | 15.14 |
| 2019/20 | 285 026 | 1 618 222 | 17.61 |

Developers contributions have been excluded from the grant item to express only allocations and not policy related revenue which NT allocates to capital revenue. It would distort the reliance on grant calculation if excluded from the above ratio.

5.4 ASSET MANAGEMENT

Asset management is practised within the organisation based on a comprehensive Asset Management Policy. The Asset Management Policy provides direction for the management, accounting and control of property, plant and equipment (assets) owned or controlled by the municipality to ensure the following:

- Implementation of the approved Asset Management Policy as required in terms of section 63 of MFMA;
- Verify assets in possession of the Council annually, during the course of the financial year;
- Keep a complete and balanced record of all assets in possession of the Council;
- Report in writing all asset losses, where applicable, to Council; and
- Those assets are valued and accounted for in accordance with a statement of GRAP.



5.5 REPAIRS AND MAINTENANCE

Table 5:32: Repairs and Maintenance Expenditure

| Description | 2018/19 | 2019/20 | | | 2019/20 Variance |
|-------------------------------------|---------|-----------------|-------------------|--------|------------------|
| | Actual | Original Budget | Adjustment Budget | Actual | Budget variance |
| | R'000 | | | | % |
| Repairs and Maintenance Expenditure | 60 923 | 91 240 | 91 240 | 58 292 | 36.11 |

5.6 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

Table 5:33: Liquidity Ratio

| Description | Basis of calculation | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|---|--|---------|---------|---------|---------|---------|
| Current Ratio | Current assets / current liabilities | 2.72 | 2.18 | 2.02 | 2.09 | 1.74 |
| Current Ratio adjusted for aged debtors | Current assets - debtors > 90 days / current liabilities | 2.6 | 2.18 | 1.38 | 1.39 | 0.97 |
| Liquidity Ratio | Monetary Assets / Current Liabilities | 2.61 | 1.51 | 1.92 | 1.98 | 1.67 |

5.6.1 IDP REGULATION FINANCIAL VIABILITY INDICATORS

Table 5:34: IDP Regulation Financial Viability of Indicators

| Description | Basis of calculation | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|--|---|---------|---------|---------|---------|---------|
| Cost Coverage | (Available cash + investments) / monthly fixed operational expenditure | 1.4 | 5.71 | 4.59 | 4.70 | 2.41 |
| Total Outstanding Service Debtors to Revenue | Total outstanding service debtors / annual revenue received for services | 10.22% | 18.09% | 28.05% | 30.66% | 25.45% |
| Debt Coverage | (Total operating revenue - operating grants) / debt service payments due within financial year) | 40.97 | 47.16 | 46.81 | 43.86 | 25.43 |

5.6.2 BORROWING MANAGEMENT

Table 5:35: Borrowing Management

| Description | Basis of calculation | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|--|---|---------|---------|---------|---------|---------|
| Capital Charges to Operating Expenditure | Interest and Principal Paid / Operating Expenditure | 1.60% | 1.21% | 2.31% | 2.09% | 3.43% |



5.6.3 EMPLOYEE COSTS

Table 5:36: Employee Costs

| Description | Basis of calculation | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|----------------|--|---------|---------|---------|---------|---------|
| Employee costs | Employee costs / (total revenue - capital revenue) | 28.10% | 26.84% | 28.80% | 29.09% | 29.95% |

5.7 COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.7.1 CAPITAL EXPENDITURE

5.7.1.1 Capital Expenditure by Assets Programme

Table 5:37: Capital Expenditure by asset programme

| Description | 2019/20 | | |
|---|-----------------|-------------------|--------------------|
| | Original Budget | Adjustment Budget | Actual Expenditure |
| R'000 | | | |
| Capital Expenditure by Asset Class | | | |
| Infrastructure | 360 706 | 359 593 | 258 784 |
| Roads Infrastructure | 87 150 | 91 276 | 65 344 |
| Roads | 66 550 | 64 288 | 49 897 |
| Road Structures | 16 200 | 20 700 | 10 664 |
| Road Furniture | 3 400 | 3 750 | 3 949 |
| Storm water Infrastructure | 1 000 | 1 688 | 834 |
| Storm water Conveyance | - | 850 | - |
| Electrical Infrastructure | 30 745 | 41 107 | 34 668 |
| Power Plants | - | 5 800 | 28 364 |
| HV Substations | 500 | 500 | 2 015 |
| MV Switching Stations | 0 | 0 | - |
| MV Networks | 23 695 | 23 820 | - |
| MV Substations | - | 4 550 | - |
| LV Networks | 4 500 | 4 386 | 2 006 |
| Capital Spares | 2 050 | 2 050 | 2 283 |
| Water Supply Infrastructure | 80 202 | 48 406 | 55 207 |
| Dams and Weirs | 0 | 634 | - |
| Boreholes | 0 | 0 | - |
| Reservoirs | 21 500 | 8 608 | 6 063 |
| Water Treatment Works | 4 500 | 3 288 | 13 499 |
| Bulk Mains | 25 000 | 8 924 | 9 044 |
| Distribution | 26 702 | 24 452 | 26 601 |
| Capital Spares | 2500 | 2500 | - |
| Sanitation Infrastructure | 128 300 | 142 080 | 80 753 |
| Pump Station | 7000 | 7000 | - |
| Reticalation | 17 500 | 18 613 | 78 779 |
| Waste Water Treatment Works | 47 800 | 54 719 | 1 974 |
| Outfall Sewers | 55 500 | 61 155 | - |
| Toilet Facilities | 500 | 439 | - |
| Capital Spares | - | 154 | 0 |



| Description | 2019/20 | | |
|---|-----------------|-------------------|--------------------|
| | Original Budget | Adjustment Budget | Actual Expenditure |
| | R'000 | | |
| Solid Waste Infrastructure | 33 300 | 35 714 | 22 078 |
| Landfill Sites | 31 500 | 33 400 | 13 652 |
| Waste Transfer Stations | 1 000 | 287 | 359 |
| Waste Drop-off Points | 300 | 300 | 8 067 |
| Waste Separation Facilities | 0 | 1 727 | - |
| Capital Spares | 500 | 0 | - |
| Information and Communication Infrastructure | 1 010 | 1 010 | 734 |
| Data Centres | 1 000 | 1 000 | - |
| Capital Spares | 10 | 10 | 734 |
| Community Assets | 36 825 | 34 867 | 13 697 |
| Community Facilities | 24 325 | 23 673 | 11 326 |
| Halls | 4 850 | 6 459 | - |
| Centres | 200 | -420 | - |
| Fire / Ambulance Stations | 2 000 | 2 000 | 472 |
| Testing Stations | 0 | 0 | - |
| Theatres | 4 000 | 1 329 | - |
| Libraries | 1 475 | 275 | 377 |
| Cemeteries / Crematoria | 1 500 | 1 171 | 1 094 |
| Police | 500 | -177 | - |
| Public Open Space | 2 500 | 2 000 | 2 621 |
| Nature Reserves | 1 500 | 1 945 | - |
| Public Ablution Facilities | 500 | 139 | - |
| Stalls | 4 500 | 8 074 | - |
| Taxi Ranks / Bus Terminals | 0 | 1 064 | 6 762 |
| Capital Spares | 800 | -187 | - |
| Sport and Recreation Facilities | 12 500 | 12 877 | 2 371 |
| Outdoor Facilities | 12 500 | 12 877 | 2 371 |
| Heritage assets | | | |
| Heritage assets | 2 500 | 2 201 | 0 |
| Historic Buildings | 500 | 500 | 0 |
| Conservation Areas | 2 000 | 1 701 | 0 |
| Investment properties | 13 300 | 9 011 | 0 |
| Revenue Generating | 7 300 | 5 877 | 0 |
| Improved Property | 7 300 | 5 877 | 0 |
| Unimproved Property | 0 | 0 | 0 |
| Non-revenue Generating | 6 000 | 3 134 | 0 |
| Improved Property | 7 300 | 5 877 | 0 |
| Unimproved Property | 0 | 0 | 0 |
| Other assets | 23 400 | 868 | 17 394 |
| Operational Buildings | 11 300 | 1 620 | - |
| Municipal Offices | 1 100 | 1 100 | 17 394 |
| Yards | 200 | 200 | - |
| Stores | 0 | 0 | - |
| Training Centres | 5 000 | -5 850 | - |



| Description | 2019/20 | | |
|---|-----------------|-------------------|--------------------|
| | Original Budget | Adjustment Budget | Actual Expenditure |
| | R'000 | | |
| Manufacturing Plant | - | - | - |
| Depots | 5 000 | 6 071 | - |
| Capital Spares | 800 | 348 | - |
| Housing | 9 260 | -752 | 7 |
| Social Housing | 9 260 | -1 100 | 7 |
| Biological or Cultivated Assets | 0 | 0 | 0 |
| Biological or Cultivated Assets | 0 | 0 | 0 |
| Intangible Assets | 400 | 0 | 163 |
| Licences and Rights | 200 | 0 | - |
| Computer Software and Applications | 200 | 0 | 163 |
| Computer Equipment | 5 150 | 9 369 | 10 406 |
| Computer Equipment | 5 150 | 9 369 | 10 406 |
| Furniture and Office Equipment | 2 575 | 2 574 | 2 695 |
| Furniture and Office Equipment | 2 575 | 2 574 | 2 695 |
| Machinery and Equipment | 21 580 | 24 660 | 11 635 |
| Machinery and Equipment | 21 580 | 24 660 | 11 635 |
| Transport Assets | 17 230 | 22 603 | 30 204 |
| Transport Assets | 17 230 | 22 603 | 30 204 |
| Land | 77 650 | 113 010 | 60 946 |
| Land | 77 650 | 113 010 | 60 946 |
| Zoo's, Marine and Non-biological Animals | - | - | 0 |
| Zoo's, Marine and Non-biological Animals | - | - | 0 |
| Total Capital Expenditure | 558 277 | 577 905 | 405 931 |

5.7.1.2 Sources of Finance

The table below indicates the capital expenditure by funding source for the 2019/20 financial year:

Table 5:38: Capital Expenditure by Funding Source

| Details | 2019/20 | | | |
|------------------------------------|----------------------|-------------------|----------------|----------------------------|
| | Original Budget (OB) | Adjustment Budget | Actual | Adjustment Budget Variance |
| | R'000 | | | % |
| Source of finance | | | | |
| External Loans | 160 000 | 37 096 | 33 365 | -10.06 |
| Public Contributions and Donations | - | - | - | - |
| Grants and Subsidies | 141 088 | 144 386 | 124 374 | -13.86 |
| Other | 257 189 | 396 423 | 248 192 | -37.39 |
| Total | 558 277 | 577 905 | 405 931 | -29.76 |
| | | | | |
| External Loans | 28.66 | 6.42 | 8.22 | 28.05 |
| Public Contributions and Donations | 0 | 0 | 0 | - |
| Grants and Subsidies | 25.27 | 24.98 | 30.64 | 22.63 |
| Own Funding | 46.07 | 68.60 | 61.14 | -10.87 |



| Details | 2019/20 | | | |
|----------------------|----------------------|-------------------|----------------|----------------------------|
| | Original Budget (OB) | Adjustment Budget | Actual | Adjustment Budget Variance |
| | R'000 | | | % |
| Water and Sanitation | 194 400 | 167 973 | 135 126 | -19.55 |
| Electricity | 35 090 | 46 493 | 34 668 | -25.43 |
| Housing | 50 | 1 350 | 7 | -99.48 |
| Roads and Stormwater | 80 120 | 82 303 | 834 | -98.99 |
| Other | 248 617 | 279 786 | 235 296 | -15.90 |
| Total | 558 277 | 577 905 | 405 931 | -29.76 |
| Water and Sanitation | 34.82 | 29.07 | 33.29 | 14.53 |
| Electricity | 6.29 | 8.05 | 8.54 | 6.16 |
| Housing | 0.01 | 0.23 | 0.00 | -99.26 |
| Roads and Stormwater | 14.35 | 14.24 | 0.21 | -98.56 |
| Other | 44.53 | 48.41 | 57.96 | 19.73 |

5.8 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Projects with the highest capital expenditure in 2019/20:

Table 5:39: Capital Expenditure on the 5 Largest Projects

| Name of Project | 2019/20 | | | Variance 2019/20 | |
|--|-----------------|-------------------|--------------------|-------------------|---------------------|
| | Original Budget | Adjustment Budget | Actual Expenditure | Original Variance | Adjustment Variance |
| | R'000 | | | % | |
| Purchasing of land | 77 500 | 1 12 750 | 66 321 | 14.43 | 41.18 |
| Upgrade of WWTW: Pniël and Decommissioning of Franschoek | 40 000 | 32 751 | 17 461 | 56.35 | 46.68 |
| Bulk Sewer Outfall: Jamestown | 30 000 | 31 578 | 29 914 | 0.29 | 5.27 |
| Stellenbosch WC024 Material Recovery Facility | 22 000 | 25 669 | 19 510 | 11.32 | 24 |
| New Plankenburg Main Outfall Sewer | 10 000 | 22 348 | 18 295 | -82.95 | 18.13 |



5.9 BASIC SERVICES AND INFRASTRUCTURE BACKLOGS - OVERVIEW

Out of the various Master Plans revised, various infrastructure backlogs and upgrades were identified which will be required to meet current and future development needs. Budgetary provision will be made accordingly.

The service level below minimum standard can be interpreted as the backlogs to upgrade current households above minimum standard to households supplied with water inside dwelling.

In terms of the definition for backlogs for the minimum standard water supply, Stellenbosch Municipality has zero (0) backlogs. Major backlogs exist in terms of dilapidated infrastructure and the bulk services to provide for future development and current provision of water and sanitation.

5.10 INTEGRATED URBAN DEVELOPMENT GRANT (IUDG)

Table 5:40: Integrated Urban Development Grant (IUDG)

| Details | Budget | Adjustment Budget | Actual | Variance Budgets |
|---|--------|-------------------|--------|------------------|
| | R'000 | | | % |
| Stellenbosch WC024 Material Recovery Facility | 6 000 | 10 000 | 10 000 | 0 |
| Transfer Station: Stellenbosch | 1 000 | - | - | 0 |
| Bulk Sewer Outfall: Jamestown | 16 323 | 16 323 | 16 323 | 0 |
| New Plankenburg Main Outfall Sewer | 7 000 | 9 000 | 9 000 | 0 |
| Bulk Water Supply Pipeline and Reservoir - Jamestown | 1 000 | - | | 0 |
| Upgrade of Sport Facilities | 4 000 | - | | 0 |
| Upgrade of WWTW: Priël and Decommissioning of Franschhoek | 11 563 | 11 563 | 11 563 | 0 |

5.11 CASH FLOW

Table 5:41: Cash Flow

| Description | 2018/19 | 2019/20 | | |
|--|-----------------|-----------------|-----------------|----------------|
| | Audited Outcome | Original Budget | Adjusted Budget | Actual |
| R'000 | | | | |
| Cash Flow from Operating Activities | | | | |
| Receipts | | | | |
| Ratepayers and Other | 1 219 346 | 1 431 900 | 1 387 127 | 1 342 944 |
| Government Grants | 270 320 | 313 427 | 329 555 | 240 161 |
| Interest | 44 272 | 54 991 | 52 991 | 40 472 |
| Payments | | | | |
| Employee Costs | -489 934 | -603 268 | -557 733 | -530 498 |
| Suppliers | -639 780 | -801 259 | -825 930 | -779 977 |
| Finance Costs | -17 033 | -39 877 | -30 777 | -31 150 |
| Net Cash from / (Used) Operating Activities | 387 191 | 355 914 | 355 233 | 281 952 |
| Cash Flow from Investing Activities | | | | |



| Description | 2018/19 | 2019/20 | | |
|--|-----------------|-----------------|-----------------|-----------------|
| | Audited Outcome | Original Budget | Adjusted Budget | Actual |
| R'000 | | | | |
| Receipts | | | | |
| Proceeds on Disposal of PPE | 1 917 | 0 | 0 | 0 |
| Proceeds on Disposal of Biological Assets | 52 | 0 | 0 | 33 |
| Movement in Non-Current Receivables | 0 | 0 | 0 | 0 |
| Payments | | | | |
| Purchase of PPE | -493 304 | -558 277 | -577 905 | -405 931 |
| Movement in Non-Current Receivables | 0 | 0 | 0 | 0 |
| Movement in Investments | 107 454 | 0 | 0 | 91 526 |
| Net Cash from / (Used) Investing Activities | -383 881 | -558 277 | -577 905 | -314 372 |
| Cash Flow from Financing Activities | | | | |
| Receipts | | | | |
| Proceeds from other Financial Liabilities | 160 000 | 160 000 | 0 | 0 |
| Increase in consumer deposits | 0 | 0 | 0 | 0 |
| Payments | | | | |
| Repayment of Borrowing | -14 502 | -20 883 | -20 883 | -25 870 |
| Prior period error | 0 | 0 | 0 | 0 |
| Net Cash from/(Used) Financing Activities | 145 498 | 139 117 | -20 883 | -25 870 |
| Net Increase / (Decrease) in Cash Held | 148 808 | -63 246 | -243 555 | -58 290 |
| Cash / Cash Equivalents at the Year-Begin: | 20 683 | 433 363 | 566 719 | 169 491 |
| Cash / Cash Equivalents at the Year-End: | 169 491 | 370 117 | 323 164 | 111 201 |

5.12 GROSS OUTSTANDING DEBTORS PER SERVICE

Table 5.42: Gross Outstanding Debtors per Service

| Financial year | Rates | Trading services | Trading services | Housing rentals | Other | Total |
|------------------------------|------------|-------------------------|-------------------------|-----------------|------------|------------|
| | | (Electricity and Water) | (Sanitation and Refuse) | | | |
| (R'000) | | | | | | |
| 2017/18 | 37 123 | 199 311 | 42 441 | 24 242 | 194 296 | 497 413 |
| 2018/19 | 39 149 | 207 104 | 46 069 | 27 274 | 204 212 | 523 808 |
| Difference | 2 026 | 7 793 | 3 628 | 3 032 | 9 916 | 26 395 |
| % growth year on year | 5% | 4% | 9% | 13% | 5% | 5% |
| 2019/20 | 44 671 | 170 781 | 54 968 | 27 194 | 195 011 | 492 625 |
| Difference | 5 522 | -36 323 | 8 899 | -80 | -9 201 | -31 183 |
| % growth year on year | 14% | -18% | 19% | 0% | -5% | -6% |

Note: Figures exclude provision for bad debt.



5.13 DEBTORS AGE ANALYSIS

Table 5:43: Debtors Age Analysis

| Financial year | Less than 30 days | Between 30-60 days | Between 60-90 days | Between 90-120 days | More than 120 days | Total |
|-----------------------|-------------------|--------------------|--------------------|---------------------|--------------------|---------|
| | (R'000) | | | | | |
| 2017/18 | 192 766 | 16 564 | 17 223 | 12 474 | 258 386 | 497 413 |
| 2018/19 | 184 334 | 18 591 | 16 417 | 12 897 | 291 570 | 523 809 |
| Difference | -8 432 | 2 027 | -806 | 423 | 33 184 | 26 396 |
| % growth year on year | -4% | 12% | -5% | 3% | 13% | 5% |
| 2019/20 | 136 577 | 204 867 | 197 197 | 13 439 | 302 403 | 854 483 |
| Difference | -47 757 | 186 276 | 180 780 | 542 | 10 833 | 330 674 |
| % growth year on year | -26% | 1002% | 1101% | 4% | 4% | 63% |

Note: Figures exclude provision for bad debt.

5.14 BORROWING AND INVESTMENTS

The Municipality's cash position is monitored on a daily basis and any cash not required immediately to meet cash flow requirements is invested on a monthly basis at approved institutions, strictly in accordance with Council's approved Cash and Investment Policy.

5.14.1 ACTUAL BORROWINGS

Table 5:44: Actual Borrowings

| Instrument | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|-----------------|---------|---------|---------|---------|---------|
| | R'000 | | | | |
| Long-Term Loans | 198 294 | 186 386 | 173 302 | 318 800 | 292 930 |

5.14.2 MUNICIPAL INVESTMENTS

Table 5:45: Municipal Investments

| Investment type | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|-----------------|---------|---------|---------|---------|---------|
| | R'000 | | | | |
| Deposits - Bank | 600 239 | 575 418 | 505 618 | 398 164 | 306 637 |



CHAPTER 6: AUDITOR GENERAL AUDIT FINDINGS

6.1 INTRODUCTION

This chapter provides the details on the audit outcomes for the past two financial years with the correctives steps implemented.

6.2 COMPONENT A: AUDITOR-GENERAL OPINION 2018/19

6.2.1 AUDITOR GENERAL REPORT 2018/19

Table 6:1: Auditor General Report 2018/19

| 2018/19 | |
|---|--|
| Audit Report Status: | Unqualified with findings |
| 2018/19 | |
| Issue raised | Corrective step implemented |
| Emphasis of matter: | |
| Restatement of corresponding figures | |
| As disclosed in note 63 to the financial statements, the corresponding figures for 30 June 2018 were restated as a result of errors detected during the 2018-19 financial year in the financial statements of the Municipality at, and for the year ended, 30 June 2019. | The Municipality is allowed in terms of GRAP 3, to restate corresponding figures in the event of any misstatements being identified. The Municipality however is putting controls in place to identify the errors within the year they occur. |
| Material Impairments | |
| As disclosed in note 5 to the financial statements, the Municipality provided for the impairment of trade and other receivables from exchange transactions amounting to R125,5 million (2017-18: R104,7 million). | Writing off of irrecoverable debt is allowed in terms of GRAP 19 where the impairment will be utilised against the provision, also in terms of this standard. |
| As disclosed in note 6 to the financial statements, the Municipality provided for the impairment of trade and other receivables from non-exchange transactions amounting to R167,5 million (2017-18: R164,2 million). | The interpretation of the Standards of GRAP, IGRAP 1 became effective from the 2013/2014 financial year and the impact was that the Municipality had to account for all fines issued as revenue. As the payment rate of fines for the period was only 25%, the debt impairment for fines amounted to R142 321 642. |
| Material losses | |
| As disclosed in note 61 to the financial statements, material water losses of 28% (2017-18: 21,6%) were incurred. | The water losses are within the national norm of between 15% and 30%. The Municipality are implementing programmes to limit water losses. |
| Material Non-Compliance | |
| Annual financial statements | |
| The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non-current assets, current assets, liabilities, Revenue and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion. | The Municipality will compile Interim financial statements with a complete audit file for review by the AGSA. The annual financial statements process plan will be reviewed to allow for sufficient time to adequately review the AFS before submission to the AG. |



6.2.2 COMPONENT B: AUDITOR-GENERAL OPINION 2019/20

At the time of compiling the Annual Report 2019/20, the audit for the 2019/20 financial year was not completed. The outcome of the audit will be reported after conclusion of the audit by the AGSA.



ANNEXURE A: ANNUAL FINANCIAL STATEMENTS 2019/20

| Planning by | Reviewed | Performed by | Final review |
|-------------|----------|--------------|--------------|
| | | | |

Client details

Client name: Stellenbosch Municipality
Year end: 30 June 2020

Print details

Printed by
Date printed



STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

Stellenbosch Municipality
Unaudited Annual financial statements
for the year ended 30 June 2020
Auditor-General of South Africa

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

General Information

Legal form of entity

Stellenbosch municipality is a high-capacity, category B local authority established in terms of section 151 of the Constitution of the Republic of South Africa.

The principle activities of the municipality are to:

Provide democratic and accountable government to local communities;
Ensure sustainable service delivery to communities;
Promote social and economic development;
Promote a safe and healthy environment; and
Encourage the involvement of communities and community organisations in the matters of local government.

Mayoral committee

Executive Mayor
Deputy Executive Mayor
Speaker
Executive Councillors

G van Deventer
W Petersen
N Jindela
F Badenhorst
P Crawley
A Frazenburg
E Groenewald
X Mdemka
S Peters
M Pietersen
Q Smit
F Adams
F Bangani-Menziwa
P Biscombe
G Cele
A Crombie
Z Dalling
R Du Toit
A Florence
J Fasser
E Fredericks
T Gosa
J Hamilton
A Hanekom
D Hendrickse
J Hendriks
L Horsband
M Johnson
D Joubert
N Mananga-Gugushe
C Manuel
M Mc Ombring
C Moses
R Nalumango
N Olayi
M Oliphant
W Petersen
W Pietersen
S Schafer

Councillors

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

General Information

| | |
|---|--|
| | J Serdyn N Sinkinya P Sitshoti L Stander E Vermeulen |
| Accounting Officer | G Mettler |
| Chief Finance Officer (CFO) | K Carolus |
| Senior Management | A de Beer D Louw G Boshoff A Barnes |
| Registered office | Plein Street Stellenbosch 7600 |
| Business address | Plein Street Stellenbosch 7600 |
| Postal address | P O Box 17 Stellenbosch 7599 |
| Bankers | ABSA NEDBANK |
| Auditors | Auditor-General of South Africa |
| Legislation Governing the Municipality | The Constitution of the Republic of South Africa, 1996 The Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) The Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) The Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004) Municipal Fiscal Powers and Functions Act, 2007 (Act 12 of 2007) Local Government: Municipal Demarcation Act, 1998 (Act 27 of 1998) Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005) Division of Revenue Act (Act 1 of 2007) |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

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The reports and statements set out below comprise the unaudited annual financial statements presented to the provincial legislature:

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Abbreviations

| | |
|------|--|
| GRAP | Generally Recognised Accounting Practice |
| IAS | International Accounting Standards |
| MEC | Member of the Executive Council |
| MFMA | Municipal Finance Management Act |
| VAT | Value added Tax |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the unaudited annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the unaudited annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the unaudited annual financial statements and was given unrestricted access to all financial records and related data.

The unaudited annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The unaudited annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

I acknowledge that I am ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

I am of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the unaudited annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

I am responsible for the preparation of these financial statements in terms of Section 126(1) of the Municipal Finance Management Act, 2003 (Act 56 of 2003) and signed the Annual Financial Statements on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 34 and 35 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

The external auditors are responsible for independently reviewing and reporting on the municipality's unaudited annual financial statements. The unaudited annual financial statements have been examined by the municipality's external auditors and their report is presented on page 5.

The unaudited annual financial statements have been prepared on the going concern basis, is hereby approved.

Accounting Officer
Geraldine Mettler

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Statement of Financial Position as at 30 June 2020

| Figures in Rand | Note(s) | 2020 | 2019 Restated* |
|--|---------|----------------------|----------------------|
| Assets | | | |
| Current Assets | | | |
| Cash and cash equivalents | 3 | 111 201 845 | 169 490 533 |
| Short term investments | 4 | 306 637 342 | 398 163 664 |
| Receivables from exchange transactions | 5 | 111 067 546 | 147 504 373 |
| Receivables from non-exchange transactions | 6 | 71 484 038 | 65 966 659 |
| Other receivables from exchange transactions | 7 | 12 887 565 | 14 727 247 |
| Inventories | 8 | 64 074 316 | 64 557 942 |
| VAT receivable | 9 | 30 285 689 | 48 168 490 |
| Long term receivables | 15 | 2 800 967 | 1 630 959 |
| | | 710 439 308 | 910 209 867 |
| Non-Current Assets | | | |
| Property, plant and equipment | 10 | 5 244 686 578 | 5 032 725 092 |
| Investment property | 11 | 412 514 416 | 412 767 003 |
| Intangible assets | 12 | 9 694 174 | 11 956 450 |
| Biological assets that form part of an agricultural activity | 13 | 6 321 448 | 6 321 448 |
| Heritage assets | 14 | 774 002 | 774 002 |
| Long term receivables | 15 | 3 560 940 | 3 024 999 |
| Other receivables from exchange transactions | 7 | 1 589 255 | 1 182 720 |
| | | 5 679 140 813 | 5 468 751 714 |
| Total Assets | | 6 389 580 121 | 6 378 961 581 |
| Liabilities | | | |
| Current Liabilities | | | |
| Consumer deposits | 16 | 17 784 517 | 17 077 912 |
| Employee benefit obligation | 17 | 78 214 004 | 55 599 752 |
| Operating lease liability | 18 | 4 958 344 | 5 775 015 |
| Other financial liabilities | 19 | 26 752 931 | 25 869 707 |
| Provisions | 20 | - | 642 909 |
| Payables from exchange transactions | 21 | 270 824 226 | 271 462 272 |
| Unspent conditional grants and receipts | 22 | 8 862 622 | 59 045 639 |
| | | 407 396 644 | 435 473 206 |
| Non-Current Liabilities | | | |
| Other financial liabilities | 19 | 266 177 508 | 292 930 440 |
| Employee benefit obligation | 17 | 166 519 386 | 201 830 792 |
| Provisions | 20 | 121 305 978 | 101 701 567 |
| | | 554 002 872 | 596 462 799 |
| Total Liabilities | | 961 399 516 | 1 031 936 005 |
| Net Assets | | 5 428 180 605 | 5 347 025 576 |
| Accumulated surplus | 23 | 5 428 180 605 | 5 347 025 576 |

* See Note 61

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Statement of Financial Performance

| Figures in Rand | Note(s) | 2020 | 2019 Restated* |
|---|---------|------------------------|------------------------|
| Revenue | | | |
| Revenue from exchange transactions | | | |
| Service charges | 24 | 880 125 828 | 817 760 063 |
| Construction contracts | 25 | 5 317 560 | 1 044 546 |
| Rental of facilities and equipment | 26 | 13 601 431 | 17 890 921 |
| Interest earned - outstanding receivables | 27 | 6 954 471 | 8 024 881 |
| Agency services | 28 | 3 976 481 | 4 400 282 |
| Licences and permits | 29 | 4 413 324 | 5 043 854 |
| Other income | 30 | 40 061 672 | 40 523 549 |
| Investment revenue | 31 | 40 472 002 | 44 271 827 |
| Gain on biological assets and agricultural produce | | 33 133 | 51 591 |
| Reversal of inventories losses | | 709 539 | 6 218 654 |
| Total revenue from exchange transactions | | 995 665 441 | 945 230 168 |
| Revenue from non-exchange transactions | | | |
| Taxation revenue | | | |
| Property rates | 32 | 360 089 277 | 330 959 681 |
| Property rates - interest earned | 32 | 1 822 264 | 1 998 219 |
| Transfer revenue | | | |
| Government grants & subsidies | 33 | 285 026 320 | 233 432 676 |
| Fines, Penalties and Forfeits | 34 | 99 992 810 | 118 046 132 |
| Total revenue from non-exchange transactions | | 746 930 671 | 684 436 708 |
| Total revenue | | 1 742 596 112 | 1 629 666 876 |
| Expenditure | | | |
| Employee related costs | 35 | (481 583 056) | (444 711 089) |
| Remuneration of councillors | 36 | (19 121 037) | (18 272 420) |
| Contribution to/from provision | 38 | (8 828 974) | (6 025 885) |
| Depreciation and amortisation | 39 | (197 274 891) | (193 788 634) |
| Impairments loss | 10 | (72 977) | (1 705 912) |
| Finance costs | 40 | (56 003 899) | (41 787 542) |
| Lease rentals on operating lease | 41 | (11 837 555) | (2 666 984) |
| Bad debt written off | 42 | (123 186 856) | (105 207 214) |
| Contribution to allowance for doubtful debt | 43 | 6 513 822 | (23 536 375) |
| Bulk purchases | 44 | (445 620 997) | (380 670 630) |
| Contracted services | 45 | (183 452 999) | (151 817 580) |
| Transfers and Subsidies | 46 | (10 854 823) | (9 129 449) |
| Cost of housing sold | | (700 000) | - |
| Loss on disposal of assets and liabilities | | - | (5 111 906) |
| Fair value adjustments | 48 | (634 971) | (350 833) |
| Inventories losses/write-downs | | - | (2 157 273) |
| General Expenses | 47 | (128 781 895) | (121 689 589) |
| Total expenditure | | (1 661 441 108) | (1 508 629 315) |
| Surplus for the year | | 81 155 004 | 121 037 561 |

* See Note 61

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Statement of Changes in Net Assets

| Figures in Rand | Accumulated surplus | Total net assets |
|---|----------------------|----------------------|
| Opening balance as previously reported | 5 162 591 964 | 5 162 591 964 |
| Adjustments | | |
| Prior year adjustments | 63 396 051 | 63 396 051 |
| Balance at 01 July 2018 as restated* | 5 225 988 015 | 5 225 988 015 |
| Changes in net assets | | |
| Surplus for the year | 121 037 561 | 121 037 561 |
| Total changes | 121 037 561 | 121 037 561 |
| Restated* Balance at 01 July 2019 | 5 347 025 580 | 5 347 025 580 |
| Changes in net assets | | |
| Surplus for the year | 81 155 004 | 81 155 004 |
| Total changes | 81 155 004 | 81 155 004 |
| Balance at 30 June 2020 | 5 428 180 584 | 5 428 180 584 |
| Note(s) | 23 | |

* See Note 61

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Cash Flow Statement

| Figures in Rand | Note(s) | 2020 | 2019 Restated* |
|--|---------|-----------------------------|-----------------------------|
| Cash flows from operating activities | | | |
| Receipts | | | |
| Sale of goods and services | | 1 342 943 907 | 1 219 345 919 |
| Grants | | 240 160 863 | 270 319 841 |
| Interest income | | 40 472 002 | 44 271 827 |
| | | <u>1 623 576 772</u> | <u>1 533 937 587</u> |
| Payments | | | |
| Employee costs | | (530 497 862) | (489 934 303) |
| Suppliers | | (779 976 860) | (639 779 594) |
| Finance costs | | (31 149 574) | (17 033 200) |
| | | <u>(1 341 624 296)</u> | <u>(1 146 747 097)</u> |
| Net cash flows from operating activities | 49 | <u>281 952 476</u> | <u>387 190 490</u> |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | 10 | (405 767 711) | (487 925 718) |
| Proceeds from sale of property, plant and equipment | 10 | - | 1 916 743 |
| Purchase of other intangible assets | 12 | (163 200) | (5 377 971) |
| Proceeds from sale of biological assets that form part of an agricultural activity | 13 | 33 133 | 51 591 |
| Proceeds from sale of short term investments | | 91 526 322 | 107 454 008 |
| | | <u>(314 371 456)</u> | <u>(383 881 347)</u> |
| Net cash flows from investing activities | | <u>(314 371 456)</u> | <u>(383 881 347)</u> |
| Cash flows from financing activities | | | |
| Movement in other financial liabilities | | (25 869 708) | 145 498 009 |
| | | <u>(25 869 708)</u> | <u>145 498 009</u> |
| Net cash flows from financing activities | | <u>(25 869 708)</u> | <u>145 498 009</u> |
| Net increase/(decrease) in cash and cash equivalents | | <u>(58 288 688)</u> | <u>148 807 152</u> |
| Cash and cash equivalents at the beginning of the year | | 169 490 533 | 20 683 383 |
| Cash and cash equivalents at the end of the year | 3 | <u>111 201 845</u> | <u>169 490 535</u> |

* See Note 61

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

| | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Reference |
|---|------------------------|-------------|------------------------|------------------------------------|--|-----------|
| Figures in Rand | | | | | | |
| Statement of Financial Performance | | | | | | |
| Revenue | | | | | | |
| Revenue from exchange transactions | | | | | | |
| Service charges | 929 588 845 | - | 929 588 845 | 880 125 828 | (49 463 017) | BD1 |
| Construction contracts | - | - | - | 5 317 560 | 5 317 560 | |
| Rental of facilities and equipment | 18 831 474 | - | 18 831 474 | 13 601 431 | (5 230 043) | BD2 |
| Interest received (trading) | 11 270 156 | - | 11 270 156 | 6 954 471 | (4 315 685) | BD3 |
| Agency services | 2 851 504 | - | 2 851 504 | 3 976 481 | 1 124 977 | |
| Licences and permits | 5 398 023 | - | 5 398 023 | 4 413 324 | (984 699) | |
| Other income - (rollup) | 40 490 958 | - | 40 490 958 | 40 061 672 | (429 286) | BD4 |
| Interest received - investment | 42 171 310 | - | 42 171 310 | 40 472 002 | (1 699 308) | |
| Total revenue from exchange transactions | 1 050 602 270 | - | 1 050 602 270 | 994 922 769 | (55 679 501) | |
| Revenue from non-exchange transactions | | | | | | |
| Taxation revenue | | | | | | |
| Property rates | 356 121 877 | - | 356 121 877 | 360 089 277 | 3 967 400 | |
| Property rates - interest earned | - | - | - | 1 822 264 | 1 822 264 | |
| Transfer revenue | | | | | | |
| Government grants & subsidies | 329 554 667 | - | 329 554 667 | 285 026 320 | (44 528 347) | BD5 |
| Fines, Penalties and Forfeits | 98 260 389 | - | 98 260 389 | 99 992 810 | 1 732 421 | BD6 |
| Total revenue from non-exchange transactions | 783 936 933 | - | 783 936 933 | 746 930 671 | (37 006 262) | |
| Total revenue | 1 834 539 203 | - | 1 834 539 203 | 1 741 853 440 | (92 685 763) | |
| Expenditure | | | | | | |
| Employee related costs | (557 732 911) | - | (557 732 911) | (481 583 056) | 76 149 855 | BD8 |
| Remuneration of councillors | (19 936 393) | - | (19 936 393) | (19 121 037) | 815 356 | |
| Contribution to/from provision | (3 154 539) | - | (3 154 539) | (8 828 974) | (5 674 435) | BD7 |
| Depreciation and amortisation | (197 184 224) | - | (197 184 224) | (197 274 891) | (90 667) | BD9 |
| Impairment loss/ Reversal of impairments | (9 772 000) | - | (9 772 000) | (72 977) | 9 699 023 | BD10 |
| Finance costs | (29 877 000) | - | (29 877 000) | (56 003 899) | (26 126 899) | BD11 |
| Lease rentals on operating lease | (15 448 818) | - | (15 448 818) | (11 837 555) | 3 611 263 | |
| Debt Impairment | (72 066 800) | - | (72 066 800) | (123 186 856) | (51 120 056) | BD12 |
| Contribution to allowance for doubtful debt | (35 419 275) | - | (35 419 275) | 6 513 822 | 41 933 097 | BD13 |
| Bulk purchases | (426 958 271) | - | (426 958 271) | (445 620 997) | (18 662 726) | |
| Contracted Services | (244 933 110) | - | (244 933 110) | (183 452 999) | 61 480 111 | BD14 |
| Transfers and Subsidies | (10 948 600) | - | (10 948 600) | (10 854 823) | 93 777 | |
| Cost of housing sold | - | - | - | (700 000) | (700 000) | |
| General Expenses | (154 852 059) | - | (154 852 059) | (128 781 895) | 26 070 164 | BD15 |
| Total expenditure | (1 778 284 000) | - | (1 778 284 000) | (1 660 806 137) | 117 477 863 | |
| Operating surplus | 56 255 203 | - | 56 255 203 | 81 047 303 | 24 792 100 | |
| Fair value adjustments | - | - | - | (634 971) | (634 971) | BD16 |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

| | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Reference |
|--|-------------------|-------------|-------------------|------------------------------------|--|-----------|
| Figures in Rand | | | | | | |
| Gain on biological assets and agricultural produce | - | - | - | 33 133 | 33 133 | BD17 |
| Inventories losses/write-downs | - | - | - | 709 539 | 709 539 | BD18 |
| | - | - | - | 107 701 | 107 701 | |
| Surplus before taxation | 56 255 203 | - | 56 255 203 | 81 155 004 | 24 899 801 | |
| Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement | 56 255 203 | - | 56 255 203 | 81 155 004 | 24 899 801 | |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

| | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Reference |
|--|----------------------|-------------|----------------------|------------------------------------|--|-----------|
| Figures in Rand | | | | | | |
| Statement of Financial Position | | | | | | |
| Assets | | | | | | |
| Current Assets | | | | | | |
| Cash and cash equivalents | 46 863 863 | - | 46 863 863 | 111 201 845 | 64 337 982 | BD19 |
| Short term investments | 276 298 997 | - | 276 298 997 | 306 637 342 | 30 338 345 | |
| Receivables from exchange transactions | 97 770 026 | - | 97 770 026 | 111 067 546 | 13 297 520 | BD20 |
| Receivables from non-exchange transactions | 71 917 266 | - | 71 917 266 | 71 484 038 | (433 228) | |
| Other receivables from exchange transactions | 183 168 565 | - | 183 168 565 | 12 887 565 | (170 281 000) | BD21 |
| Inventories | 54 835 500 | - | 54 835 500 | 64 074 316 | 9 238 816 | |
| VAT receivable | - | - | - | 30 285 689 | 30 285 689 | BD23 |
| Long term receivables | 2 511 098 | - | 2 511 098 | 2 800 967 | 289 869 | BD24 |
| | 733 365 315 | - | 733 365 315 | 710 439 308 | (22 926 007) | |
| Non-Current Assets | | | | | | |
| Property, plant and equipment | 5 487 327 612 | - | 5 487 327 612 | 5 244 686 578 | (242 641 034) | |
| Investment property | 417 347 980 | - | 417 347 980 | 412 514 416 | (4 833 564) | |
| Intangible assets | 5 577 295 | - | 5 577 295 | 9 694 174 | 4 116 879 | BD25 |
| Biological assets that form part of an agricultural activity | 9 938 121 | - | 9 938 121 | 6 321 448 | (3 616 673) | BD26 |
| Heritage assets | 2 617 922 | - | 2 617 922 | 774 002 | (1 843 920) | BD27 |
| Long term receivables | 3 876 480 | - | 3 876 480 | 3 560 940 | (315 540) | |
| Other receivables from exchange transactions | - | - | - | 1 589 255 | 1 589 255 | |
| | 5 926 685 410 | - | 5 926 685 410 | 5 679 140 813 | (247 544 597) | |
| Total Assets | 6 660 050 725 | - | 6 660 050 725 | 6 389 580 121 | (270 470 604) | |
| Liabilities | | | | | | |
| Current Liabilities | | | | | | |
| Consumer deposits | 14 274 110 | - | 14 274 110 | 17 784 517 | 3 510 407 | BD28 |
| Employee benefit obligation | 57 583 592 | - | 57 583 592 | 78 214 004 | 20 630 412 | BD29 |
| Operating lease liability | - | - | - | 4 958 344 | 4 958 344 | BD30 |
| Other financial liabilities | 26 310 979 | - | 26 310 979 | 26 752 931 | 441 952 | |
| Payables from exchange transactions | 254 131 473 | - | 254 131 473 | 270 824 226 | 16 692 753 | |
| Unspent conditional grants and receipts | - | - | - | 8 862 622 | 8 862 622 | BD34 |
| | 352 300 154 | - | 352 300 154 | 407 396 644 | 55 096 490 | |
| Non-Current Liabilities | | | | | | |
| Other financial liabilities | 449 590 720 | - | 449 590 720 | 266 177 508 | (183 413 212) | BD31 |
| Employee benefit obligation | 247 334 744 | - | 247 334 744 | 166 519 386 | (80 815 358) | BD29 |
| Provisions | 46 888 116 | - | 46 888 116 | 121 305 978 | 74 417 862 | BD32 |
| | 743 813 580 | - | 743 813 580 | 554 002 872 | (189 810 708) | |
| Total Liabilities | 1 096 113 734 | - | 1 096 113 734 | 961 399 516 | (134 714 218) | |
| Net Assets | 5 563 936 991 | - | 5 563 936 991 | 5 428 180 605 | (135 756 386) | |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

| | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Reference |
|--|--------------------|-------------|-----------------|--|---|-----------|
| Figures in Rand | | | | | | |
| Net Assets | | | | | | |
| Net Assets Attributable to Owners of Controlling Entity | | | | | | |
| Reserves | | | | | | |
| Accumulated surplus | 5 563 936 991 | | - 5 563 936 991 | 5 428 180 605 | (135 756 386) | |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

| | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Reference |
|--|------------------------|-------------|------------------------|------------------------------------|--|-----------|
| Figures in Rand | | | | | | |
| Cash Flow Statement | | | | | | |
| Cash flows from operating activities | | | | | | |
| Receipts | | | | | | |
| Sale of goods and services | 1 387 126 730 | - | 1 387 126 730 | 1 342 975 144 | (44 151 586) | |
| Grants | 329 554 698 | - | 329 554 698 | 240 160 863 | (89 393 835) | CF1 |
| Interest income | 52 990 660 | - | 52 990 660 | 40 472 002 | (12 518 658) | CF2 |
| | 1 769 672 088 | - | 1 769 672 088 | 1 623 608 009 | (146 064 079) | |
| Payments | | | | | | |
| Suppliers and employees | (1 373 614 512) | - | (1 373 614 512) | (530 497 862) | 843 116 650 | CF3 |
| Transfers and grants | (10 048 600) | - | (10 048 600) | (779 976 893) | (769 928 293) | CF4 |
| Finance costs | (30 777 000) | - | (30 777 000) | (31 149 574) | (372 574) | |
| | (1 414 440 112) | - | (1 414 440 112) | (1 341 624 329) | 72 815 783 | |
| Net cash flows from operating activities | 355 231 976 | - | 355 231 976 | 281 983 680 | (73 248 296) | |
| Cash flows from investing activities | | | | | | |
| Purchase of property, plant and equipment | (577 904 845) | - | (577 904 845) | (405 798 847) | 172 105 998 | CF5 |
| Purchase of other intangible assets | - | - | - | (163 200) | (163 200) | CF6 |
| Proceeds from sale of biological assets that form part of an agricultural activity | - | - | - | 33 133 | 33 133 | |
| Movement in investments | - | - | - | 91 526 322 | 91 526 322 | CF7 |
| Net cash flows from investing activities | (577 904 845) | - | (577 904 845) | (314 402 592) | 263 502 253 | |
| Cash flows from financing activities | | | | | | |
| Repayment on other financial liabilities | (20 883 078) | - | (20 883 078) | (25 869 708) | (4 986 630) | |
| Net increase/(decrease) in cash and cash equivalents | (243 555 947) | - | (243 555 947) | (58 288 620) | 185 267 327 | |
| Cash and cash equivalents at the beginning of the year | 566 718 807 | - | 566 718 807 | 169 490 533 | (397 228 274) | |
| Cash and cash equivalents at the end of the year | 323 162 860 | - | 323 162 860 | 111 201 913 | (211 960 947) | |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

| Figures in Rand | Note(s) | 2020 | 2019 |
|-----------------|---------|------|------|
|-----------------|---------|------|------|

1. Presentation of Unaudited Annual Financial Statements

The unaudited annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These unaudited annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand. All figures are rounded to the nearest Rand.

In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

1.1 Going concern assumption

These unaudited annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

1.2 Housing development fund

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

1.3 Internal reserves

Capital replacement reserve (CRR)

In order to finance the acquisition of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus/(deficit) to the CRR in terms of the Annual Budget. The cash in the designated CRR bank account can only be utilised to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus/(deficit) is credited by a corresponding amount when the amounts in the CRR are utilised.

Self-insurance reserve

The municipality has a Self-insurance reserve to set aside amounts to offset potential losses or claims that cannot be insured externally. The balance of the self-insurance fund is invested in short-term investments.

Claims are settled by transferring a corresponding amount from the self-insurance reserve to the accumulated surplus.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.3 Internal reserves (continued)

Accumulated surplus

The accumulated surplus/deficit represent the net difference between the total assets and the total liabilities of the municipality. Any surpluses and deficits realised during a specific financial year are credited/debited against accumulated surplus/deficit. Prior year adjustments, relating to income and expenditure, are debited/credited against accumulated surplus when retrospective adjustments are made.

1.4 Materiality

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.5 Significant judgements and sources of estimation uncertainty

In preparing the unaudited annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the unaudited annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are insignificant to the annual financial statements are set out below:

Sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Revenue recognition

Accounting Policy 1.16 on Revenue from Exchange Transactions and Accounting Policy 1.17 on Revenue from Nonexchange Transactions describes the conditions under which revenue will be recorded by the management of the municipality.

In concluding judgement, management considered the detailed criteria for recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and, in particular, whether the municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services are rendered, whether the service has been rendered. The management of the municipality is satisfied that recognition of the revenue in the current year is appropriate.

Impairment of financial assets

Accounting Policy 1.11: Financial Instruments, referring to the paragraph on impairment of financial assets, describes the process followed to determine the value with which financial assets should be impaired. In making the estimation of the impairment, the management of the municipality considered the detailed criteria of impairment of financial assets as set out in GRAP 104: Financial Instruments - Recognition and Measurement. The management of the municipality is satisfied that impairment of financial assets recorded during the year is appropriate. Details of the impairment loss calculation are provided in the applicable notes to the annual financial statements.

Useful lives of property, plant and equipment and intangible assets

As described in Accounting Policy 1.8 and 1.9 the municipality depreciates its property, plant and equipment and intangible assets over the estimated useful lives of the assets, taking into account the residual values of the assets at the end of their useful life, which is determined when the assets are brought into use. The useful life and residual values of the assets are based on industry knowledge. The review of useful life and residual values of assets are only reviewed if one of the indicators of potential review is triggered.

Employee benefit obligations

The municipality obtains actuarial valuations of its employee benefit obligations. The employee benefit obligations of the municipality that were identified are post-retirement health benefit obligations and long-service awards. The estimated liabilities are recorded in accordance with the requirements of GRAP 25. Details of the liabilities and the key assumptions made by the actuaries in estimating the liabilities are provided in the applicable notes to the annual Financial Statements.

Impairment of non-financial assets

The recoverable amounts of cash-generating units have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.

The recoverable amounts of individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.

It is reasonably possible that the assumptions may change which may then impact our estimations and would require a material adjustment to the carrying value of tangible assets.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.5 Significant judgements and sources of estimation uncertainty (continued)

Value in use of cash generating assets

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including economic factors such as inflation and interest.

Value in use of non-cash generating assets

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that the impairment may have occurred, the remaining service potential of the asset is determined. The most appropriate approach selected to determine the remaining service potential is dependent on the availability of data and the nature of the impairment.

Allowance for slow moving, damaged and obsolete stock

An allowance for inventory to write inventory down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the surplus/deficit.

Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the municipality is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. The municipality uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the municipality for similar financial instruments.

Provisions

Provisions are raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 20 - Provisions.

Effective interest rate

The municipality uses the best estimate of the costs at the reporting date with reference to the inflation rate.

Allowance for doubtful debts

On receivables an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.5 Significant judgements and sources of estimation uncertainty (continued)

Impairment of statutory receivables

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the municipality measures and impairment loss. The impairment loss is measured as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, are reduced, either directly or through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

In estimating the future cash flows, the municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the municipality discounts the estimated future cash flows using a rate that reflects the current risk free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable are revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

1.6 Biological assets that form part of an agricultural activity

The municipality recognises biological assets that form part of an agricultural activity or agricultural produce when, and only when:

- the entity controls the asset as a result of past events;
- it is probable that future economic benefits or service potential associated with the asset will flow to the municipality; and
- the fair value or cost of the asset can be measured reliably.

Biological assets that form part of an agricultural activity are measured at their fair value less costs to sell.

A gain or loss arising on initial recognition of biological assets that form part of an agricultural activity or agricultural produce at fair value less costs to sell and from a change in fair value less costs to sell of biological assets that form part of an agricultural activity is included in surplus or deficit for the period in which it arises.

Where market determined prices or values are not available, the present value of the expected net cash inflows from the asset, discounted at a current market-determined pre-tax rate where applicable is used to determine fair value.

Where fair value cannot be measured reliably, biological assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

The municipality classifies biological assets as consumables which consist of timber in the form of pine trees. All biological assets are held for sale.

| Item | Useful life |
|---|-------------|
| Trees in timber plantation - Consumable | indefinite |

1.7 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Depreciation is calculated at the straight line method over a period of 30 yearst

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.7 Investment property (continued)

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Cost model

Investment property is, subsequent to initial measurement, carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided to write down the cost, less estimated residual value by equal installments over the useful life of the property, which is as follows:

| Item | Useful life |
|----------------------|-------------|
| Property - land | indefinite |
| Property - buildings | 30-99 years |

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

When classification is difficult, the criteria used to distinguish investment property from owner-occupied property and from property held for sale in the ordinary course of operations, including the nature or type of properties classified as held for strategic purposes, are as follows:

Transfers to, or from, investment property shall be made when, and only when, there is a change in use, evidenced by:

- commencement of owner-occupation, for a transfer from investment property to owner-occupied property;
- commencement of development with a view to sale, for a transfer from investment property to inventories;
- end of owner-occupation, for a transfer from owner-occupied property to investment property; or
- commencement of an operating lease (on a commercial basis) to another party, for a transfer from inventories to investment property.

The municipality separately discloses expenditure to repair and maintain investment property in the notes to the unaudited annual financial statements (see note 11).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the unaudited annual financial statements (see note 11).

1.8 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

Property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

Measurement

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary cost of dismantling and removing the asset and restoring the site on which it is located.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.8 Financial instruments (continued)

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Subsequent to initial measurement property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Incomplete construction work

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is available for use.

Impairment

Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable service amount, it is written down immediately to its recoverable service amount and an impairment loss is charged to the statement of financial performance.

Depreciation

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

| Item | Depreciation method | Average useful life |
|-------------------------------------|---------------------|---------------------|
| Land | Straight-line | indefinite |
| Machinery and equipment | Straight-line | 1-25 |
| Furniture and office equipment | Straight-line | 2-24 |
| Transport assets | Straight-line | 4-20 |
| Computer equipment | Straight-line | 5-23 |
| Community assets | Straight-line | 4-30 |
| Other property, plant and equipment | Straight-line | 6-99 |
| Capital restoration asset | Straight-line | 5-30 |
| Electrical infrastructure | Straight-line | 10-50 |
| Water supply infrastructure | Straight-line | 10-100 |
| Solid waste infrastructure | Straight-line | 10-30 |
| Roads infrastructure | Straight-line | 10-100 |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.8 Financial instruments (continued)

| | | |
|--|---------------|--------|
| Information and communication infrastructure | Straight-line | 3-15 |
| Waste water network | Straight-line | 10-100 |
| Stormwater infrastructure | Straight-line | 10-50 |

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The municipality assesses at each reporting date whether there is any indication that the municipality expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the municipality revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 10).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 10).

1.9 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.9 Intangible assets (continued)

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are initially measured at cost.

Subsequent to initial measurement Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

| Item | Depreciation method | Average useful life |
|---|---------------------|---------------------|
| Internally generated: Capital development | Straight-line | 5 - 7 years |
| Computer software | Straight-line | 3 - 30 years |
| Service operating and land rights | Straight-line | 5 - 30 years |

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of an intangible asset is the difference between the net disposal proceeds and the carrying amount and is included in surplus or deficit when the asset is derecognised.

1.10 Heritage assets

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

The municipality separately discloses expenditure to repair and maintain heritage assets in the notes to the financial statements (see note 14).

Recognition

The municipality recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably.

Where the municipality holds a heritage asset, but on initial recognition it does not meet the recognition criteria because it cannot be reliably measured, information on such a heritage asset is disclosed in note 14 Heritage assets.

Initial measurement

Heritage assets are measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.10 Heritage assets (continued)

Subsequent measurement

Subsequent to initial measurement classes of heritage assets are carried at cost less any accumulated impairment losses.

Impairment

The municipality assesses at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the municipality estimates the recoverable amount or the recoverable service amount of the heritage asset.

Transfers

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset.

Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

Derecognition

The municipality derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is included in surplus or deficit when the item is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

1.11 Financial instruments

A financial instrument can broadly be defined as those contracts that results in a financial asset in one entity and a financial liability or residual interest in another entity. A key distinguishing factor between financial assets and financial liabilities and other assets and liabilities, is that they are settled in cash or by exchanging financial instruments rather than through the provision of goods or services.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.11 Financial instruments (continued)

A financial asset is:

- a residual interest of another entity; or
- a contractual right to:
 - receive cash or another financial asset from another entity; or
 - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the municipality.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the municipality.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an municipality in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the municipality had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the municipality designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
 - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
 - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
 - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
 - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.11 Financial instruments (continued)

Classification

The municipality has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

| Class | Category |
|--|--|
| Receivables from exchange transactions | Financial asset measured at amortised cost |
| Receivables from non-exchange transactions | Financial asset measured at amortised cost |
| Cash and cash equivalents | Financial asset measured at amortised cost |
| Other receivables from exchange transactions | Financial asset measured at amortised cost |
| Short term investments | Financial asset measured at amortised cost |
| Long term receivables | Financial asset measured at amortised cost |

The municipality has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

| Class | Category |
|-------------------------------------|--|
| Payables from exchange transactions | Financial liability measured at amortised cost |
| Consumer deposits | Financial liability measured at amortised cost |
| Other financial liabilities | Financial liability measured at amortised cost |

Initial recognition

The municipality recognises a financial asset or a financial liability in its statement of financial position when the municipality becomes a party to the contractual provisions of the instrument.

Initial measurement of financial assets and financial liabilities

The municipality measures a financial asset and financial liability initially at its fair value plus, in the case of a financial asset or a liability not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The municipality first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the municipality analyses a concessionary loan into its component parts and accounts for each component separately. The municipality accounts for that part of a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

Subsequent measurement of financial assets and financial liabilities

The municipality measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at amortised cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Stellenbosch Municipality

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Accounting Policies

1.11 Financial instruments (continued)

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the municipality establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the municipality uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on municipality-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, the municipality calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data..

Short-term receivables and payables are not discounted where the initial credit period granted or received is consistent with terms used in the public sector, either through established practices or legislation.

Reclassification

The municipality does not reclassify a financial instrument while it is issued or held unless it is:

- combined instrument that is required to be measured at fair value; or
- an investment in a residual interest that meets the requirements for reclassification.

Where the municipality cannot reliably measure the fair value of an embedded derivative that has been separated from a host contract that is a financial instrument at a subsequent reporting date, it measures the combined instrument at fair value. This requires a reclassification of the instrument from amortised cost or cost to fair value.

If fair value can no longer be measured reliably for an investment in a residual interest measured at fair value, the municipality reclassifies the investment from fair value to cost. The carrying amount at the date that fair value is no longer available becomes the cost.

If a reliable measure becomes available for an investment in a residual interest for which a measure was previously not available, and the instrument would have been required to be measured at fair value, the entity reclassifies the instrument from cost to fair value.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Stellenbosch Municipality

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Accounting Policies

1.11 Financial instruments (continued)

Impairment and uncollectibility of financial assets

The municipality assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

For amounts due to the municipality, significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy and default of payments are all considered indicators of impairment.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

The calculation in respect of the impairment of fines receivable (receivables from non-exchange transactions) is based on an assessment of the past history of fines per category.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.11 Financial instruments (continued)

Derecognition

Financial assets

The municipality derecognises financial assets using trade date accounting.

The municipality derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the municipality, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the municipality:
 - derecognise the asset; and
 - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with a maturity period of between three and twelve months and are subject to an insignificant risk of change in value. Cash and cash equivalents are carried in the balance sheet at amortised cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and cash with bank, net of bank overdrafts.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

Financial liabilities

The municipality removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another municipality by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

1.12 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the municipality assesses the classification of each element separately.

Housing rental and instalments

Finance income from the sale of housing by way of instalment sales agreements or finance leases is recognised on a time proportion basis.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.12 Leases (continued)

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term. The difference between the amounts recognised as revenue and the contractual payments are recognised as an operating lease asset or liability.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in statement of financial performance.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Any contingent rent are expensed in the period in which they are incurred.

1.13 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.14 Landfill site

Site restoration and dismantling cost - The municipality has an obligation to dismantle, remove and restore items of property, plant and equipment. Such obligations are referred to as 'decommissioning, restoration and similar liabilities'. The cost of an item of property, plant and equipment includes:

- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located;
- changes in the measurement of an existing decommissioning, restoration and similar liability that result from change in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, or a change in discount rate; and
- the obligation the municipality incurs for having used the items during a particular period for purposes other than to produce inventories during that period.

If the related asset is measured using the cost model:

- (a) subject to (b), changes in the liability are added to, or deducted from, the cost of the related asset in the current period;
- (b) if a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit; and
- (c) if the adjustment results in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the asset is tested for impairment by estimating its recoverable amount or recoverable service amount, and any impairment loss is recognised in accordance with the accounting policy on impairment of cash-generating assets and/or impairment of non-cash-generating assets.

1.15 Impairment of cash-generating assets

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity.

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the municipality; or
- the number of production or similar units expected to be obtained from the asset by the municipality.

Management has judged all assets as non cash generating assets.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.15 Impairment of cash-generating assets (continued)

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.15 Impairment of cash-generating assets (continued)

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

Stellenbosch Municipality

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Accounting Policies

1.15 Impairment of cash-generating assets (continued)

Reversal of impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

1.16 Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Stellenbosch Municipality

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Accounting Policies

1.16 Impairment of non-cash-generating assets (continued)

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the current reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the municipality would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an oversized or overcapacity asset. Oversized assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.17 Employee benefits

Employee benefits are all forms of consideration given by the municipality in exchange for service rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting municipality, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting municipality's own creditors (even in liquidation) and cannot be paid to the reporting municipality, unless either:

Stellenbosch Municipality

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Accounting Policies

1.17 Employee benefits (continued)

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting municipality to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from the municipality's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the municipality has indicated to other parties that it will accept certain responsibilities and as a result, the municipality has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the municipality recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The municipality measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognises the expected cost of bonus, incentive and performance related payments when the municipality has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Accrued leave pay

Liabilities for annual leave are recognised as they accrue to employees. Liability is based on the total accrued leave days owing to employees and is reviewed annually.

Stellenbosch Municipality

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Accounting Policies

1.17 Employee benefits (continued)

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an municipality provides post-employment benefits for one or more employees.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

Multi-employer plans

The municipality classifies a multi-employer plan and/or state plans and/or composite social security programmes as a defined contribution plan or a defined benefit plan under the terms of the plan (including any constructive obligation that goes beyond the formal terms).

Where a plan is a defined contribution plan, the municipality accounts for in the same way as for any other defined contribution plan.

Where a plan is a defined benefit plan, the municipality account for its proportionate share of the defined benefit obligation, plan assets and cost associated with the plan in the same way as for any other defined benefit plan.

When sufficient information is not available to use defined benefit accounting for a plan, that is a defined benefit plan, the municipality account for the plan as if it was a defined contribution plan.

Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an municipality pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the municipality during a reporting period, the municipality recognises the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, an municipality recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

Stellenbosch Municipality

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Accounting Policies

1.17 Employee benefits (continued)

Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the entity recognises actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the entity recognises past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends or similar distributions and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement

The amount determined as a defined benefit liability may be negative (an asset). The municipality measures the resulting asset at the lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

The municipality determines the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the unaudited annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

The municipality recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.17 Employee benefits (continued)

The municipality uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, the municipality shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, the municipality shall attribute benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The municipality recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the municipality re-measures the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The municipality offsets an asset relating to one plan against a liability relating to another plan when the municipality has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
 - those changes were enacted before the reporting date; or
 - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.17 Employee benefits (continued)

Other long term employee benefits

The municipality provides post-retirement health care benefits, housing subsidies and gratuities upon retirement to some retirees.

Long term service awards is payable after 10 years of continuous service and after every 5 years thereafter to employees. Additional to this employees shall be entitled to a 14th cheque for continuous employment on their 30th and every 5th year onward. Furthermore a retirement gift is payable on retirement to employees with 10 years or more service. The provision is an estimate of the long service award based on historical staff turnover based on historical staff turnover. No other long service benefits are provided to employees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations. The municipality also provides a gratuity and housing subsidy on retirement to certain employees. An annual charge to income is made to cover both these liabilities.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The municipality shall recognise the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses, which shall all be recognised immediately;
- past service cost, which shall all be recognised immediately; and
- the effect of any curtailments or settlements.

Termination benefits

The municipality recognises termination benefits as a liability and an expense when the entity is demonstrably committed to either:

- terminate the employment of an employee or group of employees before the normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The municipality is demonstrably committed to a termination when the entity has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes [as a minimum]:

- the location, function, and approximate number of employees whose services are to be terminated;
- the termination benefits for each job classification or function; and
- the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

Where termination benefits fall due more than 12 months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the benefit.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits shall be based on the number of employees expected to accept the offer.

1.18 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.18 Provisions and contingencies (continued)

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus (deficit).

If the municipality has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

Provision for the rehabilitation of landfill sites

At year end a provision is raised for the rehabilitation of landfill sites. The provision is the net present value of the future cash flows to rehabilitate damaged land at year end.

As the related asset is measured using the cost model:

- changes in the liability is added to, or deducted from, the cost of the related asset in the current period;
- the amount deducted from the cost of the asset does not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit;
- if the adjustments result in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may be fully recoverable. If there is such an indication, the municipality tests the asset for the impairment by estimating its recoverable amount or recoverable service amount, and accounts for any impairment loss, in accordance with the accounting policy on impairment of assets as described in the accounting policy on impairment of cash-generating assets and/ or impairment of non-cash generating assets.

The adjusted depreciable amount of the asset is depreciated over its useful life. Therefore, once the related asset has reached the end of its useful life, all subsequent changes in the liability is recognised in surplus or deficit as they occur.

Provision for constructive obligations

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of an activity/operating unit concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.18 Provisions and contingencies (continued)

No obligation arises as a consequence of the sale or transfer of an operation until the municipality is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingencies

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 53.

A contingent liability is a:

- possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality;
- present obligation that arises from past events but is not recognised because: it is not probable than an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; the amount of the obligation cannot be measured with sufficient reliability.

Grant-in-aid contributions

Provision is made for any constructive obligations of the municipality. A constructive obligation arises through an established pattern of past practice, published policies or a sufficiently specific current standard, whereby the municipality has indicated to other parties that it will accept certain responsibilities and as a result, the municipality has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

The municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the municipality does not:

- receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
- expect to be repaid in future; or
- expect a financial return, as would be expected from an investment.

1.19 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.19 Revenue from exchange transactions (continued)

Service charges

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption, based on the consumption history, are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the billings done during July and August. The billing and invoiced amounts done in July are recognised in total as an accrual as all billing in July pertains to services rendered prior to 30 June. An estimate is then made based on August billing pertaining to services rendered up until 30 June

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

Service charges from sewerage and sanitation are based on the number of sewerage connections on each developed property using the tariffs approved from Council and are levied monthly.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by surveys of work performed.

Pre-paid electricity

Revenue from the sale of electricity prepaid units is recognised when all the following conditions have been satisfied:

- The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality.
- The costs incurred or to be incurred in respect of the transaction can be measure reliably.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.19 Revenue from exchange transactions (continued)

Interest earned

Interest earned on investments is recognised in the statement of financial performance on the time proportionate basis that takes into account the effective yield on the investment.

Dividends

Dividends are recognised on the date that the municipality becomes entitled to receive the dividend in accordance with the substance of the relevant agreement, where applicable.

Charges

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant approved tariff. This includes the issuing of licences and permits.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Income from agency services

Income for agency services is recognised on a monthly basis once the income collected on behalf of principals has been quantified. The income recognised is in terms of the agency agreement.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.20 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by a municipality, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, a municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting municipality.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.20 Revenue from non-exchange transactions (continued)

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the municipality with no future related costs are recognised in the statement of financial performance in the period in which they become receivable.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Receivables that arise from statutory (non-contractual) arrangements are initially measured in accordance with this accounting policy, as well as the accounting policy on Statutory Receivables. The entity applies the accounting policy on Statutory Receivables for the subsequent measurement, derecognition, presentation and disclosure of statutory receivables.

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

Property rates

The municipality recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are met.

Resources arising from taxes satisfy the definition of an asset when the municipality controls the resources as a result of a past event (the taxable event) and expects to receive future economic benefits or service potential from those resources. Resources arising from taxes satisfy the criteria for recognition as an asset when it is probable that the inflow of resources will occur and their fair value can be reliably measured. The degree of probability attached to the inflow of resources is determined on the basis of evidence available at the time of initial recognition, which includes, but is not limited to, disclosure of the taxable event by the taxpayer.

The municipality analyses the taxation laws to determine what the taxable events are for the various taxes levied.

The taxable event for property tax is the passing of the date on which the tax is levied, or the period for which the tax is levied, if the tax is levied on a periodic basis.

Taxation revenue is determined at a gross amount. It is not reduced for expenses paid through the tax system.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.20 Revenue from non-exchange transactions (continued)

Transfers

The municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

Debt forgiveness and assumption of liabilities

The municipality recognise revenue in respect of debt forgiveness when the former debt no longer meets the definition of a liability or satisfies the criteria for recognition as a liability, provided that the debt forgiveness does not satisfy the definition of a contribution from owners.

Revenue arising from debt forgiveness is measured at the carrying amount of debt forgiven.

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

The municipality makes use of estimates to determine the amount of revenue that it is entitled to collect. Where settlement discounts or reductions in the amount payable are offered, the municipality considers past history in assessing the likelihood of these discounts or reductions being taken up by receivables.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Services in-kind

Services in-kind that are significant to the municipality's operations and/or service delivery objectives are recognised as assets and the related revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Where services in-kind are not significant to the municipality's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the municipality disclose the nature and type of services in-kind received during the reporting period.

Collection charges and penalties

Collection charges and penalty interest is recognised when:

- it is probable that the economic benefits or service potential associated with the transactions will flow to the municipality; and
 - the amount of revenue can be measured reliably; and
- to the extent that there has been compliance with the relevant legal requirements (if applicable).

1.21 Statutory receivables

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Stellenbosch Municipality

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Accounting Policies

1.21 Statutory receivables (continued)

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition

The municipality recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Initial measurement

The municipality initially measures statutory receivables at their transaction amount.

Subsequent measurement

The municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

Accrued interest

Where the municipality levies interest on the outstanding balance of statutory receivables, it adjusts the transaction amount after initial recognition to reflect any accrued interest. Accrued interest is calculated using the nominal interest rate.

Interest on statutory receivables is recognised as revenue in accordance with the policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers), whichever is applicable.

Other charges

Where the municipality is required or entitled in terms of legislation, supporting regulations, by-laws or similar means to levy additional charges on overdue or unpaid amounts, and such charges are levied, the entity applies the principles as stated in "Accrued interest" above, as well as the relevant policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers).

Impairment losses

The municipality assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the municipality considers, as a minimum, the following indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.21 Statutory receivables (continued)

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced, either directly or through the use of an allowance account. The amount of the losses is recognised in surplus or deficit.

In estimating the future cash flows, a municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the entity discounts the estimated future cash flows using a rate that reflects the current risk-free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

Derecognition

The municipality derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- the municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
 - derecognise the receivable; and
 - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.22 Accounting by principals and agents

Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Identifying whether an entity is a principal or an agent

When the municipality is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether a municipality is a principal or an agent requires the municipality to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Stellenbosch Municipality

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Accounting Policies

1.22 Accounting by principals and agents (continued)

Binding arrangement

The municipality assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as a principal or an agent.

Assessing which entity benefits from the transactions with third parties

When the municipality in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the municipality concludes that it is not the agent, then it is the principal in the transactions.

The municipality is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- It is not exposed to variability in the results of the transaction.

Where the municipality has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that it is an agent. The municipality applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the municipality is an agent.

Recognition

The municipality, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The municipality, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The municipality recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

1.23 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.24 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year. Refer to note 60 for detail.

1.25 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.26 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.27 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure.

All expenditure relating to irregular expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.28 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the municipality.

The municipality is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the municipality to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the municipality is exempt from the disclosures in accordance with the above, the municipality discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its unaudited annual financial statements.

1.29 Changes in accounting policies, estimates and errors

Changes in accounting policies that are affected by management have been applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements. Details of changes in estimates are disclosed in the notes to the annual financial statements where applicable.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.29 Changes in accounting policies, estimates and errors (continued)

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

1.30 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments are not recognised in the statement of financial position as a liability, but are included in the disclosure notes in the following cases:

- approved and contracted commitments;
- where the expenditure has been approved and the contract has been awarded at the reporting date; and
- where disclosure is required by a specific standard of GRAP.

1.31 Value Added Tax

The municipality accounts for Value Added Tax on the cash (receipt) basis.

1.32 Budget information

The approved budget is prepared on an accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2019/07/01 to 2020/06/30.

The unaudited annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.33 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.34 Construction contracts and receivables

Construction contract is a contract, or a similar binding arrangement, specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

Contractor is an entity that performs construction work pursuant to a construction contract.

A contractor is an entity that enters into a contract to build structures, construct facilities, produce goods, or render services to the specifications of another entity either itself or through the use of sub-contractors. The term "contractor" thus includes a general or prime contractor, a subcontractor to a general contractor, or a construction manager.

Stellenbosch Municipality

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2. New standards and interpretations

2.1 Standards and Interpretations early adopted

The municipality has not early adopted any GRAP standard that is not effective.

2.2 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2020 or later periods:

| Standard/ Interpretation: | Effective date: Years beginning on or after | Expected impact: |
|---|--|--|
| • GRAP 34: Separate Financial Statements | 01 April 2020 | Unlikely there will be a material impact |
| • GRAP 35: Consolidated Financial Statements | 01 April 2020 | Unlikely there will be a material impact |
| • GRAP 36: Investments in Associates and Joint Ventures | 01 April 2020 | Unlikely there will be a material impact |
| • GRAP 37: Joint Arrangements | 01 April 2020 | Unlikely there will be a material impact |
| • GRAP 38: Disclosure of Interests in Other Entities | 01 April 2020 | Unlikely there will be a material impact |
| • GRAP 110 (as amended 2016): Living and Non-living Resources | 01 April 2020 | Unlikely there will be a material impact |
| • GRAP 18 (as amended 2016): Segment Reporting | 01 April 2020 | Not expected to impact results but may result in additional disclosure |

3. Cash and cash equivalents

Cash and cash equivalents consist of:

| | | |
|---------------------------|--------------------|--------------------|
| Cash on hand | 14 220 | 19 220 |
| Bank balances | 21 452 795 | 169 368 979 |
| Call accounts | 89 236 885 | - |
| Lamotte Trust | 435 848 | - |
| Trust and charitable bank | 62 097 | 102 334 |
| | 111 201 845 | 169 490 533 |

Call accounts

| | | |
|---------------|-------------------|----------|
| ABSA | 20 978 744 | - |
| Nedbank | 46 299 984 | - |
| Standard bank | 21 958 157 | - |
| | 89 236 885 | - |

Included in the call account with Nedbank is an amount of R46 224 000 that is held as a guarantee for a property purchase.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

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3. Cash and cash equivalents (continued)

The municipality had the following bank accounts

| Account number / description | Bank statement balances | | | Cash book balances | | |
|------------------------------|-------------------------|--------------------|-------------------|--------------------|--------------------|-------------------|
| | 30 June 2020 | 30 June 2019 | 30 June 2018 | 30 June 2020 | 30 June 2019 | 30 June 2018 |
| Nedbank - primary account | 45 327 087 | 167 107 031 | 10 498 115 | 21 888 643 | 169 368 979 | 10 250 972 |
| ABSA bank - current account | 1 260 126 | 1 277 273 | 1 569 981 | - | - | - |
| Charitable fund | 72 097 | 112 334 | 22 275 | 62 097 | 102 334 | 22 275 |
| Total | 46 659 310 | 168 496 638 | 12 090 371 | 21 950 740 | 169 471 313 | 10 273 247 |

The external loan amount of R 3 737 163 is an restriction on cash and cash equivalents.

Stellenbosch Municipality

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|--|--------------------|--------------------|
| 4. Short term investments | | |
| Short term investments | | |
| Fixed deposits | 306 637 342 | 398 163 664 |
| Short term investments include all other investments for a period of 1-12 months that are not included in cash and cash equivalents. The interest rates for these investments range between 7.650% (2months) and 9.050% (12months) | | |
| Short term investments consists of the following: | | |
| FNB - Investments | | |
| Opening balance | - | 203 467 342 |
| Interest accrued | - | 4 432 932 |
| Withdrawals | - | (207 900 274) |
| Closing balance | - | - |
| Nedbank - Investments | | |
| Opening balance | 286 762 972 | 210 391 013 |
| Deposits | 356 656 567 | 330 000 000 |
| Interest accrued | 17 254 545 | 21 685 132 |
| Withdrawals | (537 530 249) | (275 313 173) |
| Closing balance | 123 143 835 | 286 762 972 |
| Standard Bank - Investments | | |
| Opening balance | 50 362 773 | 102 156 301 |
| Deposits | 411 309 291 | 170 000 000 |
| Interest accrued | 12 993 844 | 5 757 167 |
| Withdrawals | (392 583 717) | (227 550 695) |
| Closing balance | 82 082 191 | 50 362 773 |
| Investec - Investments | | |
| Opening balance | 61 037 918 | - |
| Deposits | - | 260 000 000 |
| Interest accrued | 101 260 | 4 880 932 |
| Withdrawals | (61 139 178) | (203 843 014) |
| Closing balance | - | 61 037 918 |
| ABSA - Investments | | |
| Deposits | 179 021 256 | 160 000 000 |
| Interest accrued | 2 632 114 | 1 298 756 |
| Withdrawals | (80 242 055) | (161 298 756) |
| Closing balance | 101 411 315 | - |
| 5. Receivables from exchange transactions | | |
| Gross balances | | |
| Electricity | 46 755 366 | 40 181 151 |
| Water | 92 074 315 | 84 298 215 |
| Sewerage | 28 652 488 | 23 192 540 |
| Refuse | 26 315 014 | 22 876 061 |
| Housing rental | 27 194 339 | 27 274 194 |
| Sundry | 9 528 432 | 9 863 657 |
| Electricity accrual | 13 552 722 | 67 102 118 |
| Water accrual | 18 398 153 | 15 522 807 |
| | 262 470 829 | 290 310 743 |

Stellenbosch Municipality

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|--|----------------------|----------------------|
| 5. Receivables from exchange transactions (continued) | | |
| Less: Allowance for impairment | | |
| Electricity | (9 022 236) | (5 981 186) |
| Water | (70 800 550) | (66 846 818) |
| Sewerage | (17 196 507) | (16 152 217) |
| Refuse | (19 767 391) | (18 354 951) |
| Housing rental | (25 919 228) | (26 523 545) |
| Sundry | (8 697 371) | (8 947 653) |
| | (151 403 283) | (142 806 370) |
| Net balance | | |
| Electricity | 37 733 130 | 34 199 965 |
| Water | 21 273 765 | 17 451 397 |
| Sewerage | 11 455 981 | 7 040 323 |
| Refuse | 6 547 623 | 4 521 110 |
| Electricity accrual | 13 552 722 | 67 102 118 |
| Water accrual | 18 398 153 | 15 522 807 |
| Housing rental | 1 275 111 | 750 649 |
| Sundry | 831 061 | 916 004 |
| | 111 067 546 | 147 504 373 |
| Electricity | | |
| Current (0 -30 days) | 35 776 566 | 32 624 115 |
| 31 - 60 days | 1 854 127 | 1 148 130 |
| 61 - 90 days | 968 501 | 639 783 |
| 91 - 120 days | 474 067 | 277 050 |
| 121 - 365 days | 2 608 777 | 1 066 801 |
| > 365 days | 5 073 328 | 4 425 272 |
| | 46 755 366 | 40 181 151 |
| Water | | |
| Current (0 -30 days) | 18 388 855 | 13 810 713 |
| 31 - 60 days | 4 470 012 | 3 070 258 |
| 61 - 90 days | 4 197 477 | 2 208 391 |
| 91 - 120 days | 2 965 459 | 2 171 375 |
| 121 - 365 days | 9 205 500 | 18 687 754 |
| > 365 days | 52 847 012 | 44 349 724 |
| | 92 074 315 | 84 298 215 |
| Sewerage | | |
| Current (0 -30 days) | 7 739 092 | 5 807 634 |
| 31 - 60 days | 1 443 192 | 483 993 |
| 61 - 90 days | 1 135 486 | 435 064 |
| 91 - 120 days | 1 475 198 | 374 823 |
| 121 - 365 days | 2 545 553 | 3 100 555 |
| > 365 days | 14 313 967 | 12 990 471 |
| | 28 652 488 | 23 192 540 |

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| 5. Receivables from exchange transactions (continued) | | |
| Refuse | | |
| Current (0 -30 days) | 5 284 928 | 3 383 765 |
| 31 - 60 days | 754 343 | 498 839 |
| 61 - 90 days | 609 919 | 389 466 |
| 91 - 120 days | 428 716 | 372 158 |
| 121 - 365 days | 3 084 599 | 3 402 793 |
| > 365 days | 16 152 509 | 14 829 040 |
| | 26 315 014 | 22 876 061 |
| Electricity accrual | | |
| Current (0 -30 days) | 13 552 722 | 67 102 118 |
| Water accrual | | |
| Current (0 -30 days) | 18 398 153 | 15 522 807 |
| Housing rental | | |
| Current (0 -30 days) | 504 690 | 259 533 |
| 31 - 60 days | 167 935 | 143 963 |
| 61 - 90 days | 1 016 980 | 135 487 |
| 91 - 120 days | 121 477 | 1 016 963 |
| 121 - 365 days | 628 666 | 937 822 |
| > 365 days | 24 754 591 | 24 780 426 |
| | 27 194 339 | 27 274 194 |
| Sundry | | |
| Current (0 -30 days) | 497 945 | 685 070 |
| 31 - 60 days | 79 498 | 132 050 |
| 61 - 90 days | 166 344 | 145 872 |
| 91 - 120 days | 268 495 | 115 192 |
| 121 - 365 days | 970 687 | 614 853 |
| > 365 days | 7 545 463 | 8 170 620 |
| | 9 528 432 | 9 863 657 |
| Reconciliation of allowance for impairment | | |
| Balance at beginning of the year | (142 806 370) | (121 985 735) |
| Contributions to allowance | (8 596 913) | (20 820 635) |
| | (151 403 283) | (142 806 370) |

Receivables from exchange transactions past due but not impaired

The Council regards receivables from exchange transactions to be due for outstanding amounts more than 30 days to be past due.

Debtors to the amount of R16 million have been ceded to the Development Bank of Southern Africa in providing security for a loan raised from them.

The water and electricity accrual is in respect of consumption between the last meter reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers. The estimate of the consumption are being recorded as revenue without being invoiced.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

Figures in Rand 2020 2019

5. Receivables from exchange transactions (continued)

Government debt as at 30 June 2020

| Department responsible for debt | Services | Interest | Sundry | Total |
|--|------------------|---------------|---------------|------------------|
| Nat. dept of Public Works | 3 918 892 | 81 029 | 11 497 | 4 011 418 |
| Prov. dept of Transport and Public Works | 19 298 | 541 | 550 | 20 389 |
| Western Cape Education department | 1 339 795 | 449 | 399 | 1 340 643 |
| Department of Health | 337 406 | - | - | 337 406 |
| Dept of local government and housing | 8 672 | 859 | 918 | 10 449 |
| Other government departments | 10 852 | 72 | 201 | 11 125 |
| | 5 634 915 | 82 950 | 13 565 | 5 731 430 |

Consumer debtors past due but not impaired

Consumer debtors which are more than 30 days past due but not impaired. At 30 June 2020, R 14 062 800 (2019: R 6 713 380) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

| 2020 | 31-60 days | 61-90 days | 91-120 days | 121-365 days | >365 days | Total |
|----------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| Electricity | 949 267 | 537 786 | 209 660 | 327 155 | 88 701 | 2 112 569 |
| Water | 1 362 418 | 1 000 805 | 623 436 | 905 428 | 1 452 310 | 5 344 397 |
| Sewerage | 703 193 | 799 582 | 1 191 547 | 356 872 | 658 353 | 3 709 547 |
| Refuse | 307 193 | 199 527 | 97 200 | 370 113 | 621 305 | 1 595 338 |
| Housing rental | 44 456 | 767 264 | 19 141 | 32 237 | 76 992 | 940 090 |
| Sundry | 42 551 | 50 315 | 64 027 | 89 185 | 114 781 | 360 859 |
| | 3 409 078 | 3 355 279 | 2 205 011 | 2 080 990 | 3 012 442 | 14 062 800 |

| 2019 | 31-60 days | 61-90 days | 91-120 days | 121-365 days | >365 days | Total |
|----------------|------------------|----------------|----------------|------------------|------------------|------------------|
| Electricity | 429 510 | 100 721 | 63 293 | 206 123 | 139 000 | 938 647 |
| Water | 557 643 | 308 579 | 225 389 | 1 375 192 | 884 864 | 3 351 667 |
| Sewerage | 172 159 | 115 625 | 63 333 | 258 502 | 307 537 | 917 156 |
| Refuse | 124 433 | 68 557 | 52 974 | 237 042 | 309 063 | 792 069 |
| Housing rental | 29 621 | 18 130 | 277 371 | 72 463 | 93 533 | 491 118 |
| Sundry | 35 012 | 27 577 | 23 419 | 56 661 | 80 054 | 222 723 |
| | 1 348 378 | 639 189 | 705 779 | 2 205 983 | 1 814 051 | 6 713 380 |

6. Receivables from non-exchange transactions

Grant receivables represent funding that Council is awaiting from external institutions for capital expenditure incurred and claimed, but not yet received at year-end.

The average credit period for capital receivables is dependent on the government department involved and the nature of the claim. No interest is charged on outstanding capital receivables. The subsidies are payable to the municipality resulting from allocations made in the DORA or based on agreements between the municipality and the relevant departments.

Gross balances

| | | |
|-------------------|--------------------|--------------------|
| Grant receivables | 18 301 323 | 15 297 872 |
| Fines | 160 924 858 | 178 242 746 |
| Property rates | 44 671 127 | 39 148 816 |
| Other receivables | 938 577 | 808 210 |
| | 224 835 885 | 233 497 644 |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

| Figures in Rand | 2020 | 2019 |
|---|----------------------|----------------------|
| 6. Receivables from non-exchange transactions (continued) | | |
| Less: Allowance for impairment | | |
| Fines | (127 937 315) | (142 321 642) |
| Property rates | (25 414 532) | (25 209 343) |
| | (153 351 847) | (167 530 985) |
| Net balance | | |
| Grant receivables | 18 301 323 | 15 297 872 |
| Fines | 32 987 543 | 35 921 104 |
| Property rates | 19 256 595 | 13 939 473 |
| Other receivables | 938 577 | 808 210 |
| | 71 484 038 | 65 966 659 |
| Statutory receivables included in receivables from non-exchange transactions above are as follows: | | |
| Property rates | 19 256 595 | 13 939 473 |
| Fines | 32 987 543 | 35 921 104 |
| | 52 244 138 | 49 860 577 |
| Financial asset receivables included in receivables from non-exchange transactions above | 19 239 900 | 16 106 082 |
| Total receivables from non-exchange transactions | 71 484 038 | 65 966 659 |
| Fines | | |
| Current (0 -30 days) | 6 213 085 | 16 915 892 |
| 31 - 60 days | 9 319 628 | 12 135 462 |
| 61 - 90 days | 10 393 840 | 11 927 257 |
| 91 - 120 days | 6 997 599 | 8 029 964 |
| 121 - 365 days | 37 278 511 | 61 530 102 |
| > 365 days | 90 722 195 | 67 704 069 |
| | 160 924 858 | 178 242 746 |
| Grant receivable | | |
| Current (0 -30 days) | 5 012 756 | 12 119 045 |
| 121 - 365 days | 9 549 740 | - |
| > 365 days | 3 738 827 | 3 178 827 |
| | 18 301 323 | 15 297 872 |
| Property rates | | |
| Current (0 -30 days) | 19 890 575 | 16 047 171 |
| 31 - 60 days | 2 397 437 | 978 421 |
| 61 - 90 days | 1 230 845 | 535 796 |
| 91 - 120 days | 707 787 | 539 047 |
| 121 - 365 days | 5 109 347 | 5 178 110 |
| > 365 days | 15 335 136 | 15 870 271 |
| | 44 671 127 | 39 148 816 |
| Other receivables from non-exchange revenue | | |
| Current (0 -30 days) | - | 56 000 |
| > 365 days | 938 577 | 752 210 |
| | 938 577 | 808 210 |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

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|-----------------|------|------|
| Figures in Rand | 2020 | 2019 |
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6. Receivables from non-exchange transactions (continued)

Reconciliation of allowance for impairment for Statutory receivables

| | | |
|----------------------------------|----------------------|----------------------|
| Balance at beginning of the year | (167 530 985) | (164 256 148) |
| Contributions to allowance | 14 179 138 | (3 274 837) |
| | <u>(153 351 847)</u> | <u>(167 530 985)</u> |

As at 30 June 2020, Statutory Receivables of R4 109 614 (2019: R1 764 383) were past due but not impaired.

| 2020 | 31-60 days | 61-90 days | 91-120 days | 121-365 days | >365 days | Total |
|----------------|-------------------|-------------------|--------------------|---------------------|---------------------|--------------|
| Property rates | 1 559 532 | 576 868 | 243 640 | 719 761 | 1 009 812 | 4 109 614 |

| 2019 | 31-60 days | 61-90 days | 91-120 days | 121-365 days | >365 days | Total |
|----------------|-------------------|-------------------|--------------------|---------------------|---------------------|--------------|
| Property rates | 434 142 | 165 413 | 132 038 | 576 796 | 455 994 | 1 764 383 |

Stellenbosch Municipality

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6. Receivables from non-exchange transactions (continued)

Statutory receivables general information

Transaction(s) arising from statute

Property rates related transactions arise in terms of the Municipal Property Rates Act, 6 of 2004, Municipal Finance Management Act, 56 of 2003, as well as the Property Rates Policy of the municipality approved by Council as part of the Budget Process.

Traffic fines arise from the National Road Traffic Act 93 of 1996, National Road Traffic Regulations 2000, National Land Transport Act 5 of 2009 and Criminal Procedure Act 51 of 1971. Prosecutor performs prosecutorial functions in terms of a general delegation awarded by the National Prosecuting Authority and is subject to the control of the Control Prosecutor at the Magistrate's Court in Stellenbosch.

VAT transactions arise from the Value Added Tax Act 89 of 1991. VAT is an indirect tax on the consumption of goods and services in the economy. VAT is levied on all goods and services subject to certain exemptions, exceptions, deductions and adjustments provided for in the Value Added Tax Act 89 of 1991.

Determination of transaction amount

Property rates transaction amounts are determined in line with the Annual Tariff List of the municipality approved by Council as part of the Budget Process in terms of the Municipal Finance Management Act, 56 of 2003.

The municipality makes use of estimates to determine the amount of revenue that it is entitled to collect. Where settlement discounts or reductions in the amount payable are offered, the municipality considers past history in assessing the likelihood of these discounts or reductions being taken up by receivables.

VAT transactions amounts are determined in line with the Value Added Tax Act 89 of 1991. VAT increased from 14% to 15% from 1 April 2018.

Interest or other charges levied/charged

Interest or other charges levied on Property rates balances are in line with the Annual Tariff List of the municipality approved by Council as part of the Budget Process in terms of the Municipal Finance Management Act, 56 of 2003.

"Interest" means a charge levied, on all arear accounts calculated at an interest rate which is one percent higher than the prime interest rate.

Traffic fines: Additional charges includes contempt of court fees / warrant of arrest fee determined in terms of the Criminal Procedure Act.

The rates and interest charges are determined by the Value Added Tax Act 89 of 1991.

Basis used to assess and test whether a statutory receivable is impaired

The basis used to assess Property Rates receivables is to look at the extent to which debtors on an individual basis defaulted on payments already due and an assessment of their ability to make payments based on their historical collection trend.

The basis used to assess Traffic fine receivables is to look at the extent to which debtors per group of fines (Municipal fines, Provincial fines) defaulted on payments already due and an assessment of their ability to make payments based on their historical collection trend.

No impairment on VAT Receivable, balance expected to be fully recoverable.

Discount rate applied to the estimated future cash flows

Interest is calculated using the nominal interest rate as stipulated in the municipal by-laws (Prime plus 1%). This rate is also considered an appropriate discount rate.

Main events and circumstances that led to the recognition or reversal of impairment losses on statutory receivables

Stellenbosch Municipality

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6. Receivables from non-exchange transactions (continued)

Significant impairment losses recognised or reversed

Property Rates: Impairment Recognised: The national lockdown resulted in many employers and employees not being able to generate sufficient income to pay their municipal accounts for April to June 2020.

Traffic Fines: Impairment Recognised: Annually the outstanding receivables are assessed in terms of the value of fines issued in comparison to the receipts generated from such fines. The remaining balance is considered recoverable based on this payment percentage.

7. Other receivables from exchange transactions

| | | |
|----------------------------|-------------------|-------------------|
| Prepayments | 3 651 254 | 5 879 933 |
| Deposits | 1 589 255 | 1 182 720 |
| Construction receivable | 5 317 560 | - |
| Public safety account | 949 296 | 949 296 |
| Special rating area debtor | 444 588 | 337 827 |
| Other receivable | 1 259 053 | 7 104 935 |
| Parking debtor | 1 265 814 | 455 256 |
| | 14 476 820 | 15 909 967 |
| Non-current assets | 1 589 255 | 1 182 720 |
| Current assets | 12 887 565 | 14 727 247 |
| | 14 476 820 | 15 909 967 |

8. Inventories

| | | |
|------------------------|-------------------|-------------------|
| Consumable stores | 2 054 125 | 6 586 601 |
| Maintenance materials | 34 518 310 | 29 561 982 |
| Water for distribution | 1 805 053 | 1 896 630 |
| Land inventory | 14 146 828 | 14 262 729 |
| Housing inventory | 11 550 000 | 12 250 000 |
| | 64 074 316 | 64 557 942 |

Inventories recognised as an expense during the year 32 432 482 25 087 435

The amount of inventory reversed/ (written down) is R709 539 (2019: (R4 061 381)) and is recognised as an expense and a reduction in the carrying value of inventories. The circumstances relating to the write down is as a result of stock adjustments and shortages on general stock items as reported and approved accordingly.

No inventories were pledged as securities.

The comparative amounts were restated. Refer to note 61

9. VAT receivable

| | | |
|-----|------------|------------|
| VAT | 30 285 689 | 48 168 490 |
|-----|------------|------------|

The municipality is registered for VAT on the payment/ cash basis.

VAT meets the definition of a statutory receivable as per the accounting policy. For statutory receivable information regarding VAT refer to note 6.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

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10. Property, plant and equipment

| | 2020 | | | 2019 | | |
|--|----------------------|---|----------------------|----------------------|---|----------------------|
| | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value |
| Capital restoration asset | 13 510 984 | (6 914 475) | 6 596 509 | 11 141 169 | 331 285 | 11 472 454 |
| Community assets | 103 913 751 | (15 768 421) | 88 145 330 | 90 216 296 | (12 466 626) | 77 749 670 |
| Computer equipment | 57 228 268 | (32 713 154) | 24 515 114 | 46 821 941 | (25 745 874) | 21 076 067 |
| Electrical infrastructure | 1 310 228 437 | (378 145 526) | 932 082 911 | 1 275 773 390 | (344 976 315) | 930 797 075 |
| Furniture and office equipment | 44 292 344 | (30 208 893) | 14 083 451 | 41 602 672 | (26 457 951) | 15 144 721 |
| Information and communication infrastructure | 3 945 508 | (2 301 090) | 1 644 418 | 3 210 627 | (1 870 556) | 1 340 071 |
| Land | 483 845 564 | (27 052 477) | 456 793 087 | 422 899 301 | (27 052 477) | 395 846 824 |
| Machinery and equipment | 107 257 761 | (49 955 747) | 57 302 014 | 95 622 270 | (43 783 517) | 51 838 753 |
| Other property, plant and equipment | 508 334 507 | (87 597 065) | 420 737 442 | 490 940 067 | (77 741 491) | 413 198 576 |
| Roads infrastructure | 1 160 102 630 | (389 089 524) | 771 013 106 | 1 095 592 517 | (342 206 402) | 753 386 115 |
| Solid waste infrastructure | 66 399 111 | (14 997 342) | 51 401 769 | 44 321 124 | (13 402 399) | 30 918 725 |
| Stormwater infrastructure | 62 517 401 | (45 958 182) | 16 559 219 | 62 687 324 | (46 229 048) | 16 458 276 |
| Transport assets | 153 679 863 | (56 880 434) | 96 799 429 | 123 761 657 | (47 250 549) | 76 511 108 |
| Wastewater network | 1 088 234 167 | (170 631 081) | 917 603 086 | 1 007 541 993 | (143 245 323) | 864 296 670 |
| Water supply infrastructure | 1 769 425 922 | (380 016 229) | 1 389 409 693 | 1 717 548 936 | (344 858 949) | 1 372 689 987 |
| Total | 6 932 916 218 | (1 688 229 640) | 5 244 686 578 | 6 529 681 284 | (1 496 956 192) | 5 032 725 092 |

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Unaudited Annual Financial Statements for the year ended 30 June 2020

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10. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2020

| | Opening balance | Additions | Transfers | Other changes, movements | Depreciation | Impairment loss | Total |
|--|----------------------|--------------------|--------------------|-----------------------------|----------------------|--------------------|----------------------|
| Land | 395 846 824 | 60 946 263 | - | - | - | - | 456 793 087 |
| Machinery and equipment | 51 838 753 | 11 635 491 | - | - | (6 172 230) | - | 57 302 014 |
| Furniture and office equipment | 15 144 721 | 2 695 605 | - | - | (3 756 761) | (114) | 14 083 451 |
| Transport assets | 76 511 108 | 30 204 426 | - | - | (9 844 550) | (71 555) | 96 799 429 |
| Computer equipment | 21 076 067 | 10 406 328 | - | - | (6 967 281) | - | 24 515 114 |
| Community assets | 77 749 670 | 13 697 455 | - | - | (3 301 795) | - | 88 145 330 |
| Other property, plant and equipment | 413 198 576 | 17 394 439 | - | - | (9 855 573) | - | 420 737 442 |
| Capital restoration asset | 11 472 454 | - | - | 2 369 815 | (7 245 760) | - | 6 596 509 |
| Electrical infrastructure | 930 797 075 | 34 668 146 | (1 634 778) | - | (31 747 463) | (69) | 932 082 911 |
| Water supply infrastructure | 1 372 689 987 | 55 207 828 | 128 532 | - | (38 616 654) | - | 1 389 409 693 |
| Solid waste infrastructure | 30 918 725 | 22 077 986 | - | - | (1 594 942) | - | 51 401 769 |
| Roads infrastructure | 753 386 115 | 64 510 114 | - | - | (46 883 123) | - | 771 013 106 |
| Information and communication infrastructure | 1 340 071 | 734 880 | - | - | (430 533) | - | 1 644 418 |
| Wastewater network | 864 296 670 | 80 753 967 | - | - | (27 447 314) | (237) | 917 603 086 |
| Stormwater infrastructure | 16 458 276 | 834 783 | - | - | (732 838) | (1 002) | 16 559 219 |
| | 5 032 725 092 | 405 767 711 | (1 506 246) | 2 369 815 | (194 596 817) | (72 977) | 5 244 686 578 |

Stellenbosch Municipality

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10. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2019

| | Opening balance | Additions | Disposals | Depreciation | Impairment loss | Total |
|--|----------------------|--------------------|--------------------|----------------------|--------------------|----------------------|
| Land | 395 846 824 | - | - | - | - | 395 846 824 |
| Machinery and equipment | 51 945 052 | 9 171 765 | (1 546 065) | (7 731 999) | - | 51 838 753 |
| Furniture and office equipment | 14 236 022 | 5 871 835 | (597 600) | (4 365 536) | - | 15 144 721 |
| Transport assets | 78 127 660 | 11 615 258 | (2 482 307) | (9 260 221) | (1 489 282) | 76 511 108 |
| Computer equipment | 21 579 280 | 7 801 310 | (1 182 552) | (7 121 971) | - | 21 076 067 |
| Community assets | 69 045 080 | 11 645 620 | (36 222) | (2 904 808) | - | 77 749 670 |
| Other property, plant and equipment | 335 739 527 | 87 218 129 | (1 022 318) | (8 736 762) | - | 413 198 576 |
| Capital restoration asset | 902 466 | 11 141 169 | - | (571 181) | - | 11 472 454 |
| Electrical infrastructure | 879 589 212 | 86 468 273 | - | (35 260 410) | - | 930 797 075 |
| Water supply infrastructure | 1 351 633 801 | 59 960 927 | (465) | (38 718 334) | (185 942) | 1 372 689 987 |
| Solid waste infrastructure | 31 780 973 | 728 316 | - | (1 590 564) | - | 30 918 725 |
| Roads infrastructure | 724 717 523 | 74 178 868 | - | (45 510 276) | - | 753 386 115 |
| Information and communication infrastructure | 705 637 | 907 873 | (9 891) | (263 548) | - | 1 340 071 |
| Wastewater network | 773 518 714 | 119 400 732 | (151 229) | (28 440 859) | (30 688) | 864 296 670 |
| Stormwater infrastructure | 15 850 555 | 1 815 643 | - | (1 207 922) | - | 16 458 276 |
| | 4 745 218 326 | 487 925 718 | (7 028 649) | (191 684 391) | (1 705 912) | 5 032 725 092 |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

| Figures in Rand | 2020 | 2019 |
|--|--------------------|--------------------|
| 10. Property, plant and equipment (continued) | | |
| Work in progress | | |
| Community assets | 15 666 098 | 10 178 755 |
| Electrical infrastructure | 148 532 720 | 121 819 635 |
| Furniture and office equipment | - | 217 315 |
| Roads infrastructure | 91 545 608 | 50 556 698 |
| Stormwater infrastructure | 1 669 565 | 834 783 |
| Solid waste infrastructure | 25 676 215 | 4 138 445 |
| Sanitation infrastructure | 171 079 963 | 86 577 738 |
| Water infrastructure | 142 694 382 | 100 454 478 |
| Machinery and equipment | 157 653 | 744 489 |
| Other property, plant and equipment | 95 081 840 | 86 743 406 |
| | 692 104 044 | 462 265 742 |

The comparative amounts were restated. Refer to note 61.26

Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance

| | | |
|-------------------------------------|-------------------|-------------------|
| Community assets | 8 147 815 | 6 409 076 |
| Electrical infrastructure | 1 230 754 | 7 790 204 |
| Furniture and office equipment | 9 461 229 | 10 066 464 |
| Other property, plant and equipment | 532 552 | 6 737 392 |
| Roads infrastructure | 8 007 709 | 3 862 340 |
| Sanitation infrastructure | 1 951 783 | 5 186 700 |
| Solid waste infrastructure | 1 125 464 | 530 467 |
| Stormwater infrastructure | 11 762 052 | 4 621 149 |
| Transport assets | 15 634 122 | 9 630 001 |
| Water supply infrastructure | 438 915 | 6 089 595 |
| | 58 292 395 | 60 923 388 |

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

Figures in Rand 2020 2019

11. Investment property

| | 2020 | | | 2019 | | |
|---------------------|------------------|---|----------------|------------------|---|----------------|
| | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value |
| Investment property | 424 977 732 | (12 463 316) | 412 514 416 | 424 977 732 | (12 210 729) | 412 767 003 |

Reconciliation of investment property - 2020

| | Opening balance | Additions | Depreciation | Total |
|---------------------|-----------------|-----------|--------------|-------------|
| Investment property | 412 767 003 | - | (252 587) | 412 514 416 |

Reconciliation of investment property - 2019

| | Opening balance | Additions | Depreciation | Total |
|---------------------|-----------------|-----------|--------------|-------------|
| Investment property | 413 018 897 | - | (251 894) | 412 767 003 |

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Amounts recognised in surplus or deficit

| | | |
|---|-----------|-----------|
| Rental revenue from Investment property | 8 756 326 | 9 018 353 |
|---|-----------|-----------|

The comparative amounts were restated. Refer to note 61.7.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

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12. Intangible assets

| | 2020 | | | 2019 | | |
|-------------------|------------------|---|----------------|------------------|---|----------------|
| | Cost / Valuation | Accumulated amortisation and accumulated impairment | Carrying value | Cost / Valuation | Accumulated amortisation and accumulated impairment | Carrying value |
| Computer software | 18 985 754 | (9 291 580) | 9 694 174 | 18 822 554 | (6 866 104) | 11 956 450 |

Reconciliation of intangible assets - 2020

| | Opening balance | Additions | Amortisation | Total |
|-------------------|-----------------|-----------|--------------|-----------|
| Computer software | 11 956 450 | 163 200 | (2 425 476) | 9 694 174 |

Reconciliation of intangible assets - 2019

| | Opening balance | Additions | Amortisation | Total |
|-------------------|-----------------|-----------|--------------|------------|
| Computer software | 8 430 823 | 5 377 971 | (1 852 344) | 11 956 450 |

13. Biological assets that form part of an agricultural activity

| | 2020 | | | 2019 | | |
|---|------------------|---|----------------|------------------|---|----------------|
| | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value |
| Trees in timber plantation - Consumable | 6 321 448 | - | 6 321 448 | 6 321 448 | - | 6 321 448 |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

Figures in Rand 2020 2019

13. Biological assets that form part of an agricultural activity (continued)

Reconciliation of biological assets that form part of an agricultural activity - 2020

| | Opening balance | Total |
|---|-----------------|-----------|
| Trees in timber plantation - Consumable | 6 321 448 | 6 321 448 |

Reconciliation of biological assets that form part of an agricultural activity - 2019

| | Opening balance | Total |
|---|-----------------|-----------|
| Trees in timber plantation - Consumable | 6 321 448 | 6 321 448 |

Financial information

| 2020 | | | | |
|---|------------------|-------------------------|---------------------------------|------------------|
| Nature and quantities of each biological asset | Opening Balance | Decrease due to Harvest | Fair value (decrease) /increase | Closing balance |
| Botmanskop Plantation | 861 605 | - | - | 861 605 |
| Paradyskloof Plantation | 5 459 843 | - | - | 5 459 843 |
| | 6 321 448 | - | - | 6 321 448 |

| 2019 | | | | |
|---|------------------|-------------------------|---------------------------------|------------------|
| Nature and quantities of each biological asset | Opening Balance | Decrease due to Harvest | Fair value (decrease) /increase | Closing balance |
| Botmanskop plantation | 861 605 | - | - | 861 605 |
| Paradyskloof Plantation | 5 459 843 | - | - | 5 459 843 |
| | 6 321 448 | - | - | 6 321 448 |

The determination of fair value was as follow:

Principle:

Price determination: was done on the basis of current sale value of the tender for the current year i.e. R602.10/m³ excluding 15% VAT . This value was given to all trees as the estimated yield takes into consideration the age of the trees. The harvestable age starts from 20 years old where the minimum estimated yield would be 100m³/ha.

It must also be noted that this yield is based on optimum growing conditions and the existing microclimates, and thus the yield might vary per compartment. Refer to the Forestry Handbook p204 which can be obtained at the municipal offices.

Description of the Biological Assets

- | | |
|--------------------------------------|---|
| 1. Botmanskop plantation (Block E) | Some compartments remain which can be harvested at a later stage due to the age of the trees. |
| 2. Paradyskloof plantation (Block G) | Some compartments remain which can be harvested at a later stage due to the age of the trees. |

Strategy to mitigate risks

The strategy to mitigate risks attached to this category of assets is to prevent the spread of runaway veld fires by maintaining fire breaks.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

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14. Heritage assets

| | 2020 | | | 2019 | | |
|--|---------------------|-------------------------------------|----------------|---------------------|-------------------------------------|----------------|
| | Cost / Valuation | Accumulated impairment losses | Carrying value | Cost / Valuation | Accumulated impairment losses | Carrying value |
| Collections of rare books, manuscripts and records | 143 945 | - | 143 945 | 143 945 | - | 143 945 |
| Historical monuments | 630 057 | - | 630 057 | 630 057 | - | 630 057 |
| Total | 774 002 | - | 774 002 | 774 002 | - | 774 002 |

Reconciliation of heritage assets 2020

| | Opening balance | Total |
|--|--------------------|----------------|
| Collections of rare books, manuscripts and records | 143 945 | 143 945 |
| Historical monuments | 630 057 | 630 057 |
| | 774 002 | 774 002 |

Reconciliation of heritage assets 2019

| | Opening balance | Total |
|--|--------------------|----------------|
| Collections of rare books, manuscripts and records | 143 945 | 143 945 |
| Historical monuments | 630 057 | 630 057 |
| | 774 002 | 774 002 |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

| Figures in Rand | 2020 | 2019 |
|---|--------------------|--------------------|
| 14. Heritage assets (continued) | | |
| Heritage assets used for more than one purpose | | |
| A significant portion of the following heritage assets are used for office accommodation and is therefore included in the balance of property, plant and equipment: | | |
| The following heritage assets are used by the municipality for more than one purpose | | |
| Neethlingshuis and De Withuis | 63 560 055 | 67 350 000 |
| 58 - 60 Andringa Street | 1 892 985 | 2 000 000 |
| 35B Mark Street | 3 152 616 | 3 250 000 |
| 127 Dorp Street, Transvalia, Alma & Bosmanshuis flats | 12 723 603 | 13 050 000 |
| 116 - 118 Dorp Street, Voorgelegen - offices | 5 585 970 | 5 800 000 |
| 4 Reservoir West, Mooiwater | 2 084 388 | 2 170 000 |
| 34 Mark Street, Rynse Komplex; Toy Museum, Tourism | 8 223 604 | 8 550 000 |
| PMU Building, Alexander Street, Burger Huis | 1 580 440 | 1 650 000 |
| Merriman, Bergzicht Training Centre, Oude Libertas Theatre & Restaurant | 62 310 290 | 64 350 000 |
| Die Laan, Landbou Saal | 4 352 765 | 5 950 000 |
| | 165 466 716 | 174 120 000 |
| 15. Long term receivables | | |
| At amortised cost | | |
| Arrangement debtors | 6 200 897 | 4 464 106 |
| Officials: Erven loans | - | 116 |
| Farmers: Water Schemes | 161 010 | 191 736 |
| | 6 361 907 | 4 655 958 |
| Non-current assets | | |
| At amortised cost | 3 560 940 | 3 024 999 |
| Current assets | | |
| At amortised cost | 2 800 967 | 1 630 959 |
| 16. Consumer deposits | | |
| Electricity | 10 750 546 | 10 374 233 |
| Water | 6 314 304 | 6 005 431 |
| Housing rental | 719 667 | 698 248 |
| | 17 784 517 | 17 077 912 |
| 17. Employee benefit obligations | | |
| The amounts recognised in the statement of financial position are as follows: | | |
| Carrying value | | |
| Salary Control | 6 011 417 | 5 458 796 |
| Leave gratuity | 30 056 890 | 26 391 625 |
| Bonus accrual | 13 044 083 | 11 918 177 |
| Post-Retirement Medical Obligation | 169 099 000 | 187 508 063 |
| Long Service Awards | 26 522 000 | 26 153 883 |
| Net liability | 244 733 390 | 257 430 544 |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

| Figures in Rand | 2020 | 2019 |
|---|--------------------|--------------------|
| 17. Employee benefit obligations (continued) | | |
| Non-current assets | - | - |
| Current assets | - | - |
| Non-current liabilities | 166 519 386 | 201 830 792 |
| Current liabilities | 78 214 004 | 55 599 752 |
| | 244 733 390 | 257 430 544 |

17.1 Post- retirement healthcare benefit liability

The municipality provides certain post-retirement health care benefits by funding the medical aid contributions of qualifying retired members of the municipality. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service) is entitled to remain a continued member of such medical aid fund on retirement, in which case the municipality is liable for a certain portion of the medical aid membership fee. The municipality operates an unfunded defined benefit plan for these qualifying employees. The plan is treated as a defined benefit plan under GRAP 25. No other post-retirement benefits are provided to these employees.

The most recent actuarial valuations of the present value of the defined benefit obligation were carried out at 30 June 2020 by C Weiss, Fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The members of the Post-employment Health Care Benefit Plan are made up as follows:

The members of the post-employment health care benefit plan are made up as follows:

| | | |
|---|------------|------------|
| In-service members (Employees) | 668 | 653 |
| Continuation members (Retirees, widow(ers) and orphans) | 162 | 171 |
| Total members | 830 | 824 |

The liability in respect of past service has been estimated as follows:

| | | |
|------------------------|--------------------|--------------------|
| In-service members | 63 812 000 | 74 392 000 |
| In-service non-members | 6 777 000 | - |
| Continuation members | 98 510 000 | 113 116 000 |
| Total liability | 169 099 000 | 187 508 000 |

The Non-member take up rate increased from previous estimate of 0% to 15%. This change was implemented after reviewing the actual trend of take up rate. The Non-member take up rate refers to the proportion of in-service non-members joining a scheme by retirement and continuing with the subsidy thereafter.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

i) Rates of Interest

| | | |
|---------------------------------|---------|--------|
| Discount rate | 10,22 % | 9,33 % |
| Health care cost inflation rate | 6,30 % | 6,79 % |
| Net effective discount rate | 3,69 % | 2,38 % |

ii) Normal retirement age

| | | |
|-----------------------------------|----|----|
| Expected retirement age - females | 62 | 63 |
| Expected retirement age - males | 62 | 63 |

The PA (90) ultimate mortality table was used by the actuaries
Pre-retirement: The SA 85-90 ultimate table, adjusted for female lives, was used.

Movements in the present value of the Defined Benefit Obligation were as follows:

| | | |
|--------------------------------------|-------------|-------------|
| Balance at the beginning of the year | 187 508 063 | 198 749 139 |
|--------------------------------------|-------------|-------------|

Stellenbosch Municipality

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| Figures in Rand | 2020 | 2019 |
|---|--------------------|--------------------|
| 17. Employee benefit obligations (continued) | | |
| Current service costs | 5 448 228 | 7 945 828 |
| Interest cost | 17 096 614 | 18 580 276 |
| Actual employee benefits payments | (8 767 265) | (8 231 483) |
| Actuarial (losses) / gains | (32 186 640) | (29 535 697) |
| Present Value of Fund Obligation at the end of the Year | 169 099 000 | 187 508 063 |
| Current liability | 8 870 000 | 8 723 730 |
| The amounts recognised in the Statement of Financial Position are as follows | | |
| Net Liability | 169 099 000 | 187 508 063 |
| The amounts recognised in the Statement of Financial Performance are as follows: | | |
| Current service cost | 5 448 228 | 7 945 828 |
| Interest cost | 17 096 614 | 18 580 276 |
| Actuarial (gain)/ loss recognised in profit and loss | (32 186 640) | (29 535 697) |
| | (9 641 798) | (3 009 593) |
| Amounts for the current and previous four periods are as follows: | | |
| Present value of unfunded defined benefit | | |
| 2020 | | 169 099 000 |
| 2019 | | 187 508 063 |
| 2018 | | 198 749 139 |
| 2017 | | 201 981 567 |
| 2016 | | 192 290 959 |

Stellenbosch Municipality

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17. Employee benefit obligations (continued)

Sensitivity analysis on the Accrued Liability (R Millions)

| Assumption | Change | In-service | Continuation | Total | % change |
|--|-------------|------------------|-------------------|--------------------|---------------|
| Central assumptions | | 70,589 | 98,510 | 169,099 | |
| Health care inflation | 1 % (1)% | 84,833 59,276 | 107,988 90,309 | 192,821 149,585 | 14 % (12)% |
| Discount rate | 1 % (1)% | 59,726 84,407 | 90,648 107,716 | 150,374 192,123 | (11)% 14 % |
| Post-retirement mortality | 1 yr (1) | 68,814 72 341 | 95,328 101 695 | 164,142 174 036 | (3)% 3 |
| Average retirement age | -1 yr | 76,890 | 98,510 | 175,400 | 4 % |
| Continuation of membership at retirement | (10)% | 58,244 | 98,510 | 156,754 | (7)% |

Sensitivity analysis on Current-service and Interest Costs

| Assumption | Change | Current-service Cost | Interest cost | Total | % change |
|--|-------------|------------------------|--------------------------|--------------------------|---------------|
| Central assumptions | | 5 448 200 | 17 096 600 | 22 544 800 | |
| Health care inflation | 1 % (1)% | 6 841 000 4 387 000 | 19 766 800 14 929 900 | 26 608 700 19 316 900 | 18 % (14)% |
| Discount rate | 1 % (1)% | 4 457 300 6 756 900 | 16 598 800 17 611 400 | 21 056 100 24 368 300 | (7)% 8 % |
| Post-retirement mortality | -1 year | 5 601 400 | 17 664 400 | 23 265 800 | 3 % |
| Average retirement age | -1 year | 5 756 800 | 17 644 400 | 23 401 200 | 4 % |
| Continuation of membership at retirement | (10)% | 4 808 300 | 16 251 200 | 21 059 500 | (7)% |

Mortality Rates

Post retirement: PA (90) ultimate Mortality table was used.

Pre-retirement: The SA 85-90 ultimate table adjusted for female lives, was used.

Continuation of Membership

With the appointment of ARCH Actuarial Consulting for the year ending 30 June 2020.

17.2 Long Service Awards

Total Liability

| | | |
|--------------------------|-------------------|-------------------|
| Opening balance | 26 153 883 | 29 621 885 |
| Additions | 4 103 046 | 4 845 730 |
| Utilised during the year | (3 090 886) | (2 436 254) |
| Actuarial (gains) losses | (644 043) | (5 877 479) |
| | 26 522 000 | 26 153 882 |
| Current Liability | 3 135 000 | 3 107 424 |
| Non Current Liability | 23 387 000 | 23 046 458 |
| | 26 522 000 | 26 153 882 |

Stellenbosch Municipality

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| | 2020 | 2019 |
|--|------|------|
|--|------|------|

17. Employee benefit obligations (continued)

Movement in the present value of Long Service Awards were as follows:

| | | |
|---|-------------------|-------------------|
| Opening balance | 26 153 883 | 29 621 885 |
| Current service cost | 2 088 254 | 2 388 150 |
| Interest cost | 2 014 792 | 2 457 580 |
| Actuarial (gains) losses | (644 043) | (5 877 479) |
| Benefits paid | (3 090 886) | (2 436 254) |
| Total included in employee related costs | 26 522 000 | 26 153 882 |

The amount recognised in the Statement of Financial Position are as follows:

| | | |
|--------------------------------------|------------|------------|
| Present value of long service awards | 26 522 000 | 26 153 882 |
|--------------------------------------|------------|------------|

The amount recognised in the Statement of Financial Performance are as follows:

| | | |
|--------------------------|------------------|--------------------|
| Current service cost | 2 088 254 | 2 388 150 |
| Interest cost | 2 014 792 | 2 457 580 |
| Actuarial gains (losses) | (644 043) | (5 877 479) |
| Closing balance | 3 459 003 | (1 031 749) |

Under the plan, a Long-service Award is payable after 10 years of continuous service and every 5 years thereafter to employees. Additional to this employees shall be entitled to a 14th cheque for continuous employment on their 30th and every 5th year onward. Furthermore a retirement gift is payable on retirement to employees with 10 years or more service. The provision is an estimate of the long service award based on historical staff turnover. No other long service benefits are provided to employees.

Key assumptions used

Assumptions used at the reporting date:

| | | |
|-----------------------------|--------|--------|
| Discount rates used | 7,46 % | 8,18 % |
| General salary inflation | 4,03 % | 5,57 % |
| Net effective discount rate | 3,30 % | 2,47 % |

Stellenbosch Municipality

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17. Employee benefit obligations (continued)

Other assumptions

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trends rates would have the following effects:

Amounts for the current and previous four years are as follows:

| | 2020 R | 2019 R | 2018 R | 2017 R | 2016 R |
|---------------------|------------|------------|------------|------------|------------|
| Accrued liabilities | 26 522 000 | 26 153 882 | 29 621 885 | 28 469 818 | 27 719 640 |

Sensitivity analysis on the Unfunded Accrued Liability (in R Millions)

| Assumption | Change | Liability | % change |
|--------------------------|------------------------|------------------|---------------|
| Central assumptions | | 26,522 | |
| General salary inflation | 1 % (1)% | 28,278 24,941 | 7 % (6)% |
| Discount rate | 1 % (1)% | 24,897 28,358 | (6)% 7 % |
| Average retirement age | + 2 years - 2 years | 29,923 22,291 | 13 % (16)% |
| Withdrawal rates | (50)% | 29,920 | 13 % |

Sensitivity analysis on Current-service and Interest Costs

| Assumption | Change | Current-service Cost | Interest Cost | Total | % change |
|-----------------------------|----------------------|-------------------------|------------------------|------------------------|---------------|
| Central assumptions | | 2 088 300 | 2 014 800 | 4 103 100 | |
| General salary inflation | 1 % (1)% | 2 276 100 1 922 200 | 2 158 700 1 885 000 | 4 434 800 3 807 200 | 8 % (7)% |
| Discount rate | 1 % (1)% | 1 935 800 2 263 200 | 2 110 700 1 901 300 | 4 046 500 4 164 500 | (1)% 1 % |
| Average retirement age | +2 years -2 years | 2 308 300 1 804 600 | 2 277 400 1 678 000 | 4 585 700 3 482 600 | 12 % (15)% |
| Withdrawal rates | (50)% | 2 534 100 | 2 300 700 | 4 834 800 | 18 % |

Stellenbosch Municipality

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|--|------|------|
|--|------|------|

18. Operating lease liability

Operating Leases are recognised on the straight-line basis as per the requirement of GRAP 13. In respect of non-cancellable Operating Leases the following liabilities have been recognised:

| | | |
|-----------------------------------|------------------|------------------|
| Balance at beginning of year | 5 775 015 | 173 234 |
| Operating lease expenses recorded | (1 070 046) | (882 280) |
| Operating lease revenue realised | (40 195) | (133 039) |
| Operating lease payments effected | 293 570 | 6 617 100 |
| | 4 958 344 | 5 775 015 |

Leasing Arrangements

The Municipality as Lessee:

Operating Leases relate to Property, Plant and Equipment with lease terms not longer than 5 years, with an option to extend for a further period. All operating lease contracts contain market review clauses in the event that the municipality exercises its option to renew. The municipality does not have an option to purchase the leased asset at the expiry of the lease period.

Amounts Payable under Operating Leases

At the reporting date, the municipality had outstanding commitments under non-cancellable Operating Leases for Property, Plant and Equipment, which fall due as follows:

Buildings:

| | | |
|--------------|-------------------|-------------------|
| Up to 1 year | 5 751 175 | 4 098 225 |
| 2 to 5 years | 7 717 777 | 13 468 952 |
| | 13 468 952 | 17 567 177 |

The following payments have been recognised as an expense in the Statement of Financial Performance:

Total operating lease expenses

| | | |
|----------------------------------|------------|-----------|
| Lease rentals on operating lease | 11 837 555 | 2 666 984 |
|----------------------------------|------------|-----------|

The following amounts have been recognised as revenue in the Statement of Financial Performance:

Total operating lease income

| | | |
|----------------------|----------|-----------|
| Minimum lease income | (40 195) | (133 039) |
|----------------------|----------|-----------|

No restrictions have been imposed on the municipality in terms of the operating lease agreements.

The comparative figures were restated. Refer to note 61.10

19. Other financial liabilities

At amortised cost

| | | |
|---------------------------|-------------|-------------|
| Other financial liability | 292 930 439 | 318 800 147 |
|---------------------------|-------------|-------------|

Annuity loans from the Development Bank of South Africa have settlement periods of 14 to 15 years with fixed interest varying from 9.25% to 11.10% per annum.

The municipality entered into a loan agreement with Nedbank limited during the 2019 financial year for a period of 10 years at a fixed interest rate of 9.7%.

Non-current liabilities

| | | |
|-------------------|-------------|-------------|
| At amortised cost | 266 177 508 | 292 930 440 |
|-------------------|-------------|-------------|

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|--|------------|------------|
| 19. Other financial liabilities (continued) | | |
| Current liabilities | | |
| At amortised cost | 26 752 931 | 25 869 707 |

20. Provisions

Reconciliation of provisions - 2020

| | Opening Balance | Additions | Total |
|------------------------------|-----------------|------------|-------------|
| Environmental rehabilitation | 102 344 476 | 18 961 502 | 121 305 978 |

Reconciliation of provisions - 2019

| | Opening Balance | Additions | Current portion | Total |
|------------------------------|-----------------|------------|--------------------|--------------------|
| Environmental rehabilitation | 79 165 186 | 22 536 381 | 642 909 | 102 344 476 |
| Non-current liabilities | | | 121 305 978 | 101 701 567 |
| Current liabilities | | | - | 642 909 |
| | | | 121 305 978 | 102 344 476 |

Environmental rehabilitation provision

In terms of the licensing of the landfill refuse sites, the municipality will incur licensing and rehabilitation costs of R121 305 978 (2019: R102 344 476) to restore the site at the end of its useful life, estimated to be in the December 2020/ January 2021 financial year. Provision has been made for the best estimate of costs at the reporting date with reference to the inflation rate.

The unwinding of the provision for landfill site for the current year was R7 757 711 (2019: R6 174 066) was included in the finance cost in the statement of financial performance.

No expenditure was incurred for the year under review.

Cells 1 and 2 have reached full capacity and must be rehabilitated. Cell 3 has come into use at the end of 30 June 2013 financial year and is the current landfill site in use.

The provision has been determined based on an independent valuation performed by a firm of consulting engineers as at 30 June 2020

Key cost parameters:

- Estimated post closure rehabilitation time 3 years
- Inflation rate 4.8% (2019: 5.3%)
- Discount rate 7.75% (2019: 7.58%)

Stellenbosch Municipality

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|--|--------------------|--------------------|
| 21. Payables from exchange transactions | | |
| Trade and other payables | 165 428 391 | 176 718 928 |
| Construction advances | - | 1 425 745 |
| Khaya Lam free market foundation | 47 540 | 32 780 |
| Collection fees | 190 664 | 190 664 |
| Deposit sale of land | 11 114 923 | 1 297 302 |
| Don and Pat Bilton | 256 056 | 256 056 |
| Ex gratia pension fund (BDM) | 123 541 | 123 541 |
| Housing beneficiary contribution | 115 787 | 115 787 |
| Grouplife | 2 423 664 | 2 423 664 |
| Impounded vehicles | - | 29 100 |
| Libraries | 54 561 | 59 815 |
| Payments received in advanced | 12 187 830 | 12 926 302 |
| Prepaid electricity | 6 332 743 | 8 383 071 |
| Retention | 45 557 346 | 46 838 439 |
| Other creditors | 25 010 709 | 18 852 743 |
| Sundry deposits | 1 972 753 | 1 780 617 |
| Bond Warranties and MTO Forestry | 7 718 | 7 718 |
| | 270 824 226 | 271 462 272 |

The comparative figures were restated. Refer to note 61.8

22. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

| Unspent conditional grants and receipts | | |
|--|------------------|-------------------|
| Cape Winelands District grant | 2 030 541 | - |
| Charitable fund | 72 097 | 112 334 |
| Community development support grant | 37 296 | - |
| Development of sport and recreational facilities | 67 669 | 67 669 |
| Fire services capacity building grant | - | 3 003 000 |
| Housing consumer education | 68 010 | 68 010 |
| Housing settlement agreement | 220 103 | 220 103 |
| Human settlement grant - capital | 315 027 | 45 859 611 |
| Khaya Lam free market foundation | 102 000 | - |
| Lamotte trust fund | 3 080 872 | 2 417 404 |
| Local government graduate internship and capacity building | 433 752 | 520 590 |
| Municipal accreditation and capacity building grant | - | 167 980 |
| National lottery | 307 361 | 458 775 |
| Natural resources management grant | - | 2 088 828 |
| Other sources | 288 184 | 288 184 |
| Title deed restoration grant | 1 839 710 | 3 773 151 |
| | 8 862 622 | 59 045 639 |

The nature and extent of government grants recognised in the unaudited annual financial statements and an indication of other forms of government assistance from which the municipality has directly benefited; and

Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

See note 33 for reconciliation of grants from National/Provincial Government.

These amounts are invested in a ring-fenced investment until utilised.

The comparative amounts were restated. Refer to note 61.9

Stellenbosch Municipality

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23. Accumulated surplus

Ring-fenced internal funds and reserves within accumulated surplus - 2020

| | Capital replacement reserve | Self insurance reserve | Housing development fund | Accumulated surplus | Total |
|---|-----------------------------|------------------------|--------------------------|----------------------|----------------------|
| Opening balance | 160 497 338 | 9 885 492 | (9 396 229) | 5 186 039 005 | 5 347 025 606 |
| Surplus for the year | - | - | - | 81 155 004 | 81 155 004 |
| Transfer to capital replacement reserve | 336 762 309 | - | - | (336 762 309) | - |
| Property, plant and equipment purchases | (247 535 390) | - | - | 247 535 390 | - |
| | 249 724 257 | 9 885 492 | (9 396 229) | 5 177 967 090 | 5 428 180 610 |

Ring-fenced internal funds and reserves within accumulated surplus - 2019

| | Capital replacement reserve | Insurance reserve | Housing development fund | Accumulated surplus | Total |
|---|-----------------------------|-------------------|--------------------------|----------------------|----------------------|
| Opening balance | 116 134 076 | 9 885 492 | (9 396 229) | 5 109 364 695 | 5 225 988 034 |
| Surplus for the year | - | - | - | 121 037 561 | 121 037 561 |
| Transfer to capital replacement reserve | 310 518 232 | - | - | (310 518 232) | - |
| Property, plant and equipment purchases | (266 154 970) | - | - | 266 154 970 | - |
| | 160 497 338 | 9 885 492 | (9 396 229) | 5 186 038 994 | 5 347 025 595 |

The capital replacement reserve is a reserve to finance future capital expenditure and is fully invested in ring-fenced Financial Instrument Investments.

The self insurance reserve is used to offset potential losses or claims of assets that cannot be insured externally.

The housing development fund is depleted. There is no cash or surplus generated from the fund. Therefore any additional cost must be carried by the municipality as part of its operations.

Refer to statement of changes in net assets for more detail and the movement on accumulated surplus.

24. Service charges

| | | |
|---------------------------------|--------------------|--------------------|
| Sale of electricity | 562 275 303 | 531 494 348 |
| Sale of water | 171 631 994 | 147 275 947 |
| Solid waste | 62 956 545 | 55 127 852 |
| Sewerage and sanitation charges | 83 261 986 | 83 861 916 |
| | 880 125 828 | 817 760 063 |

The amounts disclosed above for service charges are in respect of services rendered which are billed to the consumers on a monthly basis according to approved tariffs.

25. Construction revenue

Topstructure

| | | |
|----------------------------|------------------|------------------|
| Idasvalley housing project | 5 317 560 | - |
| Watergang housing project | - | 1 044 546 |
| | 5 317 560 | 1 044 546 |

The comparative amounts were restated. Refer to note 61.12 .

Stellenbosch Municipality

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|---|-------------------|-------------------|
| 26. Rental of facilities and equipment | | |
| Premises | | |
| Rental revenue from other facilities | 3 363 768 | 7 400 169 |
| Rental revenue from buildings | 136 656 | 134 805 |
| Rental revenue from housing schemes | 7 208 972 | 7 652 197 |
| | 10 709 396 | 15 187 171 |
| Facilities and equipment | | |
| Rental revenue from land | 2 892 035 | 2 703 750 |
| | 13 601 431 | 17 890 921 |

Included in the above rentals are rentals received from Investment Property of R8 756 325.51 (2019: R9 018 352.70)

27. Interest earned- outstanding receivables

| | | |
|------------------------|------------------|------------------|
| Sundry | - | 147 |
| Electricity | 677 176 | 796 089 |
| Water | 4 116 971 | 4 768 050 |
| Waste water management | 1 050 384 | 1 407 150 |
| Waste management | 1 109 940 | 1 053 445 |
| | 6 954 471 | 8 024 881 |

28. Agency services

| | | |
|----------------------|-----------|-----------|
| Vehicle Registration | 3 976 481 | 4 400 282 |
|----------------------|-----------|-----------|

The municipality collects licence fees on behalf of the Provincial Government Western Cape and receives a 12% agency fee.

The municipality, as an agent, recognises only the portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

No resources are held by the municipality on behalf of the principle.

29. Licences and permits (exchange)

| | | |
|----------------------|-----------|-----------|
| Licences and permits | 4 413 324 | 5 043 854 |
|----------------------|-----------|-----------|

Stellenbosch Municipality

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| Figures in Rand | 2020 | 2019 |
|--------------------------------------|-------------------|-------------------|
| 30. Other income | | |
| Application fees | 387 648 | 552 457 |
| Building clause | 56 291 | 176 674 |
| Building plan fees | 4 171 623 | 6 569 688 |
| Cemetery and burial | 937 472 | 859 210 |
| Clearance certificates | 242 747 | 348 522 |
| Collection fees | 1 601 270 | 1 220 121 |
| Entrance fees | 559 140 | 380 480 |
| Flamable substance | 206 771 | 352 862 |
| Merchandising, jobbing and contracts | 1 949 293 | 2 714 189 |
| Parking revenue | 10 224 268 | 5 878 274 |
| Removal of restrictions | 1 589 031 | 798 036 |
| Skills development levy | 769 889 | 800 235 |
| Special rating area | 5 585 885 | 5 365 090 |
| Staff recoveries | 724 737 | 562 661 |
| Sundry | 780 264 | 894 022 |
| Development charges | 10 275 343 | 13 051 028 |
| | 40 061 672 | 40 523 549 |

The amounts disclosed above are in respect of services, other than described in notes 24 and 25 rendered which are billed to or paid for by users as the services are reclaimed according to approved tariffs or offers received in terms of supply chain procedures, i.e wood sales.

31. Investment revenue

| | | |
|-------------------------|-------------------|-------------------|
| Interest revenue | | |
| Bank | 7 490 240 | 6 216 908 |
| Investment deposits | 32 981 762 | 38 054 919 |
| | 40 472 002 | 44 271 827 |

Stellenbosch Municipality

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|----------------------------------|---------------------------|---------------------------|
| 32. Property rates | | |
| Rates received | | |
| Residential | 173 866 187 | 160 102 576 |
| Commercial | 164 553 707 | 149 669 221 |
| Agricultural | 21 669 383 | 21 187 884 |
| | <u>360 089 277</u> | <u>330 959 681</u> |
| Property rates - interest earned | 1 822 264 | 1 998 219 |
| | <u>361 911 541</u> | <u>332 957 900</u> |

Assessment Rates are levied on the value of land and improvements, which valuation is performed every four years. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions. The last valuation came into effect on 1 July 2017. With reference to S78 of the Municipal Property Rates Act four reviews have been finalised and one interim valuation was performed during the financial year and implemented accordingly.

The following assessment rates were charged for the period ending June 2020:

R 0.011175 - Non Residential (2019: R0.010493)

R 0.005080 - Residential (2019: R 0.004770)

R 0.001271 - Agricultural (2019: R 0.001193)

Rates are levied monthly on property owners and are payable the 7th of each month. Property owners can request that the full amount for the year be raised in July in which case the amount has to be paid by 7 October. Interest is levied as per council's Credit Control and Debt Collection Policy on outstanding rates amounts.

Valuations

Relief measures

The relief measures on property rates are generally described in paragraph 8 of the approved Rates Policy of the municipality. This includes the specific under mentioned relief measures:

| Rebate and gross monthly household income for Qualifying senior citizens and Disabled persons | Gross monthly household income | % Rebate |
|--|--------------------------------|----------|
| | Up to R8 000 | 100% |
| | From R8 001 to R 10 000 | 75% |
| | From R10 001 to R12 000 | 50% |
| | From R12 001 to R15 000 | 25% |

Municipal valuation threshold value

On qualifying residential properties, up to a maximum value of R200 000, which amount includes the R15 000 as per Section 17(1)(h) of the MPRA and the R185 000 reduction granted as per paragraph 8.2.1(ii) of the approved Rates policy. Paragraph 8.2.1 (ii) is only applicable on properties with valuations up to R5 000 000.

Stellenbosch special rebate

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

Other rebates

Rebates have also been granted to qualifying non-profit organisations and to organisations who qualified for the rebate as defined in paragraph 8.11 of the approved Rates policy. Any other exclusions or exemptions have been granted in accordance with the Local Government Property Rates Act.

Stellenbosch Municipality

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|---|--------------------|--------------------|
| 33. Government grants and subsidies | | |
| Operating grants | | |
| Equitable share | 136 177 000 | 124 176 000 |
| Khaya Lam free market research foundation | - | 222 500 |
| Title deeds restoration grant | 1 933 440 | 410 000 |
| Cape Winelands disaster grant | 472 126 | - |
| Local government financial management grant | 1 550 000 | 1 550 000 |
| Community development workers | 18 704 | 56 000 |
| Housing accreditation grant | 167 980 | 56 020 |
| Municipal disaster management grant | 209 000 | - |
| Library services support grant | 12 454 000 | 12 210 000 |
| Local government support grant | 900 000 | - |
| Maintenance and construction of transport infrastructure | 384 000 | 371 000 |
| Taipie COVID-19 donation | 132 023 | - |
| Local government graduate internship and capacity building | 446 248 | 151 410 |
| Expanded public workers programme support grant | 5 227 000 | 5 722 000 |
| Local government financial management support grant | 255 000 | 255 000 |
| LG SETA Discretionary grant | 62 706 | - |
| Natural resources management grant | 90 870 | 270 672 |
| Development bank of South Africa | 172 147 | - |
| | 160 652 244 | 145 450 602 |
| Capital grants | | |
| Integrated urban development grant | 46 886 000 | - |
| National lottery | 151 414 | 200 000 |
| Municipal infrastructure grant | - | 35 107 000 |
| Integrated national electrification programme grant | 15 640 000 | 5 000 000 |
| Integrated transport planning grant | 600 000 | 600 000 |
| Shared economic infrastructure facility | - | 3 561 097 |
| Human settlement development grant | 56 593 662 | 43 513 977 |
| Fire services capacity building grant | 3 003 000 | - |
| Regional socio-economic project/violence through urban upgrading | 1 500 000 | - |
| | 124 374 076 | 87 982 074 |
| | 285 026 320 | 233 432 676 |
| Conditional and Unconditional | | |
| Included in above are the following grants and subsidies received: | | |
| Conditional grants received | 148 849 320 | 109 256 676 |
| Unconditional grants received | 136 177 000 | 124 176 000 |
| | 285 026 320 | 233 432 676 |
| Equitable Share | | |
| In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. Bulk basic services are also provided free of charge to informal settlements to ensure that these communities have access to basic services. | | |
| Municipal disaster management grant | | |
| Current-year receipts | 209 000 | - |
| Conditions met - transferred to revenue | (209 000) | - |
| | - | - |

To provide for the immediate release of funds for disaster response.

Stellenbosch Municipality

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|--|-------------------------|-------------------------|
| 33. Government grants and subsidies (continued) | | |
| Taipei covid-19 donation | | |
| Current-year receipts | 132 023 | - |
| Conditions met - transferred to revenue | (132 023) | - |
| | <u>-</u> | <u>-</u> |
| Personal Protective equipment was donated to Stellenbosch Municipality from the Cape Town Taiwanese Chamber of Commerce. | | |
| Development bank South Africa | | |
| Current-year receipts | 172 147 | - |
| Conditions met - transferred to revenue | (172 147) | - |
| | <u>-</u> | <u>-</u> |
| Funding provided for the update the capital expenditure framework.. | | |
| Regional socio-economic project/ violence through urban upgrading | | |
| Current-year receipts | 1 500 000 | - |
| Conditions met - transferred to revenue | (1 500 000) | - |
| | <u>-</u> | <u>-</u> |
| To implement and enhance programmes to interact with stakeholders and empower communities to partner with government in implementing socio-economic and urban upgrading programmes. | | |
| Title deeds development grant | | |
| Balance unspent at beginning of the year | 3 773 151 | 2 701 901 |
| Current-year receipts | - | 1 481 250 |
| Conditions met - transferred to revenue | (1 933 441) | (410 000) |
| | <u>1 839 710</u> | <u>3 773 151</u> |
| To provide funding for the eradication of the Pre-2014 title-deeds registration backlog and the professional fees associated with it, including beneficiary verification. Refer to note 22. | | |
| The municipality, as an agent, receives a grant from the Department of Human Settlements (principle) to register properties on behalf of the beneficiaries for low cost housing projects. | | |
| Title deeds development grant could not be fully spent due to the complexity of the programme. The grant funding provided is utilized for the registration of properties which were built before 2004 up to 2010. The municipality is grappling with deceased estates which take longer to register, missing beneficiaries, houses that were built but wrongly allocated on the subsidy system. The above obstacles encountered have been raised at the quarterly meetings with the Department of Human Settlements. | | |
| The municipality is not a custodian of any assets of the principle. | | |
| The municipality does not recognise any compensation for the services provided on behalf of the principle. | | |
| Local government financial management grant | | |
| Current-year receipts | 1 550 000 | 1 550 000 |
| Conditions met - transferred to revenue | (1 550 000) | (1 550 000) |
| | <u>-</u> | <u>-</u> |

Stellenbosch Municipality

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33. Government grants and subsidies (continued)

To promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (MFMA).

Natural resource management grant

| | | |
|--|-------------|------------------|
| Balance unspent at beginning of the year | 2 088 828 | - |
| Current-year receipts | - | 2 359 500 |
| Conditions met - transferred to revenue | (90 870) | (270 672) |
| Other | (1 997 958) | - |
| | <u>-</u> | <u>2 088 828</u> |

Conditions still to be met - remain liabilities (see note 22).

To ensure that responsibilities relating to water resource management, biological diversity and the functioning of natural systems whilst ensuring meaningful livelihood opportunities are supported for those employed on these programmes.

The reason for unspent for 2018/19 comparative year is due to the grant agreement commencing in February 2019 and allocation runs in accordance with the transferee's financial year. The municipality has appointed EPWP workers as well as service providers for the clearing of the alien vegetation. The project will continue during the 2019/20 financial year.

Integrated national electrification programme grant

| | | |
|---|--------------|-------------|
| Current-year receipts | 15 640 000 | 5 000 000 |
| Conditions met - transferred to revenue | (15 640 000) | (5 000 000) |
| | <u>-</u> | <u>-</u> |

To implement the Integrated National Electrification Programme (INEP) by providing capital subsidies to municipalities to address the electrification backlog of all existing and planned residential dwellings (including upgrade of informal settlements, new, and normalisation), and the installation of relevant bulk infrastructure.

Integrated urban development grant

| | | |
|---|--------------|----------|
| Current-year receipts | 46 886 000 | - |
| Conditions met - transferred to revenue | (46 886 000) | - |
| | <u>-</u> | <u>-</u> |

To provide funding for public investment in infrastructure for the poor and to promote increased access to municipal own sources of capital finance in order to increase funding for public investment in economic infrastructure. To ensure that public investments are spatially aligned and to promote the sound management of the assets delivered.

Expanded public workers programme

| | | |
|---|-------------|-------------|
| Current-year receipts | 5 227 000 | 5 722 000 |
| Conditions met - transferred to revenue | (5 227 000) | (5 722 000) |
| | <u>-</u> | <u>-</u> |

Stellenbosch Municipality

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33. Government grants and subsidies (continued)

To incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods in the following identified focus areas, in compliance with the EPWP Guidelines:

- road maintenance and the maintenance of buildings
- low traffic volume roads and rural roads
- basic services infrastructure, including water and sewer reticulation, sanitation, pipelines and dams (excluding bulk infrastructure)
- other economic and social infrastructure
- tourism and cultural industries
- waste management
- parks and beautification
- sustainable land-based livelihoods.

Municipal accreditation and capacity building grant

| | | |
|--|-----------|----------------|
| Balance unspent at beginning of the year | 167 980 | 224 000 |
| Conditions met - transferred to revenue | (167 980) | (56 020) |
| | <u>-</u> | <u>167 980</u> |

Conditions still to be met - remain liabilities (see note 22).

To fund the establishment of a human settlement unit within the accreditation priority municipality as well as enhancing the existing human settlements unit.

To finance the municipal institutional capacity requirements.

The reason for the unspent balance in 2018/19 is due to the capacity clerk who was appointed at Stellenbosch municipality for the period 1 April 2019 - 31 March 2020. Salary payments for 3 months were therefore expensed against the grant. The contract will continue during the 2019/20 financial year.

Municipal infrastructure grant

| | | |
|---|----------|--------------|
| Current-year receipts | - | 35 107 000 |
| Conditions met - transferred to revenue | - | (35 107 000) |
| | <u>-</u> | <u>-</u> |

To provide specific capital finance for basic municipal infrastructure backlogs for poor households, micro enterprises and social institutions servicing poor communities

National lottery

| | | |
|--|----------------|----------------|
| Balance unspent at beginning of the year | 458 775 | 658 775 |
| Conditions met - transferred to revenue | (151 414) | (200 000) |
| | <u>307 361</u> | <u>458 775</u> |

Conditions still to be met - remain liabilities (see note 22).

Provide support to be able to bring growth and change within impoverished communities.

Multi-year project for which the unutilized funding will be utilized during the 2020/21 financial year. The COVID 19 lock down regulatins adversely affected the implementation of projects.

Other sources

| | | |
|--|----------------|----------------|
| Balance unspent at beginning of the year | <u>288 184</u> | <u>288 184</u> |
|--|----------------|----------------|

Conditions still to be met - remain liabilities (see note 22).

Stellenbosch Municipality

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33. Government grants and subsidies (continued)

The funding pertains to different funding contributors for various projects. The unutilised funding relates to prior year funding which have not been assigned to a current year project. The latter will be attended to during the 2020/21 financial year.

Cape Winelands District grant

| | | |
|---|------------------|----------|
| Current-year receipts | 2 502 667 | - |
| Conditions met - transferred to revenue | (472 126) | - |
| | 2 030 541 | - |

Conditions still to be met - remain liabilities (see note 22).

To implement the COVID 19 lockdown regulations.

To address safety in the Stellenbosch municipal area.

Aimed at augmenting and supporting the current humanitarian relief initiatives, which will be implemented during the 2020/21 financial year.

Human settlement grant - capital

| | | |
|--|----------------|-------------------|
| Balance unspent at beginning of the year | 45 859 611 | 15 788 558 |
| Current-year receipts | 11 049 077 | 73 585 032 |
| Conditions met - transferred to revenue | (56 593 661) | (43 513 979) |
| | 315 027 | 45 859 611 |

Conditions still to be met - remain liabilities (see note 22).

To provide funding for the creation of sustainable human settlements.

A service provider has been appointed as the implementing agent for the Longlands project. The land-use rights are in place for the services to be installed. The project is a multi-year project. The COVID 19 lock down regulatins adversely affected the implementation of projects.

The land acquired (R45 710 000) is in terms of an agreement entered into between the Department of Human Settlements (DoHS) for subsidised housing development. The land acquired is deemed to be Property, plant and equipment, until such time as the land is designated for housing and approval is obtained from the Municipal Planning Tribunal (MPT), in which case the portions of and so designated should be reclassified to inventory.

Development of sport and recreational facilities

| | | |
|--|--------|--------|
| Balance unspent at beginning of the year | 67 669 | 67 669 |
|--|--------|--------|

Conditions still to be met - remain liabilities (see note 22).

To transform urban and rural community library infrastructure, facilities and services (primarily targeting previously disadvantaged communities) through recapitalised programme at provincial level in support of local government and national initiatives. The unutilised funding relates to prior year funding which have not been assigned to a current year project. The latter will be attended to during the 2020/21 financial year.

Housing settlement agreement

| | | |
|--------------------------------------|---------|---------|
| Balance unspent at beginning of year | 220 103 | 220 103 |
|--------------------------------------|---------|---------|

Conditions still to be met - remain liabilities (see note 22).

To provide a financial contribution towards the reallocation of the informal settlement residents which were fire victims. The unutilised funding relates to prior year funding which have not been assigned to a current year project. The latter will be attended to during the 2020/21 financial year.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

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|---|----------------|----------------|
| 33. Government grants and subsidies (continued) | | |
| Local government graduate internship and capacity building | | |
| Balance unspent at beginning of the year | 520 590 | 405 031 |
| Current-year receipts | 460 000 | 432 000 |
| Conditions met - transferred to revenue | (446 248) | (151 410) |
| Other | (100 590) | (165 031) |
| | 433 752 | 520 590 |

Conditions still to be met - remain liabilities (see note 22).

Financial Management Capacity Building Grant: Stellenbosch Municipality advertised the bursaries as part of their Annual Mayoral Bursary to save advertisement cost in the 2016/2017 financial year. Unfortunately, the response was very poor and we could not find any applications that met the requirements. Consequently, we contacted various Universities during the 2016/2017 and 2017/2018 financial years to obtain CV's of students studying in the designated areas as specified in the circular. After 3 attempts, we obtained 6 CV's of students, 5 of which reside outside the municipal area. The challenge however was that the applicants did not meet all of the required minimum criteria and deviating from the conditions of the grant is not permissible. Stellenbosch municipality could not obtain a list of students from the faculties at the tertiary institutions and placed reliance on the administration officers to indicate possible candidates for the bursaries. A total of R139 410.30 was paid during the 2018/19 financial year which relates to the roll over of 2017/18. R100 589.70 will be repaid as it relates to a roll over of 2017/18. The R360 000 will be spent during the 2019/20 financial year.

Stellenbosch municipality has continuously contacted the tertiary institutions to obtain suitable candidates for the bursary campaign. The tertiary institutions are not willing to provide the list of enrolled student which prohibits the municipality from contacting all enrolled candidates therefore posing a challenge in obtaining suitable candidates whom reside within the municipal area. Stellenbosch municipality will continue liaising with the tertiary institutions to obtain possible candidates for the payment of bursaries. The municipality will also pursue the option of continuing the payment of bursary funding of the successful candidates which were availed bursaries during the 2019/20 financial year, as per the memorandum of agreement, once the new academic year of 2021 commences. A robust social media drive will be embarked upon to ensure that suitable candidates are identified in order to ensure spending of the grant.

With reference to 2018/19 unspent a student commenced employment on 1 May 2019 in terms of the Municipal Graduate Internship Programme Grant.

With reference to 2019/20 unspent an intern was appointed for the period 1 June 2020 – 31 May 2021. The unspent funding of the Local Government Graduate Internship grant will be utilised for the salary payment.

To provide financial assistance to municipalities in support of capacity building for the future by means of a graduate internship programme

To develop financial human capacity within municipal areas to enable a sustainable local financial skills pipeline that is responsive to municipalities' requirements to enable sound and sustainable financial management and good financial governance¹.

Libraries support grant

| | | |
|---|--------------|--------------|
| Current-year receipts | 12 454 000 | 12 210 000 |
| Conditions met - transferred to revenue | (12 454 000) | (12 210 000) |
| | - | - |

To transform urban and rural community library infrastructure, facilities and services (primarily targeting previously disadvantaged communities) through recapitalised programme at provincial level in support of local government and national initiatives.

Khaya Lam free market foundation

| | | |
|--|----------------|-----------|
| Balance unspent at beginning of the year | - | 59 500 |
| Current-year receipts | 102 000 | 163 000 |
| Conditions met - transferred to revenue | - | (222 500) |
| | 102 000 | - |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

| Figures in Rand | 2020 | 2019 |
|--|---------------|------------------|
| 33. Government grants and subsidies (continued) | | |
| Conditions still to be met - remain liabilities (see note 22). | | |
| To assist municipalities to issue freehold title deeds to registered tenants and recognised resident of municipal properties. | | |
| All administration costs for the basic salaries and wages for the title deeds restoration programme have been funded by the Title Deeds Restoration grant. The unutilised funding will be used during the 2020/21 financial year. | | |
| Housing consumer education | | |
| Balance unspent at beginning of the year | 68 010 | 68 010 |
| Conditions still to be met - remain liabilities (see note 22). | | |
| To fund housing within municipalities that demonstrated capacity to plan and deliver housing rapidly, with emphasis on rural areas. The unutilised funding relates to prior year funding which have not been assigned to a current year project. The latter will be attended to during the 2020/21 financial year. | | |
| Community development support grant | | |
| Current-year receipts | 56 000 | 56 000 |
| Conditions met - transferred to revenue | (18 704) | (56 000) |
| | 37 296 | - |
| Conditions still to be met - remain liabilities (see note 22). | | |
| To provide financial assistance to municipalities to cover the operational costs pertaining to the line functions of the community development workers including regional coordinators. | | |
| Due to the Covid-19 lockdown regulations the activities as per the business plan could not be executed. Provisional concept approval for the activities listed above have been obtained from the transferring department. | | |
| Fire services capacity building grant | | |
| Balance unspent at beginning of the year | 3 003 000 | - |
| Current-year receipts | - | 3 003 000 |
| Conditions met - transferred to revenue | (3 003 000) | - |
| | - | 3 003 000 |
| The grant has been fully committed by 30 June 2019. The specialized vehicle was handed over to the Municipality on 26 July 2019. Payment was done on 14 August 2019. | | |
| To provide financial assistance to municipalities to ensure functional emergency communication, mobilisation systems and fire services. | | |
| Local government financial management support grant | | |
| Current-year receipts | 255 000 | 255 000 |
| Conditions met - transferred to revenue | (255 000) | (255 000) |
| | - | - |
| To provide financial assistance to municipalities to improve overall financial governance within municipalities inclusive of optimising and administration of revenue, improving credibility and responsiveness of municipal budgets, improving of municipal audit outcomes and addressing institutional challenges. | | |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

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| Figures in Rand | 2020 | 2019 |
|--|-------------------|--------------------|
| 33. Government grants and subsidies (continued) | | |
| LG SETA bursary fund | | |
| Current-year receipts | 62 706 | - |
| Conditions met - transferred to revenue | (62 706) | - |
| | <u>-</u> | <u>-</u> |
| To develop skilled and capable workforce supporting a responsive, accountable, efficient and effective local government system, through a range of learning programmes that focus on scarce and critical skills in the sector. | | |
| Maintenance and construction of transport infrastructure | | |
| Current-year receipts | 384 000 | 371 000 |
| Conditions met - transferred to revenue | (384 000) | (371 000) |
| | <u>-</u> | <u>-</u> |
| To financially assist/subsidise municipalities with the maintenance/construction of proclaimed municipal main roads, where the municipality is the Road Authority (Section 50 of Ordinance 19 of 1976). | | |
| Shared economic infrastructure facility | | |
| Current-year receipts | - | 3 561 097 |
| Conditions met - transferred to revenue | - | (3 561 097) |
| | <u>-</u> | <u>-</u> |
| A programme of the National Informal Business Upliftment Strategy (NIBUS) aimed at contributing to a radical economic transformation through the provisioning of business infrastructure to rural township based enterprises. | | |
| Integrated transport planning | | |
| Current-year receipts | 600 000 | 600 000 |
| Conditions met - transferred to revenue | (600 000) | (600 000) |
| | <u>-</u> | <u>-</u> |
| To review and update municipal integrated transport plans in terms of the National Land Transport Act, 2009 (Act No. 5 of 2009). | | |
| 34. Fines, Penalties and Forfeits | | |
| Municipal Traffic Fines | 99 921 917 | 117 772 670 |
| Other fines | 70 893 | 273 462 |
| | <u>99 992 810</u> | <u>118 046 132</u> |

Stellenbosch Municipality

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| 35. Employee related costs | | |
| Acting allowances | 674 466 | 1 019 414 |
| Actuarial (Gain) /Loss | (32 830 683) | (35 413 176) |
| Bargaining council | 291 210 | 251 400 |
| Basic | 322 142 811 | 300 678 426 |
| Bonus | 23 078 364 | 21 211 131 |
| Car allowance | 10 048 311 | 9 780 788 |
| Cellphone allowance | 1 630 691 | 1 341 747 |
| Contribution to Long service awards | 4 109 076 | 4 839 830 |
| Contribution to Post-Retirement Benefits | 5 448 228 | 7 945 828 |
| Contribution to Leave gratuity | 5 758 369 | 5 320 881 |
| Entertainment | 4 979 | 4 933 |
| Group insurance | 3 631 774 | 3 116 552 |
| Housing benefits and allowances | 2 916 315 | 2 853 349 |
| Medical aid - company contributions | 23 336 863 | 21 652 139 |
| Overtime payments | 37 414 315 | 31 607 382 |
| Pension fund contribution | 48 802 560 | 45 558 717 |
| Performance bonus | 710 284 | 590 923 |
| Standby allowance | 14 676 603 | 12 480 849 |
| Sundry allowances | 4 262 333 | 4 607 808 |
| Travel, motor car, accommodation, subsistence and other allowances | 256 942 | 719 369 |
| UIF | 2 449 723 | 2 175 228 |
| Workmen compensation | 2 769 522 | 2 367 571 |
| | 481 583 056 | 444 711 089 |

The comparative amounts were restated. Refer to Note 61.18

Stellenbosch Municipality

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|---|------------------|------------------|
| 35. Employee related costs (continued) | | |
| Remuneration of Municipal Manager | | |
| Annual Remuneration | 1 394 549 | 1 393 726 |
| Car Allowance | 127 798 | 123 762 |
| Performance Bonuses | 257 839 | 244 629 |
| Contributions to UIF, Medical and Pension Funds | 341 082 | 334 363 |
| Telephone allowance | 22 800 | 22 800 |
| | 2 144 068 | 2 119 280 |
| Remuneration of Chief Finance Officer | | |
| Annual Remuneration | 957 249 | 950 700 |
| Car Allowance | 248 612 | 117 860 |
| Performance Bonuses | 25 457 | - |
| Contributions to UIF, Medical and Pension Funds | 222 781 | 50 948 |
| Leave | 19 659 | 136 205 |
| Telephone allowance | 22 800 | 7 600 |
| Other | 18 000 | 3 000 |
| | 1 514 558 | 1 266 313 |
| Acting allowance paid to acting Chief Financial Officer | - | 19 424 |
| Remuneration of the Director Planning and Development | | |
| Annual Remuneration | 825 323 | 1 029 334 |
| Car Allowance | 80 000 | 128 974 |
| Performance Bonuses | 69 429 | 118 569 |
| Contributions to UIF, Medical and Pension Funds | 189 838 | 246 716 |
| Telephone allowance | 17 100 | 22 800 |
| Other | 6 134 | - |
| | 1 187 824 | 1 546 393 |
| Acting allowance paid to acting Director Planning and Development | 10 225 | - |
| Remuneration of the Director Community & Protection Services | | |
| Annual Remuneration | 1 352 200 | 868 611 |
| Car Allowance | 63 267 | 65 000 |
| Performance Bonuses | 23 143 | - |
| Contributions to UIF, Medical and Pension Funds | 25 830 | 97 563 |
| Telephone allowance | 22 800 | 13 300 |
| | 1 487 240 | 1 044 474 |
| Acting allowance paid to acting Director(s) Community and Protection Services | - | 13 227 |
| Remuneration of the Director Infrastructure Services | | |
| Annual Remuneration | 1 293 925 | 1 254 593 |
| Car Allowance | 122 640 | 265 652 |
| Performance Bonuses | 152 744 | 144 918 |
| Contributions to UIF, Medical and Pension Funds | 24 105 | 24 066 |
| Telephone allowance | 22 800 | 22 800 |
| | 1 616 214 | 1 712 029 |

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| Figures in Rand | 2020 | 2019 |
|--|------------------|------------------|
| 35. Employee related costs (continued) | | |
| Remuneration of the Director Corporate Services | | |
| Annual Remuneration | 1 275 371 | 1 235 507 |
| Car Allowance | 139 200 | 139 200 |
| Performance Bonuses | 152 744 | 65 872 |
| Contributions to UIF, Medical and Pension Funds | 25 055 | 24 653 |
| Telephone allowance | 22 800 | 22 800 |
| | 1 615 170 | 1 488 032 |
| 36. Remuneration of councillors | | |
| Councillors | 19 121 037 | 18 272 420 |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

| Figures in Rand | 2020 | 2019 |
|---|----------------|----------------|
| 37. Councillors Remuneration per class of councillor | | |
| Executive Mayor | | |
| Allowance and service related benefits | | |
| Basic Salary | 662 704 | 636 472 |
| Travel Allowance | 223 457 | 214 868 |
| Cell Phone Allowance | 40 800 | 40 800 |
| Data Card Allowance | 3 600 | 3 600 |
| Skills Development Levy | 7 667 | 8 131 |
| | 938 228 | 903 871 |
| Deputy Executive Mayor | | |
| Allowance and service related benefits | | |
| Basic Salary | 537 403 | 474 213 |
| Travel Allowance | 189 782 | 171 894 |
| Cell Phone Allowance | 42 743 | 40 800 |
| Data Card Allowance | 3 771 | 3 600 |
| Pension Fund Contribution | 15 461 | 35 631 |
| Skills Development Levy | 6 194 | 5 837 |
| Medical Aid Benefits | 10 080 | - |
| | 805 434 | 731 975 |
| Speaker | | |
| Allowance and service related benefits | | |
| Basic Salary | 464 648 | 484 403 |
| Travel Allowance | 166 214 | 171 844 |
| Cell Phone Allowance | 38 533 | 40 626 |
| Data Card Allowance | 3 400 | 3 600 |
| Pension Fund Contribution | 21 569 | 2 850 |
| Skills Development Levy | 5 538 | 6 663 |
| Medical Aid Benefits | 7 200 | 15 840 |
| | 707 102 | 725 826 |
| Chief Whip | | |
| Allowance and service related benefits | | |
| Basic Salary | 446 623 | 430 856 |
| Travel Allowance | 167 593 | 161 182 |
| Cell Phone Allowance | 40 800 | 40 722 |
| Data Card Allowance | 3 600 | 3 600 |
| Pension Fund Contribution | 33 497 | 29 615 |
| Skills Development Levy | 5 377 | 5 701 |
| Medical Aid Benefits | 17 280 | 17 280 |
| | 714 770 | 688 956 |
| Executive Committee | | |
| Allowances and service related benefits | | |
| Basic salary | 3 525 755 | 3 298 068 |
| Cellphone allowance | 311 990 | 301 281 |
| Data card allowance | 27 529 | 26 530 |
| Travelling allowance | 1 281 513 | 1 187 835 |
| Medical aid benefits | 86 400 | 64 800 |
| Pension fund contributions | 191 000 | 146 067 |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

| Figures in Rand | 2020 | 2019 |
|---|--------------------|--------------------|
| 37. Councillors Remuneration per class of councillor (continued) | | |
| Skills development levy | 40 986 | 42 239 |
| | 5 465 173 | 5 066 820 |
| All Other Councillors | | |
| Allowances and service related benefits | | |
| Basic salary | 6 457 034 | 6 184 940 |
| Cellphone allowance | 1 279 533 | 1 276 246 |
| Date card allowance | 112 900 | 112 628 |
| Travelling allowance | 2 309 681 | 2 228 199 |
| Medical aid benefits | 110 880 | 123 840 |
| Pension fund contributions | 281 448 | 297 689 |
| Skills development levy | 79 940 | 81 503 |
| | 10 631 416 | 10 305 045 |
| 38. Contribution to/from provision | | |
| Landfill site | 8 828 974 | 6 025 885 |
| 39. Depreciation and amortisation | | |
| Property, plant and equipment | 194 596 842 | 191 688 581 |
| Investment property | 252 587 | 251 894 |
| Intangible assets | 2 425 462 | 1 848 159 |
| | 197 274 891 | 193 788 634 |
| 40. Finance costs | | |
| Employee benefits | 17 096 614 | 18 580 276 |
| Current borrowings | 31 049 766 | 17 033 200 |
| Interest costs non-current provisions | 7 757 711 | 6 174 066 |
| Other interest paid | 99 808 | - |
| | 56 003 899 | 41 787 542 |
| The comparative amounts were restated. Refer to note 61.21 | | |
| 41. Lease rentals on operating lease | | |
| Operating leases | | |
| Contractual amounts | 9 225 916 | 1 824 382 |
| Equipment | | |
| Contractual amounts | 2 035 900 | 410 164 |
| Plant and equipment | | |
| Contractual amounts | 575 739 | 432 438 |
| | 11 837 555 | 2 666 984 |
| The comparative amounts were restated. Refer to note 61.24 | | |

Stellenbosch Municipality

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|--|--------------------|--------------------|
| 42. Bad debt written off | | |
| Electricity | 443 505 | 173 753 |
| Refuse | 2 576 062 | 1 198 997 |
| Sewerage | 2 135 635 | 1 089 710 |
| Water | 19 414 877 | 11 219 869 |
| Housing rental | 1 261 985 | 2 092 463 |
| Rates | 3 222 192 | 894 282 |
| Traffic fines | 94 132 600 | 88 538 140 |
| | 123 186 856 | 105 207 214 |
| 43. Contribution to allowance for doubtful debt | | |
| Receivable from exchange allowance contribution | 7 657 579 | 20 261 578 |
| Receivable from non-exchange allowance contribution | (14 171 401) | 3 274 837 |
| | (6 513 822) | 23 536 415 |
| 44. Bulk purchases | | |
| Electricity | 414 765 005 | 350 008 266 |
| Water | 30 855 992 | 30 662 364 |
| | 445 620 997 | 380 670 630 |
| 45. Contracted services | | |
| Outsourced Services | | |
| Animal Care | 4 250 | 7 031 |
| Catering Services | 2 113 721 | 261 490 |
| Cleaning Services | 1 265 831 | 992 892 |
| Clearing and Grass Cutting Services | 1 827 439 | 3 110 929 |
| Litter Picking and Street Cleaning | 4 200 546 | 3 200 529 |
| Medical Services [Medical Health Services & Support] | - | 110 889 |
| Personnel and Labour | 595 337 | 501 328 |
| Professional Staff | 353 227 | 391 419 |
| Refuse Removal | 36 052 981 | 18 087 629 |
| Security Services | 26 740 306 | 16 065 250 |
| Translators, Scribes and Editors | 9 567 | 26 067 |
| Traffic Fines Management | 9 424 022 | 9 836 651 |
| Transport Services | 508 011 | 748 163 |
| Drivers Licence Cards | 734 542 | 770 882 |
| Consultants and Professional Services | | |
| Business and Advisory | 20 153 500 | 13 212 149 |
| Infrastructure and Planning | 389 363 | 7 358 943 |
| Laboratory Services | 1 735 428 | 1 177 925 |
| Legal Cost | 6 578 813 | 9 777 392 |

Stellenbosch Municipality

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|--|--------------------|--------------------|
| 45. Contracted services (continued) | | |
| Contractors | | |
| Artists and Performers | 243 225 | 48 000 |
| Bore Waterhole Drilling | 53 648 | 61 641 |
| Catering Services | 399 899 | 1 221 984 |
| Employee Wellness | 112 349 | 219 645 |
| Event Promoters | 137 253 | - |
| First Aid | - | 80 |
| Gardening Services | 924 242 | 699 291 |
| Graphic Designers | 120 644 | 28 781 |
| Interior Decorator | 523 624 | 292 421 |
| Maintenance of Buildings and Facilities | 10 025 728 | 15 561 852 |
| Maintenance of Equipment | 1 906 557 | 1 797 796 |
| Maintenance of Unspecified Assets | 33 672 495 | 29 535 189 |
| Management of Informal Settlements | 1 050 699 | 513 343 |
| Medical Services | 8 846 | 83 453 |
| Pest Control and Fumigation | 29 696 | 14 696 |
| Plants, Flowers and Other Decorations | 365 042 | 292 560 |
| Prepaid Electricity Vendors | 7 801 057 | 8 229 782 |
| Preservation/Restoration/Dismantling/Cleaning Serv | 652 874 | 415 305 |
| Tracing Agents and Debt Collectors | 1 809 741 | 1 869 475 |
| Transportation | 5 167 403 | 4 524 212 |
| Sewerage Services | 5 311 095 | 467 377 |
| Stage and Sound Crew | 449 998 | 303 139 |
| | 183 452 999 | 151 817 580 |
| 46. Transfers and subsidies paid | | |
| Other subsidies | | |
| Grant-in-aid tourism | 4 600 000 | 4 124 338 |
| Grant-in-aid animal welfare | 1 113 000 | 1 050 000 |
| Grant-in-aid sundries | 3 861 920 | 3 815 701 |
| Bursary Scheme | 379 903 | 139 410 |
| Grants-in-aid COVID-19 Humanitarian Relief | 900 000 | - |
| | 10 854 823 | 9 129 449 |

The comparative amounts were restated. Refer to note 61.23

Stellenbosch Municipality

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|---|--------------------|--------------------|
| 47. General expenses | | |
| Advertising, publicity and marketing | 1 935 556 | 2 943 163 |
| Assets less than capitalisation threshold | 362 236 | 922 109 |
| Auditors remuneration | 6 703 882 | 6 295 797 |
| Bank charges, facility and card fees | 1 222 864 | 1 022 289 |
| Bursaries (Employees) | 401 598 | 407 918 |
| Communication | 5 624 569 | 5 649 956 |
| Commission paid | 2 944 923 | 2 685 445 |
| Domestic subsistence and travel | 1 084 614 | 892 224 |
| Drivers licences and permits | 20 565 | 20 924 |
| Entertainment | 48 463 | 126 275 |
| External computer services | 15 238 716 | 13 512 829 |
| Foreign subsistence and travel | 38 438 | 53 094 |
| Full time union representative | 103 917 | 133 508 |
| Hire charges | 11 331 736 | 12 214 934 |
| Honoraria (voluntary workers) | 4 500 | 12 600 |
| Indigent relief | 4 855 792 | 4 317 298 |
| Insurance | 5 357 969 | 4 327 956 |
| Inventory - materials and supplies | 13 749 289 | 12 442 636 |
| Inventory - standard rated | 2 953 561 | 5 153 285 |
| Inventory - zero rated | 13 120 184 | 13 700 724 |
| Inventory consumed water | 114 000 | 296 630 |
| Licences: motor vehicle licence and registrations | 1 212 251 | 1 225 229 |
| Management fees | 10 587 548 | 8 129 979 |
| Municipal services | 8 172 424 | 8 000 613 |
| Office decorations | 41 389 | 53 165 |
| Other expenses | 78 322 | 200 173 |
| Printing, publications and books | 441 250 | 458 536 |
| Professional bodies, membership and subscription | 7 869 951 | 3 879 060 |
| Samples and specimens | 180 745 | 378 953 |
| Seminars, conferences, workshops and events | 1 857 032 | 2 968 702 |
| Skills development levy | 3 669 220 | 3 998 884 |
| Supplier development programme | 577 200 | 942 126 |
| Title deed search fees | 20 100 | 7 860 |
| Uniform and protective clothing | 6 236 877 | 3 582 350 |
| Vehicle tracking | 620 214 | 732 365 |
| | 128 781 895 | 121 689 589 |

The comparative figures were restated. Refer to note 61.25

Pay@ (Agent) provides the Municipality with payment service solutions on behalf of the Municipality. Pay@ pays over the monies generated from the payment services to the Municipality. The municipality recognises 100% of the money's collected as revenue from exchange transactions and the fee to be paid to Pay@ (as stipulated in the relevant service schedule or based on Pay@'s standard prevailing rates), is recognized as an expense.

EasyPay (Agent) is a payment platform used to collect municipal service payments from third parties. These payments are accepted by EasyPay on behalf of the Municipality (Principal), from third parties. A service charge is levied by EasyPay for collection of the payments. This fee is recognised as commissions paid.

SPS (Agent) collects parking tariffs from motorists on behalf of the Municipality. SPS pays over the tariffs collected to the Municipality, minus the service charge levied. The municipality recognises 100% of the tariff as revenue from exchange transactions and the service charges incurred to SPS is recognized as an expense.

Syntell (Agent) sells and collects money from the sale of prepaid electricity on behalf of the Municipality. SPS pays over the monies collected to the Municipality, minus the collection fee levied, determined at a rate specific in the Service Level Agreement. The municipality recognises 100% of the money's collected as revenue from exchange transactions and the collection fee paid to Syntell (which includes costs incurred on debit or credit card electricity sales and cash handling fees incurred), is recognized as an expense.

Stellenbosch Municipality

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|--|--------------------|--------------------|-------------|
| 47. General expenses (continued) | | | |
| TMT (Agent) manages the collection of traffic fines (both legacy fines issue before 1 July 2017 and fines issued after this date), on behalf of the Municipality. TMT pays over the monies collected to the Municipality. The municipality recognises 100% of the money's collected as revenue from non - exchange transactions and the fee incurred to TMT is recognized as an expense. | | | |
| These arrangements are subject to standard terms and conditions upon termination. | | | |
| None of the municipalities assets are under the custodianship of the agents. | | | |
| 48. Fair value adjustments | | | |
| Other financial assets | | | |
| • Discounting of long term receivables | (634 971) | (350 833) | |
| Movement in discounting of long term receivables | | | |
| Opening balance | (2 264 321) | (1 913 488) | |
| Discounting | (634 971) | (350 833) | |
| | (2 899 292) | (2 264 321) | |
| 49. Cash generated from operations | | | |
| Surplus | 81 155 004 | 121 037 561 | |
| Adjustments for: | | | |
| Depreciation and amortisation | 197 274 891 | 193 788 634 | |
| (Loss) gain on sale of assets and liabilities | (33 133) | 5 060 315 | |
| Fair value adjustments | 634 971 | 350 833 | |
| Other non-cash adjustments | (863 567) | - | |
| Impairment deficit | 72 977 | 1 705 912 | |
| Debt impairment | 123 186 856 | 105 207 214 | |
| Contribution to debt impairment | (6 521 559) | 23 536 415 | |
| Movements in operating lease liability | (816 671) | 5 360 661 | |
| Movements in retirement benefit assets and liabilities | (12 697 154) | (9 644 159) | |
| Movements in provisions | 18 961 502 | 23 179 290 | |
| Changes in working capital: | | | |
| Inventories | 483 626 | (10 617 630) | |
| Other receivables from exchange transactions | 1 433 147 | (9 700 929) | |
| Receivables from exchange transactions | (275 008) | (26 939 431) | |
| Receivables from non-exchange transactions | (85 470 841) | (102 518 755) | |
| Payables from exchange transactions | (638 034) | 27 721 923 | |
| VAT | 17 882 801 | 6 103 839 | |
| Unspent conditional grants and receipts | (50 183 017) | 33 402 936 | |
| Consumer deposits | 706 605 | 1 403 987 | |
| Long term receivables | (2 340 920) | (1 248 126) | |
| | 281 952 476 | 387 190 490 | |
| 50. Financial instruments disclosure | | | |
| Categories of financial instruments | | | |
| 2020 | | | |
| Financial assets | | | |
| | | At amortised cost | Total |
| Cash and cash equivalents | 3 | 111 201 845 | 111 201 845 |
| Receivables from exchange transactions | 5 | 111 067 546 | 111 067 546 |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

| Figures in Rand | | 2020 | 2019 |
|---|----|--------------------|--------------------|
| 50. Financial instruments disclosure (continued) | | | |
| Other receivables from exchange transactions | 7 | 10 825 566 | 10 825 566 |
| Receivables from non-exchange transactions | 6 | 19 239 900 | 19 239 900 |
| Investments | 4 | 306 637 342 | 306 637 342 |
| Long term receivables | 15 | 6 361 907 | 6 361 907 |
| | | 565 334 106 | 565 334 106 |

Financial liabilities

| | | At amortised cost | Total |
|-------------------------------------|----|--------------------|--------------------|
| Consumer deposits | 16 | 17 784 517 | 17 784 517 |
| Other financial liabilities | 19 | 292 930 439 | 292 930 439 |
| Payables from exchange transactions | 21 | 252 303 653 | 252 303 653 |
| | | 563 018 609 | 563 018 609 |

2019

Financial assets

| | | At amortised cost | Total |
|--|----|--------------------|--------------------|
| Cash and cash equivalents | 3 | 169 490 533 | 169 490 533 |
| Receivables from exchange transactions | 5 | 147 504 373 | 147 504 373 |
| Other receivables from exchange transactions | 7 | 10 030 034 | 10 030 034 |
| Receivables from non-exchange transactions | 6 | 16 106 082 | 16 106 082 |
| Investments | 4 | 398 163 664 | 398 163 664 |
| Long term receivables | 15 | 4 655 958 | 4 655 958 |
| | | 745 950 644 | 745 950 644 |

Financial liabilities

| | | At amortised cost | Total |
|-------------------------------------|----|--------------------|--------------------|
| Consumer deposits | 16 | 17 077 912 | 17 077 912 |
| Other financial liabilities | 19 | 318 800 147 | 318 800 147 |
| Payables from exchange transactions | 21 | 250 152 899 | 250 152 899 |
| | | 586 030 958 | 586 030 958 |

Stellenbosch Municipality

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51. Risk management

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Council, which has built an appropriate liquidity risk management framework for the management of the municipality's short, medium and long-term funding and liquidity management requirements. The municipality manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below analyses the municipality's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amount disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

| At 30 June 2020 | Less than 1 year | Between 1 and 2 years | Between 2 and 5 years | Over 5 years |
|-------------------------------------|---------------------|--------------------------|--------------------------|--------------|
| Consumer deposits | 17 784 517 | - | - | - |
| Other financial liabilities | 13 382 735 | 26 752 932 | 90 975 235 | 175 202 273 |
| Payables from exchange transactions | 252 303 653 | - | - | - |

| At 30 June 2019 | Less than 1 year | Between 1 and 2 years | Between 2 and 5 years | Over 5 years |
|-------------------------------------|---------------------|--------------------------|--------------------------|--------------|
| Consumer deposits | 17 077 912 | - | - | - |
| Other financial liabilities | 17 266 702 | 26 888 845 | 84 793 625 | 189 850 975 |
| Payables from exchange transactions | 250 152 899 | - | - | - |

Risk from biological assets

The municipality is exposed to financial risks arising from changes in wood prices. The municipality does not anticipate that wood prices will decline significantly in the foreseeable future. The municipality has not entered into derivative contracts to manage the risk of a decline in wood prices. The municipality reviews its outlook for wood prices regularly in considering the need for active financial risk management.

Interest rate risk management

Interest Rate Risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes.

Potential concentrations of interest rate risk consist mainly of variable rate deposit investments, long-term receivables, consumer debtors, other debtors, bank and cash balances.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with well-established financial institutions of high credit standing. No investment with a tenure exceeding twelve months shall be made without consultation with the councillor responsible for financial matters.

In the case of receivables whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

Long-term receivables and other debtors are individually evaluated annually at the reporting date for impairment or discounting. A report on the various categories of receivables are drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

The municipality is not exposed to interest rate risk as the municipality borrows funds at fixed interest rates.

The municipality's exposures to interest rates on Financial Assets and Financial Liabilities are detailed in the Credit Risk Management section of this note.

Interest Rate Sensitivity Analysis

The municipality had no variable rate long-term financial instruments at year-end requiring an Interest Rate Sensitivity Analysis.

Stellenbosch Municipality

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Figures in Rand

2020

2019

51. Risk management (continued)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the municipality. The municipality has a sound credit control and debt collection policy and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The municipality uses other publicly available financial information and its own trading records to assess its major customers. The municipality's exposure of its counterparties are monitored regularly.

Potential concentrations of credit rate risk consist mainly of long-term receivables, consumer debtors, other debtors, bank and cash balances.

The municipality limits its counterparty exposures from its investment operations (financial assets that are neither past due nor impaired) by only dealing with well-established financial institutions of high credit standing. The credit exposure to any single counterparty is managed by setting transaction / exposure limits, which are included in the municipality's Investment Policy. These limits are reviewed annually by the Chief Financial Officer and authorised by the Council.

Receivables from exchange transactions comprise of a large number of ratepayers, dispersed across different industries and geographical areas within the jurisdiction of the municipality. Ongoing credit evaluations are performed on the financial condition of these receivables. Receivables from exchange transactions are presented net of the allowance for impairment.

Receivables from non-exchange transactions comprise of a large number of ratepayers, dispersed across different industries and geographical areas within the jurisdiction of the municipality. Ongoing credit evaluations are performed on the financial condition of these receivables. Receivables from exchange transactions are presented net of the allowance for impairment.

The municipality establishes an allowance for impairment that represents its estimate of anticipated losses in respect of receivables. Receivables are provided for based on estimated irrecoverable amounts, determined by reference to a non payment rate.

In the case of debtors whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

Long-term Receivables and Other Debtors are individually evaluated annually at reporting date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

Payment to accounts of consumer debtors who are unable to pay, are renegotiated as an ongoing customer relationship in response to an adverse change in the circumstances of the customer.

The municipality does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The municipality defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings.

There is no collateral held for security in respect of consumer debtors.

The impact of the Covid-19 pandemic was taken into account with the allowance for impairment calculation of consumer debtors.

The maximum credit and interest risk exposure in respect of the relevant financial instruments is as follows:

| | | |
|--|--------------------|--------------------|
| Cash and cash equivalents | 111 201 845 | 169 490 533 |
| Short term investments | 306 637 342 | 398 163 664 |
| Receivables from exchange transactions | 111 067 546 | 161 402 873 |
| Other receivables from exchange transactions | 10 825 566 | 4 276 034 |
| Receivables from non-exchange transactions | 19 239 900 | 16 106 082 |
| Long term receivable | 6 361 907 | 4 655 958 |
| | 565 334 106 | 754 095 144 |

Foreign currency risk management

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

Figures in Rand 2020 2019

51. Risk management (continued)

The municipality's activities do not expose it to the financial risks of foreign currency and therefore has no formal policy to hedge volatilities in the interest rate market.

Other price risks

The municipality is not exposed to equity price risks arising from equity investments as the municipality does not trade these investments.

52. Commitments

Authorised capital expenditure

Already contracted for but not provided for

| | | |
|---------------------------------|--------------------|--------------------|
| • Property, plant and equipment | 295 630 010 | 229 338 793 |
| • Intangible assets | 35 839 625 | 71 146 289 |
| | 331 469 635 | 300 485 082 |

Total capital commitments

| | | |
|---|-------------|-------------|
| Already contracted for but not provided for | 331 469 635 | 300 485 082 |
|---|-------------|-------------|

This committed expenditure relates to property, plant and equipment and will be financed by available bank facilities, retained surpluses, existing cash resources, funds internally generated.

The amounts as disclosed are VAT inclusive.

53. Contingencies

2019/2020 Contingent liabilities

State / Matanise CAS NR 98/03/2015/ Stellenbosch Municipality

A traffic officer made a U-turn on the R44 pursuant to obtaining an instruction from his superintendent that he need to attend to a complaint in Klapmuts. The claimant, alleged that he had to turn into another lane to prevent an accident to occur, losing control over the vehicle and overturning the vehicle in the process.

Management estimate of the financial exposure is R100 000 in respect of costs and disbursements.

Labour court review - MATUSA on behalf of an employee / Stellenbosch Municipality

MATUSA on behalf of an former employee obtained an arbitration award against Stellenbosch Municipality in terms of which the former employee was reinstated and certified the arbitration award in terms of section 143(3) of the LRA. They instructed the sheriff to attached the movable properties of the Municipality to be sold in execution.

The Municipality instituted review proceedings against the arbitration award and stay the execution of the arbitration award.

Managements estimate of the financial exposure is approximately R380 000 in respect of costs and disbursements including compensation of 12 months of approximately R230 000.00 if reinstatement is not granted.

Ricmal Green (Pty) Ltd & another / The unlawful occupiers and others

Ricmal Green (Pty) Ltd applied for an interdict that the National Minister of Agriculture, Deputy Minister of Agriculture and the National Government be interdicted and restrained from placing any third parties in occupation of the Property or in any way encouraging, promoting, supporting and or allowing any persons to come onto the farm to occupy the Property.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

53. Contingencies (continued)

That the persons attempting to occupy the Property be interdicted and restrained from entering onto or remaining on the Property and erecting or attempting to erect any form of structure, be it temporary, permanent or semi-permanent of nature on the Property.

Ricmal Green (Pty) Ltd also applied for an urgent eviction application in terms of rule 6(12) against all unlawful occupiers of the Property listed in Annexure A to be ordered to vacate the Property and should they fail/refuse that the Sheriff be ordered to evict them from the Property.

Stellenbosch Municipality is sited as Seventh Respondent to the matter. No relief is sought against the Municipality unless the Municipality oppose the application. The Municipality was joined as the Property is situated within its jurisdiction and its statutory and/or constitutional obligations as regards the occupiers.

The Municipality is supporting the application of the Applicants and filed an explanatory affidavit.

Managements estimate of the financial exposure is approximately R200 000 in respect of costs and disbursements

Anonymous Employee / Stellenbosch Municipality

An employee applied for default judgment against Stellenbosch Municipality for alleged unfair labour practice in relation to failure to promote and/or demotion and alleged that he/she is being unfairly discriminated against.

Managements estimate of the financial exposure is approximately R100 000 in respect of costs and disbursements

SPS / Stellenbosch Municipality

MZ Loghdey t/a Street Parking Solutions submitted a tender, which was awarded to him. The tender was implemented on or about 1 April 2019. A dispute arose between the parties around various issues in terms of the tender. Clause 27.1 of the GCC provides that if any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation. Clause 27.2 provides further if, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party. Clause 27.3 provides that should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law. Notwithstanding the above clause 27.4 provides that notwithstanding any reference to mediation and/or court proceedings herein the parties shall continue to perform their respective obligations under the contract unless they otherwise agree and the purchaser shall pay the supplier any monies due for goods delivered and/or services rendered according to the prescripts of the contract.

Both SPS and the Municipality alleged that certain conditions of the tender/contract was breached and that mediation is required to solve the dispute. A mediator was appointed and a date for the mediation need to be set to argue the matter.

Managements estimate of the financial exposure is approximately R100 000 in respect of costs and disbursements

Anonymous Employee / Stellenbosch Municipality

Review application instituted by Stellenbosch Municipality setting aside the Arbitration Award made under WCP121702 under the South African Local Bargaining Council to pay the employee compensation for additional work done.

Managements estimate of the financial exposure is R300 000. This amount represents the legal costs and disbursements that the municipality may be liable for in order to finalise the matter and the amount claimed should the employee be successful.

Former Employee / South African Local Government Bargaining council and others

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

53. Contingencies (continued)

Review application instituted by an former employee to have the arbitration award dated 18 July 2019 under case numbers WCP 071722 and 01719 reviewed and set aside and in the alternative should the court elect not to correct the award that the dispute be remitted and referred back to the Bargaining Council for adjudication before an arbitrator.

Managements estimate of financial exposure is approximately R200 000. This amount represents the legal costs and disbursements that the Municipality may be liable in order to finalise the matter.

Stellenbosch Municipality / Urlan Groenewaldt & Jacques Francois Swart

Motor vehicle collision in which the municipal traffic lights were damaged.

Managements estimate for financial exposure is approximately R50 000.00 in respect of costs and disbursements.

Stellenbosch Municipality / Sliyazama CP Constructions (Pty) Ltd

Stellenbosch Municipality have to institute eviction proceedings against the illegal occupiers of the property, which the Municipality is leasing to Kindersorg to operate a crèche in Kayamandi. The eviction application is pending.

The founding affidavit of the Municipality needs to be finalised, whereafter the municipality can proceed with the institution of the eviction application. The municipality has received the founding affidavit and is in the process of proposing amendments thereto.

Managements estimate of financial exposure is approximately R200 000 in respect of costs and disbursements.

Stellenbosch Municipality / Klapmuts mediation

Stellenbosch Municipality is under obligation to provide emergency housing to evictees of various eviction orders in Klapmuts. The Klapmuts community has threatened violence against evictees and destruction of property should the municipality proceed to utilise Klapmuts housing facilities for evictees rather than for members of the Klapmuts community. Independent expert mediator appointed to facilitate mediation which is currently pending. The mediator had meetings with the community and a committee was elected to discuss the matter and proposals made. The chairperson of the Committee was not available for a period to attend meetings and new proposed dates were arranged by the mediator for such meetings. The community still refuse the Municipality to implement emergency housing.

The mediation needs to be finalised to obtain the buy-in of the community to relocate evictees to Klamputs.

Managements estimate of the financial exposure is approximately R250 000 in respect of costs and disbursements.

Stellenbosch Municipality / NE Properties (Pty) Ltd

Application to declare the dissolution of NE Industries void in terms of section 83(4) of the Companies Act and to direct the Companies and Intellectual Property Commission of South Africa to restore NE Industries' name to the register of companies. NE Industries was deregistered and its name was removed from the register of companies on 16 July 2010 due to its failure to file its annual returns. NE Industries is the single largest debtor on the Municipality's debtor's book. The Municipality wants to collect the outstanding amount due to it but established that NE Industries was deregistered as a result of its failure to file its annual returns and its name was removed from the register of companies.

Managements estimate of the financial exposure is approximately R200 000. This amount represents the legal costs and disbursements that the Municipality may be liable for in order to obtain the Final Court Order.

Stellenbosch Municipality / IMATU on behalf of Employee

Review application instituted against the arbitrator's award by Commissioner Der Vlieger-Seynhaeve including application for condonation and to oppose the application for contempt of court proceedings instituted by IMATU obo employee.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

53. Contingencies (continued)

Managements estimate of financial exposure is approximately R200 000. This amount represents the legal costs and disbursements that the Municipality may be liable for in order to obtain the Final Court Order.

Stellenbosch Municipality / E Ross and Others

Stellenbosch Municipality have to institute eviction proceedings against Respondents of the property at 609 Lavanda Flats, Jan Cillier Street, Stellenbosch due to the Respondents actions. The eviction application is still pending.

Managements estimate of the financial exposure is approximately R200 000. This amount represents the legal costs and disbursements that the Municipality may be liable in order to finalise the matter.

Stellenbosch Municipality / L Bailey and Another

Stellenbosch Municipality is in the process instituting eviction proceedings against the Respondents of the property at 108 Aurora Flats, Jan Cilliers Street, Stellenbosch, due to the Respondents actions. The eviction application is still pending.

Managements estimate of the financial exposure is approximately R200 000. This amount represents the legal costs and disbursements that the Municipality may be liable in order to finalise the matter.

Stellenbosch Municipality / J Morgan and Others

Stellenbosch Municipality is in the process of instituting eviction proceeding against the Respondents of the property at 12 Weber Street, Idas Valley, Stellenbosch, due to the Respondents actions. The eviction is still pending.

Managements estimate of the financial exposure is approximately R200 000. This amount represents the legal costs and disbursements that the Municipality may be liable in order to finalise the matter.

Stellenbosch Municipality / A De Ruiter and Others

Stellenbosch Municipality have to institute eviction proceedings against the Respondents of Erf 5281 Cloeteville, due to the Respondents actions.

Managements estimate of the financial exposure is approximately R200 000. This amount represents the legal costs and disbursements that the Municipality may be liable in order to finalise the matter.

Stellenbosch Municipality / Francois Jansen

Application for eviction of unlawful occupants from municipal property.

Managements estimate of the financial exposure is approximately R50 000. This amount represents the legal costs and disbursements that the Municipality may be liable in order to obtain the Final Court Order.

Stellenbosch Municipality / Tania Wasmuth and Others

Application for eviction of unlawful occupants from municipal property.

Managements estimate of the financial exposure is approximately R50 000. This amount represents the legal costs and disbursements that the Municipality may be liable in order to obtain the Final Court Order.

Stellenbosch Municipality / Cobus Visagie

Approximately R684 000.00 owed by Cobus Visagie for a tender to harvest wood.

Managements estimate of the financial exposure is approximately R50 000. This amount represents the legal costs and disbursements that the Municipality may be liable in order to obtain the Final Court Order.

Fusion Properties 233 CC / The Municipality of Stellenbosch

Stellenbosch Municipality

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53. Contingencies (continued)

This matter involves a summons issued against the Municipality for alleged damages pursuant to the sale of certain immovable property belonging to the Municipality. The amount claimed is R32 115 000.00 together with interest calculated at the rate of 9% per annum from 28 July 2015. The Municipality is defending the action. Pleadings have now closed and the Plaintiff is in the process of applying for a court date.

The application that the Plaintiff has to provide security for costs was granted and the interlocutory application to strike out certain allegations was also successful. The Plaintiff made application for leave to appeal against the judgment, which application was refused with costs. The Plaintiff has delivered a petition to the Supreme Court of Appeal ("SCA") in terms of which it is now seeking leave to appeal either to the SCA or the full bench of the Western Cape Division of the High Court.

Should the litigation against the Municipality be successful, the estimate of financial exposure will be the R32 115 000.00 together with interest calculated at the rate of 9% per annum from 28 July 2015 including legal costs and disbursements of approximately R1 350 000.00.

Independent Schools Association of Southern Africa / Ethekwini Municipality / Stellenbosch Municipality & Others

This matter involves an application on behalf of the Municipality to be joined as co-applicant together with eThekweni Municipality in an application for the review and setting aside of the Amended Municipal Property Rates Regulations promulgated on 12 March 2010. The Municipality has been joined successfully as co-applicant.

The matter was set down and heard during the first week in June 2019. Judgment was granted against the Municipality with costs. The Municipality successfully sought leave to appeal the judgment and leave to appeal to the Supreme Court of Appeal ("SCA") was granted. The Municipality has lodged its notice of appeal and has also lodged the record of the proceedings, together with eThekweni Municipality as the first appellant. The appellants have also filed their heads of argument and now await the respondents' heads of argument. This matter does not involve any amounts claimed.

Managements estimate of the financial exposure is approximately R250 000. This amount represents the legal costs and disbursements that the Municipality may be liable for if the review application is unsuccessful.

De Zalze Golf Club / Valuation Appeal Board for Stellenbosch Municipality

De Zalze Golf Club applied to have the Valuation Appeal Board for the Stellenbosch Municipality's decision dated 5 September 2018 to place a value of R26 500 000.00 on the leasehold rights in respect of remainder Erf 296 De Zalze reviewed and set aside and to replace the decision with an order valuing the property at R1 000.00 alternatively R4 900 000.00. In the alternative, and in the event that the Court is not prepared to grant the relief sought indicated above, remitting the matter to the Valuation Appeal Board and directing it, within a reasonable period and in accordance with the Court's directions, to make a fresh decision as to the value of the property. De Zalze Golf Club also applied that the Valuation Appeal Board and Stellenbosch Municipality pay De Zalze's costs jointly and severally, including the costs of two counsel (save that costs are only sought against Stellenbosch Municipality in the event of it opposing the application). The matter was heard on 13 August 2020 and judgment has been reserved. This matter does not involve any amounts claimed.

Managements estimate of the financial exposure is approximately R500 000. This amount represents the legal costs and disbursements that the Municipality may be liable for if the review application is successful.

Stellenbosch Municipality / LJ Turnkey Investments (Pty) Ltd

The owner of Portion 9 of Farm 100 Stellenbosch ("the Property") applied for a declaratory order that the zoning of the Property is general residential and allows them to utilise the Property for student accommodation. The Municipality opposed the declaratory order and filed its answering affidavit.

Stellenbosch Municipality

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53. Contingencies (continued)

The Municipality is in the process of instituting a counter-application for, amongst others, a declaratory order regarding the zoning of the Property and interdictory relief regarding the utilisation of the Property for student and/or any other rental accommodation in contravention of the Municipality's Zoning Scheme By-law. This matter does not involve any amounts claimed.

Managements estimate of the financial exposure is approximately R250 000. This amount represents the legal costs and disbursements that the Municipality may be liable for if the review application is successful.

Stellenbosch Municipality

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53. Contingencies (continued)

2018/2019 Contingent liabilities

Anonymous / Stellenbosch Municipality

A municipal employee intituted legal procedings against Stellenbosch Municipality and a municipal employee for alleged sexual harassment and unfair discrimination in the Labour Court. The Municipality has filed its Statement of Response to the Plaintiff's Statement of Claim and awaits a court date to have the matter argued. At reporting date this matter is pending

Management estimates financial exposure to approximately R200 000 in respoect of costs and disbursements. The amount of the claim has not been included as the plaintiff's prospects of success are unlikely.

Stellenbosch Municipality / Herman Pheiffer

Monetary claim by the former Speaker, Herman Pheiffer against the Municipality. The Municipality defended the case succesfully against Mr Pheiffer and obtained a cost order. At reporting date the matter is pending.

Management estimates financial exposure to mount to approximately R50 000 in respect of costs and disbursements. The amount of the claim has not been included as the plaintiff's prospects of success are unlikely.

Stellenbosch Municipality / Anonymous Employee

Review application instituted by Stellenbosch Municipality settingaside the Arbitration Award made under WCP121702 under the South African Local Government Bargaining Council to pay Thato compensation for additional work. At reporting date this matter is pending

Managment estimates financial exposure to amount to approxomately R200 000 - this amount represents the legal costs and disbursements that the Municipality may be liable in order to finalize this matter.

Stellenbosch Municipality / Siyazama CP Constructions (Pty) Ltd

Stellenbosch Municipality is in the process of instituting eviction proceedings against illegal occupiers of the property, which the Municipality is leasing to Kindersorg to operate a creche in Kayamandi. The eviction application is pending. The founding affidavit of the Municipality needs to be finalised, where after the Municipality can proceed with the institution of the eviction application. The Municipality has received the founding affidavit and is in the process of proposing amendments thereto. At the reporting date the matter is pending,

Management estimates financial exposure to amount to be approxomately R50 000 in respect of costs and disbursements.

Stellenbosch Municipality / Klapmuts Mediation

The Municipality has an obligation to provide emergency housing to evictees of various eviction orders in Klapmuts. The Klapmuts community has threatened violent action against evictees and destruction of property should the Municipality proceed to use Klapmuts housing facilities for evictees rather than for members of the Klapmuts community.

An independent expert mediator has been appointed to facilitate mediation which is currently pending. The mediator had meetings with the community and a committe was elected to discuss the matter and proposals made. The chairperson of the committe was not available for a period to attend meetings and new proposed dates were arranged by the mediator for such meetings. At reporting date this matter is pending. Reference: KVDBERG/S613.

Mediation needs to be finalised to obtain buy-in of the community to Klapmuts. Management estimates financial exposure to amount to approxomately R250 000 in respect of costs and disbursements.

Franklin Adams/ The Speaker/ Stellenbosch Municipality

Councillor Adams insituted legal procedings against the Speaker of the Municipality in the Equality Court. The Municipality served and filed its opposing affidavit in the matter. The matter was subsequently postponed to 9 July 2019 for the inter alia Councillor Franklin Adams to apply for legal assistance from Stellenbosch Municipality. The matter was postponed until 5 September 2019 to allow councillor Adams' attorney to come on record to attend to the directive hearing. Thus, at reporting date this matter is pending

Stellenbosch Municipality

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53. Contingencies (continued)

Management estimates financial exposure to amount to approximately R50 000 in respect of costs and disbursements.

Stellenbosch Municipality/ E Ross & Others

Stellenbosch Municipality is in the process of instituting eviction proceedings against the Respondents of the property at 609 Lavanda Flats, Jan Cilliers Street, Stellenbosch, due to the Respondents actions. The respondents did not oppose the application within the required time, as a result the Municipality submitted a Chamberbook application to oblige the respondents to submit their opposing affidavit, which they neglected to do. The matter will be enrolled on the unopposed roll.

Management estimates financial exposure to amount to approximately R200 000 - this amount represents the legal costs and disbursements that the municipality may be liable to finalise this matter.

Stellenbosch Municipality / L Baily & Another

Stellenbosch Municipality is in the process instituting eviction proceedings against the Respondents of the property at 108 Aurora Flats, Jan Cilliers Street, Stellenbosch, due to the Respondents actions. The eviction application is still pending. Thus, at reporting date this matter is pending and the Municipality awaits for the Writ from the Registrar of the High Court

Management estimates financial exposure to amount to approximately R200 000 - this amount represents the legal costs and disbursements that the Municipality may be liable to finalize this matter.

Stellenbosch Municipality / J Morgan & Others

Stellenbosch Municipality is in the process of instituting eviction proceeding against the Respondents of the property at 12 Weber Street, Idas Valley, Stellenbosch, due to the Respondents actions. The attorneys are currently in the process to finalise affidavit. At reporting date, the eviction application is still pending and the Municipality is in the process of finalising the affidavit.

Management estimates financial exposure to amount to approximately R200 000 - this amount represents the legal costs and disbursements that the Municipality may be liable to finalize this matter.

Stellenbosch Municipality / A De Ruiter & Others

An eviction application was instituted by Stellenbosch Municipality to have the Respondents evicted from the property, Erf 5281 Cloetesville, due to the Respondents actions. At reporting date, the eviction application is still pending, and the Affidavit still needs to be signed by the Municipal Manager.

Management estimates financial exposure to amount to approximately R200 000 - this amount represents the legal costs and disbursements that the Municipality may be liable to finalize this matter.

Stellenbosch Municipality / Franscois Jansen

An application has been instituted by the Stellenbosch Municipality for the eviction of unlawful occupants from municipal property. This matter is still pending at the reporting date.

Management estimates financial exposure to amount to approximately R50 000 - this amount represents the legal costs and disbursements that the Municipality may be liable to obtain for the Final Court Order.

Stellenbosch Municipality / Tania Wasmuth & Others

An application for eviction of unlawful occupants from municipal property has been instituted by Stellenbosch Municipality. This matter is still pending at the reporting date.

Management estimates financial exposure to amount to approximately R50 000 - this amount represents the legal costs and disbursements that the Municipality may be liable to obtain the Final Court Order.

Stellenbosch Municipality / Cobus Visagie

Approximately R684 000 was owed by Cobus Visagie for a tender to harvest wood. Summary judgement was obtained but the money still needs to be collected.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

53. Contingencies (continued)

Management estimates financial exposure to amount to approximately R50 000 - this amount represents the legal costs and disbursements that the Municipality may be liable to obtain to Final Court Order.

Metro City Protection Services / Stellenbosch Municipality

Metro City Protection Services instituted legal proceedings against Stellenbosch Municipality, pursuant to them not being awarded the tender for the rendering of security services. They applied for the Municipality to be interdicted to implement the tender with Securitem (Pty) Ltd and applied to have the tender award reviewed and set aside.

The matter was argued and the interdict was denied. The Review application is currently pending and a timetable was agreed upon in terms of which the matter will be argued on 12 September 2019. The Municipality had to file its Rule 53 record on 27 May 2019. The Applicant must file its supplementary affidavit by 13 June 2019 and the Municipality must file its answering affidavit by 4 July 2019. The parties are in the process of settling the matter. At reporting date this matter is pending.

Management estimates financial exposure to amount to approximately R250 000 - this amount represents the legal costs and disbursements that the Municipality may be liable for to obtain the final court order.

La Concorde South Africa (Pty) Ltd / The Stellenbosch Municipality & Others

La Concorde raised an objection to the constitutional validity of Section 24(1)(e) of the Stellenbosch Municipal Planning By-law, 2015 read with Section 61(2)(c) of the Western Cape Land Use Planning Act, 3 of 2014. La Concorde alleged that the Section 24 exempts an owner from applying for a subdivision in the circumstances listed therein, any reference in both the By-law and LUPA to "application" or "approval" cannot apply to a request to a municipality to issue an exemption certificate and the issuing of the exemption certificate is not an "approval" or a "decision" for the purposes of the By-law and LUPA. Pursuant to providing the information/documents requested in terms of La Concorde's Rule 30(1)(A) notice, La Concorde served another Rule 30(1)(A) notice requesting further additional information/documents. The Municipality provided the information, (except for the Planning Department) requested to our attorneys of record who is attending compiling the additional Rule 53 record. At year end this matter was still pending.

Management estimates financial exposure to amount to approximately R250 000 - this amount represents the legal costs and disbursements that the Municipality may be liable for in order to obtain the final court order.

Stellenbosch Municipality / Stellenbosch Golf Club

Stellenbosch Municipality entered into a long term notarial lease agreement with Stellenbosch Golfklub ("the Golfklub") on or about 20 December 1994, which lease agreement was notarial registered under reference number K199/95L on 14 March 1995. In terms of clause 4.6 of the notarial lease agreement the Golfklub is responsible for payment of the rates and taxes levied by the Municipality. The Municipality is involved in a dispute with the Stellenbosch Golfklub regarding outstanding rates the municipality claims from the Golfklub. The Golfklub leases the property on which the golf course is situated from the Municipality and for that reason is alleging that they do not have to pay rates and taxes to the Municipality.

The Municipality has finalised amendments to the draft Arbitration agreement as well as its Heads of Arguments and have forwarded the same to Stellenbosch Golf Club's attorneys. Stellenbosch Golfklub indicated that they want to make amendments to the Arbitration Agreement and Statement of Case and as a result the scheduled arbitration could not proceed on 31 May 2019. We are still awaiting the proposed amendments from Stellenbosch Golfklub and new dates on which the arbitration can proceed. At year end this matter was still pending.

Management estimates financial exposure to amount to approximately R300 000 - this amount represents the legal costs and disbursements that the Municipality may be liable to finalize this matter.

Gerhard Schalk van Niekerk N.O and Others / Stellenbosch Municipality

Gerhard Schalk van Niekerk N.O & Others ("the Applicants") instituted review proceedings against Stellenbosch Municipality's resolution of 31 October 2018, which resolved the owners to be instructed to demolish all structures/boundary fences impeding public access to the Millstream, and to move all boundary fencing to their own ERF boundaries, within a period of 3 (three) months of receipt of the notice ("the Council resolution"), be reviewed and set aside.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

53. Contingencies (continued)

Furthermore, that the decision of the Municipality on or about 22 November 2018, alternatively on or about 14 May 2019, to issue notices pursuant to the Council's resolution to the First to Fourth Applicants and the Fifth to Seventh Applicants, respectively ("the decision to issue the notices"), be reviewed and set aside. One of the Applicants prayers is that the Municipality pay the Applicants costs of the application, including costs of two counsel.

The Applicants even, i.e. the Alabama Trust as registered owner of ERF 1629, Stellenbosch and the Gillomee Trust as registered owner of ERF 1726 Stellenbosch about ERF 1771 Stellenbosch of which Stellenbosch Municipality is the owner. ERF 1771 Stellenbosch is zoned as Public Open Space. The Applicants erected structures, which structures encroached on ERF 1771 Stellenbosch, without any prior approval of Stellenbosch Municipality. The Stellenbosch Municipal Council inter alia resolved on 31 October 2018 that the owners be given notices that any and all agreements that may exist with them in writing, or allowances made over the years, in regard to the use of land across the Millstream, is cancelled/revoked and that the owners be informed to demolish all structures/boundary fences not allowing public access to the Millstream and move any and all boundary fencing to their own erf boundaries within a period of 3 months of receipt of the notice.

Fusion Properties 233 CC / The Municipality Of Stellenbosch

This matter involves a summons issued against the Municipality for alleged damages pursuant to the sale of certain immovable property belonging to the Municipality. The Municipality is defending the action. The application that the Plaintiff has to provide security for costs was granted and the interlocutory application to strike out certain allegations was also successful. The Plaintiff made application for leave to appeal against the judgment, for which the application was refused with costs. At reporting date this matter is pending. : Reference RB Africa / S Kgomo / 3006430.

Should the litigation against the Municipality be successful, management estimates financial exposure will be the R32 115 000 together with interest calculated at the rate of 9% per annum from 28 July 2015 including legal costs and disbursements of approximately R1 350 000.00.

Independant Schools Association of Southern Africa / EThekwini Municipality / Stellenbosch Municipality & Others

This matter involves an application on behalf of the Municipality to be joined as co-applicant together with eThekwini Municipality in an application for the review and setting aside of the Amended Municipal Property Rates Regulations promulgated on 12 March 2010. The Municipality has been joined successfully as co-applicant.

The matter was argued in June 2019 and judgment was subsequently granted against the Municipality with a costs order. The Municipality submitted its leave to appeal against the judgment on 24 July 2019. The appeal was subsequently argued and leave to appeal was granted. This matter does not involve any amounts claimed. Reference: RB Africa / AE Esterhuizen / 2083835.

Management estimates financial exposure to amount to approximately R250 000 - this amount represents the legal costs and disbursements that the Municipality may be liable for if the review application is unsuccessful.

De Zalze Golf Club / Valuation Appeal Board Fof Stellenbosch Municipality

De Zalze Golf Club applied to have the Valuation Appeal Board for the Stellenbosch Municipality's decision dated 5 September 2018 to place a value of R26 500 000 on the leasehold rights in respect of remainder ERF 296 De Zalze reviewed and set aside. To replace the decision with an order valuing the property at R1000 alternatively R4 900 000. In the alternative, and in the event that the Court is not prepared to grant the relief sought indicated above, remitting the matter to the Valuation Appeal Board and directing it, within a reasonable period and in accordance with this Court's directions, to make a fresh decision as to the value of the property. De Zalze Golf Club also applied that the Valuation Appeal Board and Stellenbosch Municipality pay De Zalze's costs jointly and severally, including the costs of two counsel. Reference: AE Esterhuizen / SK Jacobs / 3032533.

The Municipality filed its Rule 53 record, where after De Zalze Golf Club served and filed its supplementary affidavit. The Municipality is in the process of finalising its answering affidavit and have arrange consultations for 15 July 2019 and 19 August 2019 respectively. At reporting date this matter is pending.

Management estimates financial exposure to amount to approximately R500 000 - this amount represents the legal costs and disbursements that the Municipality may be liable for if the review application is unsuccessful.

Stellenbosch Municipality/ Mandisi Parscal Jejane

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

53. Contingencies (continued)

The matter concerns the removal of an illegal structure which was erected without building plans, for which the occupants need to be evicted.

Management estimates financial exposure to amount to approximately R50 000 - this amount represents the legal costs and disbursements that the Municipality may be liable for if the review application is unsuccessful.

Stellenbosch/ Urlan Groenewald & Jacques Francois Swart

The matter concerns a claim regarding a motor vehicle collision where the municipal traffic lights were damaged.

Management estimates financial exposure to amount to approximately R50 000 - this amount represents the legal costs and disbursements that the Municipality may be liable for if the review application is unsuccessful.

Stellenbosch Municipality/ The Municipal Manager/ Franklin Adams

The matter concerns a claim by Councillor Adams against the Speaker and Municipal Manager in the Equality Court.

The matter was withdrawn by Franklin Adams on 15 October 2019. Court judgement stated that each party is responsible for their own costs. The municipality is currently deciding whether an appeal will be launched.

Management estimates financial exposure to amount to approximately R50 000 - this amount represents the legal costs and disbursements that the Municipality may be liable for if the review application is unsuccessful.

Stellenbosch Municipality/ April & Another

The matter concerns the institution of eviction proceedings by the municipality against the respondents of the property.

Management estimates financial exposure to amount to approximately R200 000 - this amount represents the legal costs and disbursements that the Municipality may be liable for if the review application is unsuccessful.

54. Related parties

Loans granted to related parties

In terms of the MFMA, the municipality may not grant loans to its councillors, management, staff and public with effect from 01 July 2004. Loans, together with conditions thereof granted prior to this date are disclosed in note 15 in the annual financial statements.

Remuneration of management

Compensation of key management and personnel is set out in notes 34, 35 and 36 respectively in the annual financial statements.

All Councillors and Employees have disclosed their interest in related parties and no one has the ability to control or exercise significant influence over Council in making financial and operating decisions.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

55. Awards to close family members in the service of the state

The detail listed below is disclosed in terms of Regulation 45 of the Municipal Supply Chain Regulations 2005 that determines that the municipality must disclose particulars of any awards of more than R2 000 to a person who is a spouse, child or parent of a person in service of the state or has been in service of the state in the previous twelve months.

| Supplier | Name | State Department | Spouse, Child or Parent | 2020 | 2019 |
|---------------------------------------|-----------------------|---|--------------------------|-----------|-----------|
| Aurecon South africa (Pty) Ltd | Refer to detail below | Refer to detail below | Spouse, Child and Parent | 7 864 895 | 8 767 802 |
| ARB Electrical Wholesalers (Pty) Ltd | J Modise | Eskom Holdings: Non Executive Director and Road Accident Fund (RAF) CEO | Spouse | 26 203 | 1 388 |
| Bergstan South Africa | C Beukes | Department of Social Development | Spouse | - | 73 600 |
| Kemanzi (Pty) Ltd | J N Du Toit | City of Cape Town | Spouse | 480 920 | 115 438 |
| CSM Consulting Services | A Vancoillie | Department of Environmental affairs and Development Planning | Child | 84 051 | 27 600 |
| Exeo Khokela Civil | T Meyer | Department of Education | Child | - | 5 999 461 |
| Red Hills Electronics | L Hartley | Department of Education | Spouse | 1 823 316 | 3 793 770 |
| Milhon HVAC | J Sampson | Stellenbosch Municipality | Spouse | 10 941 | - |
| NCC Environmental Servicess (Pty) Ltd | C Rhode | City of Cape Town | Spouse | 3 600 | 9 775 |
| Helderberg Business | N Hitchert | Department of Agriculture | Spouse | - | 1 750 |
| Rhode Bros Steel Pro | D Rhode | South African Police Service | Child | 16 100 | 62 315 |
| Flowers in the Foyer | E Gunter | Other Government department | Spouse | - | 2 700 |
| Silver Solutions 1765 | D Simpson | Department of Education | Spouse | 14 000 | - |
| Element Consulting | S Pienaar | Department of Local Government | Spouse | - | 275 476 |
| Idas Valley Cleaning Solutions | G Jonkers | Stellenbosch Municipality | Child | 12 000 | - |
| IKapa Reticulation and flow | C Jonkers | Department of Local Government | | | |
| Isuzu Truck Centre (Pty) Ltd | S Davids | Department of Education | Spouse | 3 202 534 | 1 232 505 |
| Smec South Africa (Pty) Ltd | E Jacobs | Department of Local Government | Spouse | - | 1 603 199 |
| AECOM SA (Pty) Ltd | Y Phosa | Department of the Premier | Spouse | 1 804 142 | 234 255 |
| Conlog (Pty) Ltd | Refer to detail below | Refer to detail below | Spouse, Child and Parent | 9 900 413 | 2 549 515 |
| Rhotec | N Moodley | Department of Health | Spouse | 1 465 045 | 1 861 204 |
| Steven Happie | P Rhode | Department of Education | Spouse | - | 44 789 |
| G and G Maintenance | F Happie | City of Cape town | | 28 779 | 142 210 |
| Novus3 (Pty) Ltd | GB Gabriels | Department of Local Government | Parent | 42 780 | 103 987 |
| | M De Vries | Department of Education | | 1 615 267 | 1 723 120 |
| | J Scheepers | Council for Medical Services | | | |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

55. Awards to close family members in the service of the state (continued)

| | | | | | |
|----------------------------|-------------|---|--------|-------------------|-------------------|
| Landfill Consult (Pty) Ltd | MM Dube | DICRO | Spouse | 2 985 554 | 1 248 792 |
| Man 4 Trading (Pty) Ltd | MS Samuels | Department of Education | Spouse | 7 530 | - |
| ARCUS GIBB | B September | City of Cape Town | Spouse | 6 619 848 | 374 448 |
| Stellenbosch Hospice | L Esau | Department of Local Government | Spouse | - | 40 000 |
| Mpumamanzi Group CC | E Bouwers | Department of Health | Parent | 793 792 | 705 434 |
| EAM 73 Enterprises | Ms Meyer | Department of Education | Spouse | - | 30 910 |
| Sowerby Engineering | J Scheepers | Department of Education | Spouse | - | 77 780 |
| SMS ICT CHOCE (Pty) Ltd | Mrs Maqula | Department of Health | Spouse | 500 279 | 352 674 |
| Mindspring Computing | R Loghdey | Other Government Departments | Spouse | - | 5 336 |
| HJ Productions | Director | Department of Agriculture | Spouse | - | 56 550 |
| Mubesko Africa (Pty) Ltd | J Niehaus | Department of Health | Spouse | 478 092 | 677 219 |
| Vuyani Electrical Supplies | M Agulhas | City of Cape Town | Child | - | 39 460 |
| Du Toit Environmental | F Shariff | Department of Local Government | Spouse | 105 225 | 307 686 |
| Helderberg Maintenance cc | L Laurens | Environment Education and Superintendent Nature Conservation | Spouse | - | 61 325 |
| Red Ants Security Services | N Lesiela | Mogale City Local Municipality | Spouse | 2 545 646 | - |
| | | | | 42 430 952 | 32 603 473 |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

55. Awards to close family members in the service of the state (continued)

The following are the close family names of Aurecon South Africa (Pty) Ltd.

| Name | State Department | Spouse, Child or Parent |
|---|---|--------------------------------------|
| HC Ahlschlager | Special investigation unit; Legal representative | Spouse |
| B Alheit CMM Barnard | Denel Dynamics; Executive Manager Gauteng Department of Education, Deputy Principle | Parent Spouse |
| CJ Barry Prof CJG Bender J Blackmore | City of Cape Town; Head Finance University of Johannesburg, Professor Department of Public Works; Project Manager | Spouse Spouse Parent |
| T Botha | Oudtshoorn Municipality; Technical Manager | Parent |
| Councillor JJJ Daniels | West Coast District Municipality; Deputy Mayor | Parent |
| MC Dunga WZ Erasmus HG Esterhuysen | South African Navy; Engineer in Training Cape Nature; Programme Manager West Coast District Municipality; Senior Manager Roads | Spouse Spouse Spouse |
| N Geldenhuys | Transnet Port Terminals; Mechatronic Engineer | Child |
| T Govender | Umgeni Water: Fleet Management Administrator - Asset Management | Child |
| N Grobbelaar | Central University of Technology; Programme Manager | Spouse |
| SM Grobbelaar | Northern Cape Education Department of Cooperative Governance: Human Settlements and Traditional Affairs; Town Regional Planner | Parent |
| Cr B Groenewald Cr CP Herbst | Twaing Municipality: Councillor Dr S Mompoti District Municipality; Councillor | Parent Parent |
| E Herlodi | Manager Investigation Services; Limpopo Department of Economic Development and Tourism | |
| A Heyns | Stellenbosch Municipality; Assistant Superintendent | Parent |
| JH Higgs A Hougaard | SARS; Regional Manager Department of Correctional Services; Principle Network Controller | Spouse Spouse |
| J Jacobs | Eastern Cape Department of Education; Personal assistant to Chief Director | Spouse |
| T Kholoanyane | Naledi Local Municipality; Tourism Manager | Spouse |
| B Kleynhans Cr BJ Kriegler | Hessequa Municipality; Accountant Cape Winelands District Municipality and Breede Valley Municipality; Councillor | Parent Parent |
| M Marques | Department of Home Affairs; Deputy Director | Spouse |
| RT Mehlala | Eastern Cape Arts and Culture Council; Chief Executive Officer | Parent |
| R Meyer AJ Moore | Telkom SA; Project Manager Department of Water affairs; Chief Engineer | Parent Spouse |
| K Nadasen | National Department of Public Works; Director Key Account Management | Spouse |
| R Nair D Ntsebeza NH Ntsebeza SM O'Connell | eThekweni Municipality; Building Inspector Buffalo City Metropolitan Municipality Eastern Cape Department of Health Sol Plaatjie Municipality; Librarian | Parent Spouse Parent Spouse |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

55. Awards to close family members in the service of the state (continued)

| | | |
|--------------|---|--------|
| JF Phillips | Northern Cape Department of Economic Development and Tourism; Manager - Township Revitalisation | Spouse |
| PS Pretorius | Sol Plaaityje Municipality; Chief Officer | Parent |
| JH Riekert | SA Reserve Bank; Engineering | Spouse |
| JM Robertson | Ekurhuleni Metropolitan Municipality; Roads Engineer | Parent |
| G Saaiman | Auditor General Kimberley; Manager | Child |
| JJ Saaiman | Armscor; Quality Manager | Parent |
| J Scheepers | Council for Medical Schemes; Chief Financial Analysts | Spouse |
| EM Schon | Northern Cape Department of Co-operative Governance; Human Settlements and Traditional affairs; Assistant Manager | Spouse |
| Dr M Skead | Nelson Mandela Bay Metropolitan University; Senior Manager- Staff Development | Spouse |
| R Tebane | Ekurhuleni Metropolitan Municipality; Executive Manager | Parent |
| J Theron | Nelson Mandela Bay Metropolitan University; Head: Graduate School Relations | Spouse |
| GJ Tong | North West Department of Finance; Deputy Director | Parent |
| N Towers | Department of Mineral Resources; Inspectorate of Mines | Parent |
| J Tredoux | Department of Water Affairs; Deputy Director Accounts Payable | Spouse |
| A Treurnich | Umjindi Municipality; Community Services Assistant Director | Parent |
| AN van Taak | Stellenbosch Municipality; Director Water and Sewerage | Parent |
| ZC Venter | Eastern Cape Department of Health; Deputy Director Employment Relations | Spouse |
| PC Vermeulen | City of Cape Town; Superintendent - Building Maintenance | Parent |
| J Wilkins | Correctional Services; Vice Director- Provincial | Parent |
| NS Wolmarans | IDC; Senior Accounts Manager | Spouse |
| NS Wolmarans | University of Johannesburg; Professor | Spouse |
| SW Zulu | Kwazulu Natal Department of Health; Human Resources Manager | Parent |

The following are the close family names of AECOM South Africa (Pty) Ltd.

| Name | State Department | Spouse, Child or Parent |
|-----------------|------------------------------|-------------------------|
| Sandra | Bloem water | Parent |
| A Powell | Department of Education | Spouse |
| L Wolff | Department of Education | Spouse |
| M Breytenmbach | Eendracht Primary School | Spouse |
| A Rossouw | Eskom | Child |
| A Mahomed | eThekweni Municipality | Spouse |
| R Meyer | Grey College | Parent |
| E Venter | Gauteng Education Department | Spouse |
| C van der Merwe | Protea Park Primary School | Spouse |
| JHS Viljoen | SA Air Force- Waterkloof | Spouse |
| JC van der Walt | SANRAL | Parent |
| T Liversage | Transnet | Spouse |
| P de Waal | University of Pertoria | Spouse |
| A De Wet | UNISA | Spouse |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

56. Unauthorised expenditure

No unauthorised expenditure for the year under review.

57. Fruitless and wasteful expenditure

No fruitless and wasteful expenditure for the year under review.

58. Irregular expenditure

| | | |
|--|-------------------|-------------------|
| Opening balance as previously reported | 39 223 925 | 34 736 802 |
| Add: Irregular Expenditure - current year | - | 43 654 015 |
| Add: Irregular Expenditure identified in respect of prior year | - | 4 223 363 |
| Opening balance as restated | 39 223 925 | 82 614 180 |
| Add: Irregular Expenditure - current | 30 781 737 | - |
| Less: Amount written off - current | (6 457 186) | (43 390 255) |
| Closing balance | 63 548 476 | 39 223 925 |

59. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

| | | |
|---|----------------|----------------|
| Opening balance | 220 945 | 547 648 |
| Council subscriptions | 6 293 349 | 6 093 195 |
| Amount paid - current year | (5 484 586) | (6 427 581) |
| Early settlement discount | (314 282) | (213 262) |
| Additional invoice | - | 220 945 |
| Credit note | (520 506) | - |
| Balance Unpaid (included in Creditors) | 194 920 | 220 945 |

Material losses through criminal conduct

Audit fees

| | | |
|---|---------------|---------------|
| Opening balance | 24 612 | 6 755 |
| Current year audit fee | 7 545 695 | 6 398 348 |
| Amount paid - current year | (7 517 859) | (6 380 491) |
| Balance Unpaid (included in Creditors) | 52 448 | 24 612 |

Audit fee pertaining to 2018/19 has been adjusted to reflect the correct amount.

PAYE and UIF

| | | |
|---|--------------|--------------|
| Current year payroll deductions | 79 360 357 | 72 034 057 |
| Amount paid - current year | (79 360 357) | (72 034 057) |
| Balance Unpaid (included in Creditors) | - | - |

Pension and Medical Aid Deductions

| | | |
|---|---------------|---------------|
| Current year payroll deductions and Council contributions | 115 603 507 | 107 199 175 |
| Amount paid - current year | (115 603 507) | (107 199 175) |
| Balance Unpaid (included in Creditors) | - | - |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

59. Additional disclosure in terms of Municipal Finance Management Act (continued)

VAT

| | | |
|----------------|-------------------|-------------------|
| VAT receivable | 47 119 788 | 48 196 249 |
| VAT payable | (16 834 099) | (27 759) |
| | 30 285 689 | 48 168 490 |

All VAT returns have been submitted by the due date throughout the year.

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2020:

During the year the following Councillors' had arrear accounts outstanding for more than 90 days.

Distribution losses

In terms of section 125(2)(d)(i) of the Municipal Finance Management Act, the municipality experienced the following distribution losses for the year under review.

Electricity (KWH)

| | | |
|--------------------------|-------------------|-------------------|
| System input | 381 810 592 | 379 353 123 |
| Sales | (346 076 786) | (350 725 915) |
| Distribution loss | 35 733 806 | 28 627 208 |

Electricity losses are calculated as 9.68% (2019: 7.55%). Electricity losses are within the industry norm.

Water (KL)

| | | |
|--------------|------------------|------------------|
| System input | 8 015 027 | 9 050 653 |
| Sales | (6 374 474) | (6 515 365) |
| | 1 640 553 | 2 535 288 |

Water losses are calculated as 20.5% (2019: 28%). Water losses are within the industry norm.

60. Multi-employer retirement benefit information

The Municipality makes provision for post-retirement benefits to eligible Councillors and employees who belong to different pension schemes. These funds are governed by the Pension Funds Act and include both defined benefit and defined contribution schemes.

The only obligation of the municipality with respect to the retirement benefit plans is to make the specified contributions. Where councillors / employees leave the plans prior to full vesting of the contributions, the contributions payable by the municipality are reduced by the amount of forfeited contributions.

The total expense recognised in the Statement of Financial Performance of **R48 802 560** (2019: **R 45 558 717**) represents contributions payable to these plans by the municipality at rates specified in the rules of the plans.

These schemes are subject to either a tri-annual, bi-annual or annual actuarial valuation, details which are provided below.

DEFINED BENEFIT SCHEMES

SALA Pension Fund

The SALA Pension Fund operates both as a defined benefit and defined contribution scheme.

The statutory valuation performed as at 1 July 2016 revealed that the assets of the fund amounted to R13,700,300.00 (30 June 2015 : R13,231,200.00), with funding levels of 100% (30 June 2015: 100%). The highest contribution rate paid by the members was 7.92% and by Council 20.78%.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

60. Multi-employer retirement benefit information (continued)

It is the actuary's opinion that:

- They are satisfied with the investment strategy of the Fund;
- the nature of the assets is, in their opinion, suitable for the nature of the liabilities of the Fund as defined in the rules of the Fund;
- the matching of assets with the liabilities of the Fund is adequate; and
- the insurance arrangements are appropriate compared to the cover provided can be regarded as financially sound at the valuation date.

LA retirement Fund (Previously Cape Joint Pension Fund)

The LA RETIREMENT FUND operates both as a defined benefit and defined contribution scheme.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

60. Multi-employer retirement benefit information (continued)

DEFINED CONTRIBUTION SCHEMES

LA Retirement Fund (Previously Cape Joint Pension Fund)

Defined benefit scheme

The contribution rate payable is under the defined benefit section is 27%, 9% by the members and 18% by their councils. The actuarial valuation report at 30 June 2019 disclosed an actuarial valuation amounting to R1,655,893,000 (30 June 2018 : R1,776,181,000), with a nett accumulated surplus of R63,423,000 (2017 : R46,989,000), with a funding level of 103.7% (30 June 2017 : 102.6%).

Defined contribution scheme

The actuarial valuation report at 30 June 2019 indicated that the defined contribution scheme of the fund is in a sound financial position, with a assets amounting to R1,960,090,000 (30 June 2018 : R2,018,237,000), net investment reserve of R0 (30 June 2018 : R0) and with a funding level of 100% (2018 : 100%).

The actuary concluded that:

- The Pensioner account has a funding level of 103.7% with n surplus of R63.4 million and is in a sound financial condition as at the valuation date.
- There is a surplus of R63.4 million in The DB Section excluding The surplus in The Pensioner Account. The surplus has been allocated to The Pensioner Account.
- The overall funding level in respect of the DB Section including the Pensioner Account is 101.7% with a surplus of R63.0 million.
- The Defined Contribution Section has a funding level of 100% and is in sound Financial condition.
- Overall the fund is in a sound financial condition with a surplus of R63.0 million and the overall funding level of 101.7%.
- The Trustees awarded a 3.22% pension increase effective 1 January 2019.

It is to be noted that:

- All the active members have now all been converted to the Defined Contribution Section.
- There is no longer any contribution rate shortfall as this only applied to 29 residual Defined Benefit Section active members, that have now also converted to the Defined Contribution Section and
- Both the Defined Contribution Section and the Defined Benefit Section were fully funded as at the valuation date.

The nature of the assets is suitable for the Fund, except that the proportion of direct property underlying the pensioner liabilities may represent an over-concentration of assets in this class. The assets are appropriately matched relative to the term and nature of the active member liabilities. The Fund's investment strategy is suitable. Finally the risk benefits are partially re-insured and this is appropriate for the size and nature of the Fund.

Cape Joint Retirement Fund

The last statutory valuation performed as at 30 June 2019 revealed that the assets of the fund amounted to R26,128,000,000 (30 June 2018: R23,318,184,000), with funding levels of 100.4% and 100% (30 June 2017 127.3% and 100%) for the Pensions Account and the Share Account respectively. The Presevation Pension Account showed a suplus of R0 and was 100% funded for both 2019 & 2018. The contribution rate paid by the members (7,50%) and the municipalities (7.50%/19.50%) is sufficient to fund the benefits accruing from the fund in the future. The actuary certified that the structure of the assets is appropriate relative to the nature of the liabilities, given normal circumstances and that the Fund is in a sound financial condition as at the valuation date.

SALA pension fund

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

60. Multi-employer retirement benefit information (continued)

The SALA Pension Fund operates both as a defined benefit and defined contribution scheme.

The statutory valuation performed as at 1 July 2018 revealed that the assets of the fund amounted to R14,298,600.00 (30 June 2015 : R13,231,200.00), with funding levels of 96.0% (30 June 2015: 100%). Recommended that employers continue to contribute at the current rate of 19.18% of pensioners salaries.

It is the actuary's opinion that :

- They are satisfied with the investment strategy of the Fund;
- the nature of the assets is, in their opinion, suitable for the nature of the liabilities of the Fund as defined in the Rules of the Fund;
- the matching of assets with the liabilities of the Fund is adequate; and
- the insurance arrangements are appropriate compared to the cover provided can be regarded as financially sound at the valuation date.

Municipal Councillors Pension Fund

The Municipal Councillors Pension Fund operates as a defined contribution scheme. The statutory valuation performed as at 30 June 2015 revealed that the assets of the fund amounted to R2,551,861,000 (30 June 2014 : R2,229,410,000), with funding levels of 101.08% (30 June 2014: 98.83%). The contribution rate paid by the members (13,75 %) and council (15 %) is sufficient to fund the benefits accruing from the fund in the future. The Acturay certified that the Fund was in a sound financial condition as at 30 June 2015, in that the assests of the fund were sufficient to cover the accrued service liabilities including the recommended contingency reserves in full.

The appointment of a Curator in terms of section 5(1) of the Financial Institutions (protection of funds) Act 2001 for the whole of the business of the Municipal Councillors Pension Fund was done in December 2017. Due to the provisional curatorship, a short monatorium has been placed on the payment of benefits to members/beneficiaries. In terms of the curatorship order, the Court ordered as follows: 1. The provisional Curatorship order of the 19th December 2017 is made a final; 2. The Curator shall furnish the Registrar of the Pension Fund with progress report; 3. The Curator must deliver a further progress report to the Court by no later than 31st October 2018 which report deals with the status of curatorship as at the 30th September 2018; on the curatorship once every two months

The Municipal Workers Retirement Fund (Previously South African Municipal Workers Union National Provident Fund)

The Municipal Workers Retirement Fund is a defined contribution scheme. Members contribute at a rate of not less than 7.5% of salaries, as required by the Rules. The employers contribute at a total rate of not less than 18%. From 1 July 2017, members and employers that fall under other bargaining councils or forums are not bound by the above minimum contribution rates. The statutory valuation performed as at 30 June 2017 revealed that the assets of the fund amounted to R7,720,948.000 (30 June 2014 : R6,574,75.00), with funding levels of 102.0% (30 June 2014: 111.7%). As a percentage of members' Fund Credits, the investment smoothing reserve has decreased from 5.6% to 4.9% over the valuation period. As a percentage of the market value of assets, it has decreased marginally from 4.6% to 4.4%. The Fund's assets are sufficient to cover the members' Fund Credits, the targeted levels of the risk benefits reserve and the data and processing error reserve, and an investment smoothing reserve of 4.9% of members' Fund Credits as at 30 June 2017. In addition, there is brought-forward surplus of some R152.8 million which has been allocated to former members and is awaiting payment. The Fund is therefore in a sound financial position.

National Fund for Municipal Workers

The fund operates as a defined contribution fund and in terms of the rules of the fund category A and category C members contribute at a rate as agreed upon by the Local Authority and the member, subject to an absolute minimum contribution of 2% and 5% of their remuneration respectively.

Category C-Members, appointed after 1 July 2012, who are not part of the Schedule shall make monthly contributions to the Fund equal to 7.5% of their Remuneration.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

60. Multi-employer retirement benefit information (continued)

The last statutory valuation performed as at 30 June 2018 revealed that the assets of the fund amounted to R15,393,671,000 (30 June 2015 : R10,050,029,000), with funding levels of 100.46% (30 June 2015: 100.42%). The actuary certified that the assets of the fund are sufficient to cover 100.46% of the members' liabilities, also that it can be expected that the funding level of a fund of this nature will fluctuate around 100%, for example due to timing differences in investment and receipt of monies, slight mismatching of assets and liabilities and processing errors.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

61. Prior period errors and Reclassifications

Below is a summary of the total effect that the prior period errors and reclassifications had on the amount previously disclosed in the annual financial statements, followed by a description of each individual prior period error with the amount involved.

Statement of Financial Position

| | Audited | Prior year adjustments | Reclassifying adjustments | Restated |
|--|----------------------|------------------------|---------------------------|----------------------|
| Assets | | | | |
| Current Assets | | | | |
| Cash and cash equivalents | 169 490 533 | - | - | 169 490 533 |
| Short term investments | 398 163 664 | - | - | 398 163 664 |
| Receivables from exchange transactions | 161 402 873 | (13 898 500) | - | 147 504 373 |
| Receivables from non-exchange transactions | 65 966 659 | - | - | 65 966 659 |
| Other receivables from exchange transactions | 10 155 967 | 5 754 000 | - | 15 909 967 |
| Inventories | 52 307 942 | 12 250 000 | - | 64 557 942 |
| VAT receivable | 47 420 470 | 748 020 | - | 48 168 490 |
| Long term receivables | 1 630 959 | - | - | 1 630 959 |
| | 906 539 067 | 4 853 520 | - | 911 392 587 |
| Non-Current Assets | | | | |
| Property, plant and equipment | 5 057 061 066 | (24 335 974) | - | 5 032 725 092 |
| Investment property | 420 777 174 | (8 010 171) | - | 412 767 003 |
| Intangible assets | 6 534 960 | 5 421 490 | - | 11 956 450 |
| Biological assets that form part of an agricultural activity | 6 321 448 | - | - | 6 321 448 |
| Heritage assets | 774 002 | - | - | 774 002 |
| Long term receivables | 3 024 999 | - | - | 3 024 999 |
| | 5 494 493 649 | (26 924 655) | - | 5 467 568 994 |
| Total Assets | 6 401 032 716 | (22 071 135) | - | 6 378 961 581 |
| Liabilities | | | | |
| Current Liabilities | | | | |
| Payables from exchange transactions | 269 021 012 | 2 553 594 | (112 334) | 271 462 272 |
| Unspent conditional grants and receipts | 148 233 956 | (89 300 651) | 112 334 | 59 045 639 |
| Employee benefit obligation | 55 599 752 | - | - | 55 599 752 |
| Other financial liabilities | 25 869 707 | - | - | 25 869 707 |
| Consumer deposits | 17 077 912 | - | - | 17 077 912 |
| Operating lease liability | 971 080 | 4 803 935 | - | 5 775 015 |
| Provisions | 642 909 | - | - | 642 909 |
| | 517 416 328 | (81 943 122) | - | 435 473 206 |
| Non-Current Liabilities | | | | |
| Employee benefit obligation | 201 830 792 | - | - | 201 830 792 |
| Other financial liabilities | 292 930 440 | - | - | 292 930 440 |
| Provisions | 101 701 567 | - | - | 101 701 567 |
| | 596 462 799 | - | - | 596 462 799 |
| Total Liabilities | 1 113 879 127 | (81 943 122) | - | 1 031 936 005 |
| Net Assets | 5 287 153 589 | 59 871 987 | - | 5 347 025 576 |
| Net Assets | | | | |
| Accumulated surplus | 5 287 153 581 | 59 871 995 | - | 5 347 025 576 |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

61. Prior period errors and Reclassifications (continued)

61.1 Receivables from exchange transactions

| | |
|---|--------------------|
| Balance previously reported | 161 402 873 |
| Accumulated surplus | (15 680 831) |
| Contribution to allowance for doubtful debt | (1 584 254) |
| Rental of facilities and equipment | 3 366 585 |
| | <u>147 504 373</u> |

Accounting for the assets and liabilities transpiring from the agreement entered into between TCTA and Stellenbosch municipality, whereby 80 houses were donated to the municipality for the benefit of housing development within the specified area.

61.2 Other receivables from exchange transactions

| | |
|-----------------------------|-------------------|
| Balance previously reported | 10 155 967 |
| Operating lease liability | 5 754 000 |
| | <u>15 909 967</u> |

The receivable was recognised for the advance payment relating to the use of a municipal parking area, for a period of five years in terms of the signed agreement.

61.3 Inventories

| | |
|---|-------------------|
| Balance previously reported | 52 307 942 |
| Accumulated surplus (Housing inventory) | 12 250 000 |
| | <u>64 557 942</u> |

The municipality incorrectly accounted for capital spares that must be classified as property plant and equipment.

The VAT relating to store purchases were not accounted for correctly.

Additional text

61.4 VAT receivable

| | |
|-----------------------------|-------------------|
| Balance previously reported | 47 420 470 |
| Operating lease liability | 748 020 |
| | - |
| | <u>48 168 490</u> |

The municipality had to account for deferred VAT in terms of the parking agreement with the client.

61.5 Property, plant and equipment

| | |
|-----------------------------|----------------------|
| Balance previously reported | 5 057 061 065 |
| Depreciation | (16 310 625) |
| Accumulated surplus | 132 812 |
| Accumulated surplus | (8 158 160) |
| | <u>5 032 725 092</u> |

The work in progress previously reported was incorrect and included infrastructure that should have been commissioned and depreciation calculated accordingly.

The accumulated depreciation per asset class was not accounted for correctly.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

61. Prior period errors and Reclassifications (continued)

61.6 Intangible assets

| | |
|-----------------------------|-------------------|
| Balance previously reported | 6 534 960 |
| Accumulated surplus | 5 421 490 |
| | <u>11 956 450</u> |

The accumulated depreciation per asset class was not accounted for correctly.

61.7 Investment property

| | |
|--------------------------------|--------------------|
| Balance previously reported | 420 777 174 |
| Accumulated surplus | 2 060 279 |
| Accumulated Surplus - La Motte | (10 189 085) |
| Depreciation | 118 635 |
| | <u>412 767 003</u> |

The accumulated depreciation per asset class was not accounted for correctly.

The initial and subsequent recognition of Investment Property relating to the 80 La Motte houses was incorrect, as well as the related depreciation.

61.8 Payables from exchange transactions

| | |
|---|--------------------|
| Balance previously reported | 269 021 019 |
| Unspent conditional grants (Charitable fund) | (112 334) |
| Employee related cost (Workmen compensation) | 903 595 |
| Unspent conditional grants (Khaya Lam free market foundation) | (255 280) |
| Unspent conditional grants (Khaya Lam free market foundation) | 32 780 |
| Unspent conditional grants (Construction advances) | 1 425 745 |
| Accumulated surplus | 446 747 |
| | <u>271 462 272</u> |

The Charitable fund was reclassified to unspent conditional grants and receipts in terms of the mSCOA chart of accounts and the nature of the funds.

Workmen compensation was not accrued for the previous reporting period.

Khaya Lam free market foundation - The municipality entered into an agreement with Khaya Lam (Free market foundation) during November 2016 to the effect that for each title deed transferred the Municipality will be availed R500 per transfer to be utilised for field workers within the title deeds program.

Construction advances was incorrectly accounted for as unspent conditional grants and receipts.

During the 2017/18 financial year services were rendered by the supplier but the funds were not accrued for.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

61. Prior period errors and Reclassifications (continued)

61.9 Unspent conditional grants and receipts

| | |
|--|-------------------|
| Balance previously reported | 148 233 956 |
| Government grants and subsidies (Khaya Lam free market foundation) | (222 500) |
| Government grants and subsidies (Municipal accreditation grant) | (56 020) |
| Payables from exchange transactions | 222 500 |
| Government grants and subsidies (National resource management grant) | 135 798 |
| Accumulated surplus (National lottery) | (373 993) |
| Government grants and subsidies (National lottery) | (200 000) |
| Accumulated surplus (Accounting error) | 695 512 |
| Payables from exchange transactions (Charitable fund) | 112 334 |
| Accumulated surplus (Development charges) | (77 442 579) |
| Other income (Development charges) | (13 051 029) |
| Payables from exchange transactions (Construction advances) | (1 425 744) |
| Accumulated surplus | 2 417 404 |
| | <hr/> |
| | 59 045 639 |

Khaya Lam free market foundation - The municipality entered into an agreement with Khaya Lam (Free market foundation) during November 2016 to the effect that for each title deed transferred the Municipality will be availed R500 per transfer to be utilised for field workers within the title deeds program.

Municipal accreditation grant - Funds were gazetted for the 2019/20 financial year but received early during June 2019. The correction relates to the salary expenditure for the capacity clerk seconded from the Provincial Department of Human Settlements. The capacity clerk commenced operations at Stellenbosch municipality on 1 April 2019. Salary payments for three months therefore needs to be expensed against the grant.

National lottery - Correction of funding source for capital assets funded by the National Lottery funds but own municipal funding was used.

An accounting error was made when the human settlement capital debtor that was raised during the 2017/18 financial year.

National resource management grant - The management fees for the project was not claimed timeously and therefor had to be reversed.

The Charitable fund was reclassified to unspent conditional grant in terms of the msCOA chart of accounts and the nature of the funds.

The municipality has incorrectly accounted for development charges as unspent conditional grants in terms of GRAP 23, Revenue from non-exchange transactions.

Development charges levied during the year under review was recognised as revenue.

Construction advances was incorrectly accounted for as unspent conditional grants and receipts.

Accounting for the assets and liabilities transpiring from the agreement entered into between TCTA and Stellenbosch municipality, whereby 80 houses were donated to the municipality for the benefit of housing development within the specified area.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

61. Prior period errors and Reclassifications (continued)

61.10 Operating lease liability

| | |
|--|------------------|
| Balance previously reported | 971 080 |
| Other receivables from exchange transactions | 5 754 000 |
| VAT receivable | 748 020 |
| Other income | (767 200) |
| Accumulated surplus | (664 806) |
| Lease rentals | (266 079) |
| | <hr/> |
| | 5 775 015 |

The receivable was recognised for the advance payment relating to the use of a municipal parking area, for a period of five years in terms of the signed agreement.

The municipality had to account for deferred VAT in terms of the parking agreement with the client.

Recognition of rental income for a period of eight months.

Correction of an accounting error relating to the Operating lease liability in the comparative year, as well as the opening balance of the preceding year.

61.11 Accumulated surplus

| | |
|---|----------------------|
| Balance previously reported | 5 287 153 581 |
| Unspent conditional grants (National lottery) | 373 957 |
| Unspent conditional grants (Accounting error) | (695 512) |
| Operating lease liability | 664 806 |
| Unspent conditional grants (Development charges) | 77 442 608 |
| Payables from exchange transactions | (446 742) |
| Statement of Financial Performance - surplus for the year | (886 227) |
| Receivables from exchange transactions | (15 680 831) |
| Investment Property | (10 189 084) |
| Intangible assets | 5 421 490 |
| Investment property | 2 060 280 |
| Inventory | 12 250 000 |
| Unspent conditional grants and receipts | (2 417 398) |
| Property, plant and equipment | 132 812 |
| Property, plant and equipment | (8 158 164) |
| | <hr/> |
| | 5 347 025 576 |

Refer to the nature of the adjustments in the financial statement line items as indicated above.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

61. Prior period errors and Reclassifications (continued)

Statement of Financial Performance

| | Audited | Prior year adjustments | Reclassifying adjustments | Restated |
|---|------------------------|------------------------|---------------------------|------------------------|
| Revenue | | | | |
| Revenue from exchange transactions | | | | |
| Service charges | 817 760 063 | - | - | 817 760 063 |
| Construction contracts | - | 1 044 546 | - | 1 044 546 |
| Rental of facilities and equipment | 14 524 336 | 3 366 585 | - | 17 890 921 |
| Interest received (trading) | 8 024 881 | - | - | 8 024 881 |
| Agency services | 2 833 175 | - | 1 567 107 | 4 400 282 |
| Licences and permits | 6 610 961 | - | (1 567 107) | 5 043 854 |
| Other income | 26 705 321 | 13 818 228 | - | 40 523 549 |
| Investment revenue | 44 271 827 | - | - | 44 271 827 |
| Gains on disposal of assets | 51 591 | - | - | 51 591 |
| Inventories losses/write-downs | 6 218 654 | - | - | 6 218 654 |
| Total revenue from exchange transactions | 927 000 809 | 18 229 359 | - | 945 230 168 |
| Revenue from non-exchange transactions | | | | |
| Taxation revenue | | | | |
| Property rates | 332 957 900 | (1 998 219) | - | 330 959 681 |
| Property rates - interest earned | - | 1 998 219 | - | 1 998 219 |
| Transfer revenue | | | | |
| Government grants & subsidies | 234 134 499 | (701 823) | - | 233 432 676 |
| Fines, Penalties and Forfeits | 118 046 132 | - | - | 118 046 132 |
| Total revenue from non-exchange transactions | 685 138 531 | (701 823) | - | 684 436 708 |
| Total revenue | 1 612 139 340 | 17 527 536 | - | 1 629 666 876 |
| Expenditure | | | | |
| Employee related costs | (461 114 130) | (903 594) | (17 306 637) | (444 711 089) |
| Remuneration of councillors | (18 272 420) | - | - | (18 272 420) |
| Contribution to/from provisions | (6 025 885) | - | - | (6 025 885) |
| Contribution to employee benefits | (1 273 639) | - | 1 273 639 | - |
| Depreciation and amortisation | (174 958 815) | (18 829 819) | - | (193 788 634) |
| Impairment of non cash generating assets | (1 705 912) | - | - | (1 705 912) |
| Finance costs | (23 207 266) | - | (18 580 276) | (41 787 542) |
| Lease rentals on operating lease | (2 933 062) | 266 078 | - | (2 666 984) |
| Debt impairment | (105 207 214) | - | - | (105 207 214) |
| Contribution to allowance for doubtful debt | (21 952 121) | (1 584 254) | - | (23 536 375) |
| Bulk purchases | (380 670 630) | - | - | (380 670 630) |
| Contracted services | (151 817 580) | - | - | (151 817 580) |
| Transfers and subsidies | (8 990 039) | - | (139 410) | (9 129 449) |
| Loss on disposal of assets | (5 111 906) | - | - | (5 111 906) |
| Fair value adjustments | (350 833) | - | - | (350 833) |
| Inventories losses/write-downs | (2 157 273) | - | - | (2 157 273) |
| General Expenses | (121 828 999) | - | 139 410 | (121 689 589) |
| Total expenditure | (1 487 577 724) | (21 051 589) | 2 547 278 | (1 508 629 315) |
| Operating surplus | 124 561 616 | (3 524 053) | 2 547 278 | 121 037 561 |
| Surplus for the year | 124 561 616 | (3 524 053) | 2 547 278 | 121 037 561 |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

61. Prior period errors and Reclassifications (continued)

61.12 Construction contracts

| | |
|---------------------------------|------------------|
| Balance previously reported | - |
| Government grants and subsidies | 1 044 566 |
| | <u>1 044 566</u> |

Construction contracts in terms of GRAP 11 were incorrectly accounted for as revenue from non-exchange transactions.

61.13 Rental of facilities and equipment

| | |
|--|-------------------|
| Balance previously reported | 14 524 336 |
| Receivables from exchange transactions | 3 366 585 |
| | <u>17 890 921</u> |

Accounting for the assets and liabilities transpiring from the agreement entered into between TCTA and Stellenbosch municipality, whereby 80 houses were donated to the municipality for the benefit of housing development within the specified area.

61.14 Other Income

| | |
|-----------------------------|-------------------|
| Balance previously reported | 26 705 321 |
| Operating lease liability | 767 200 |
| Unspent conditional grants | 13 051 028 |
| | <u>40 523 549</u> |

Recognition of rental income for a period of eight months.

Development charges levied during the year under review was recognised as revenue.

61.15 Property rates

| | |
|---------------------------------|--------------------|
| Balance previously reported | 332 957 900 |
| Property rates- interest earned | (1 998 219) |
| | <u>330 959 681</u> |

Interest levied on transactions arising from non-exchange transactions was classified based on the nature of the underlying transaction.

61.16 Property rates - interest earned

| | |
|----------------|------------------|
| Property rates | <u>1 998 219</u> |
|----------------|------------------|

Interest levied on transactions arising from non-exchange transactions was classified based on the nature of the underlying transaction.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

61. Prior period errors and Reclassifications (continued)

61.17 Government grants & subsidies

| | |
|---|--------------------|
| Balance previously reported | 234 134 499 |
| Unspent conditional grants (Khaya Lam free market foundation) | 222 500 |
| Unspent conditional grants (Municipal accreditation grant) | 56 020 |
| Unspent conditional grants (National resource management grant) | (135 798) |
| Unspent conditional grants (National Lottery) | 200 000 |
| Construction contracts | (1 044 545) |
| | <u>233 432 676</u> |

Khaya Lam free market foundation - The municipality entered into an agreement with Khaya Lam (Free market foundation) during November 2016 to the effect that for each title deed transferred the Municipality will be availed R500 per transfer to be utilised for field workers within the title deeds program.

Municipal accreditation grant - Funds were gazetted for the 2019/20 financial year but received early during June 2019. The correction relates to the salary expenditure for the capacity clerk seconded from the Provincial Department of Human Settlements. The capacity clerk commenced operations at Stellenbosch municipality on 1 April 2019. Salary payments for three months therefore needs to be expensed against the grant.

National resource management grant - The management fees for the project was not claimed timeously and therefor had to be reversed.

National lottery - Correction of funding source for capital assets funded by the National Lottery funds but own municipal funding was used.

Construction contracts in terms of GRAP 11 were incorrectly accounted for as revenue from non-exchange trasactions.

61.18 Employee related costs

| | |
|--|----------------------|
| Balance previously reported | (461 114 130) |
| Payables from exchange transactions | (903 594) |
| Contribution to employee benefits (reclassification) | 17 306 635 |
| | <u>(444 711 089)</u> |

Workmen compensation was not accrued for the previous reporting period.

Contribution to employee benefits were reclassified in terms of the nature of the expenditure and to ensure fair presentation of the financial statements.

61.19 Contribution to Employee benefits

| | |
|-----------------------------|--------------|
| Balance previously reported | (1 273 639) |
| Finance cost | 18 580 276 |
| Employee related costs | (17 306 637) |
| | <u>-</u> |

Contribution to employee benefits were reclassified in terms of the nature of the expenditure and to ensure fair presentation of the financial statements.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

61. Prior period errors and Reclassifications (continued)

61.20 Depreciation and amortisation

| | |
|-------------------------------|----------------------|
| Balance previously reported | (174 958 815) |
| Property, plant and equipment | (16 310 626) |
| Investment property | 118 635 |
| Property, plant and equipment | (2 637 828) |
| | <u>(193 788 634)</u> |

The work in progress previously reported was incorrect and included infrastructure that should have been commissioned and depreciation calculated accordingly. Assets with zero book values were correctly accounted for.

Reversal of depreciation relating to Investment Property. Asset was correctly classified as Housing inventory.

61.21 Finance costs

| | |
|-----------------------------------|---------------------|
| Balance previously reported | (23 207 266) |
| Contribution to employee benefits | (18 580 276) |
| | <u>(41 787 542)</u> |

Contribution to employee benefits were reclassified in terms of the nature of the expenditure and to ensure fair presentation of the financial statements.

61.22 Contribution to allowance for doubtful debt

| | |
|--|---------------------|
| Balance previously reported | (21 952 121) |
| Receivables from exchange transactions | (1 584 254) |
| | <u>(23 536 375)</u> |

Accounting for the assets and liabilities transpiring from the agreement entered into between TCTA and Stellenbosch municipality, whereby 80 houses were donated to the municipality for the benefit of housing development within the specified area.

61.23 Transfers and subsidies

| | |
|-----------------------------|--------------------|
| Balance previously reported | (8 990 039) |
| General expenses | (139 410) |
| | <u>(9 129 449)</u> |

The bursaries for non-employees were reclassified to transfers and subsidies.

61.24 Lease rentals on operating lease

| | |
|-----------------------------|--------------------|
| Balance previously reported | (2 933 062) |
| Operating lease liability | - |
| | <u>(2 933 062)</u> |

Correction of an accounting error relating to the Operating lease liability in the comparative year.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

61. Prior period errors and Reclassifications (continued)

61.25 General Expenses

| | |
|-----------------------------|----------------------|
| Balance previously reported | (121 828 999) |
| Transfers and subsidies | 139 410 |
| | <u>(121 689 589)</u> |

The bursaries for non-employees were reclassified to transfers and subsidies.

61.26 Work-in-progress

| | |
|-----------------------------|--------------------|
| Balance previously reported | 1 246 095 355 |
| Assets commissioned | (656 579 513) |
| | <u>589 515 842</u> |

The work in progress previously reported was incorrect and included infrastructure that should have been commissioned and depreciation calculated accordingly.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

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62. Deviations from, and ratification of minor breaches of procurement process

In accordance with paragraph 4.36 (a) of the Supply Chain Management Policy the deviations from, and ratifications of minor breaches of procurement per directive are listed below:

The D/SM acronym refers to the deviation number as approved by the Accounting Officer.

| Deviation no: | Date of adjudication | Supplier | Reason | Rate of recurrence | Contract/ Order Amount |
|---------------|----------------------|---|--|--------------------|------------------------|
| DSM 01/20 | 2019/07/11 | The Vissershok Waste Management Facility (Pty) Ltd | Exceptional case and it is impractical or impossible to follow the official procurement process | Per Ton | 421 |
| DSM 02/20 | 2019/07/15 | Tyanco SA Pty Ltd | Exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 15 370 |
| D/SM 03/20 | 2019/08/01 | Nejeni Construction and project management | Exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 104 136 |
| D/SM 04/20 | 2019/07/31 | Adapt IT (Pvt) Ltd | Goods or services are produced or available from a single provider | Total D/SM amount | 155 945 |
| D/SM 05/20 | 2019/08/08 | Re A Letamisa | Emergency | Total D/SM amount | 660 000 |
| D/SM 06/20 | 2019/09/30 | Liquid Telecom | Exceptional case and it is impractical or impossible to follow the official procurement processes | Per month | 100 000 |
| D/SM 07/20 | 2019/11/01 | E Dreyer t/a Dreyer cleaning Solutions | Exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 2 675 244 |
| D/SM 08/20 | 2019/11/25 | Red Ants Security Services | Emergency and exceptional case and it is impractical or impossible to follow the official procurement process | Rates per month | - |
| D/SM 09/20 | 2019/11/29 | Verso Financial services | Exceptional case and it is impractical or impossible to follow the official procurement process | Rates | - |
| D/SM 10/20 | 2019/12/24 | TMT Services and Supplies (Pty) Ltd | Exceptional case and it is impractical or impossible to follow the official procurement processes | Total D/SM amount | 5 677 615 |
| D/SM 11/20 | 2019/12/12 | Avalon Technology Group | Emergency | Total D/SM amount | 82 810 |
| D/SM 12/20 | 2019/11/29 | Rufus Dercksen Attorneys | Exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 71 587 |
| D/SM 13/20 | 2020/03/02 | Ibhunga Cleaning Bricks Paving and Painting Pty Ltd | The possibility that failure to take necessary action may result in the municipality not being able to render an essential community service | Rates | - |
| D/SM 14/20 | 2019/03/10 | Klaassen Cleaning Pty Ltd Fairbridges | Exceptional case and it is impractical or impossible to follow the official procurement processes | Total D/SM amount | 150 000 |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

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62. Deviations from, and ratification of minor breaches of procurement process (continued)

| | | | | | |
|------------|------------|--|--|-------------------|-----------|
| D/SM 15/20 | 2020/03/13 | The Environmental Partnership | The interruption of essential services, including transportation and communication facilities or support services critical to the effective functioning of the municipality as a whole | Total D/SM amount | 285 000 |
| D/SM 16/20 | 2020/03/13 | CK Rumboll and Partners | Exceptional case and it is impractical or impossible to follow the official procurement processes | Total D/SM amount | 464 826 |
| D/SM 17/20 | 2020/03/20 | Hidro- Tech Systems (Pty) Ltd | The possibility of serious damage occurring to the natural environment | Total D/SM amount | 197 851 |
| D/SM 18/20 | 2020/03/16 | Various suppliers | The interruption of essential services, including transportation and communication facilities or support services critical to the effective functioning of the municipality as a whole | Rates | - |
| D/SM 19/20 | 2020/04/13 | Ibhunga Cleaning Bricks Paving and Painting Pty Ltd | Exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 910 250 |
| D/SM 20/20 | 2020/04/29 | Klaassen Cleaning Pty Ltd Trautmann trading and KSB Pumps | Exceptional case and it is impractical or impossible to follow the official procurement processes | Total D/SM amount | 94 418 |
| D/SM 21/21 | 2020/05/06 | Various suppliers | Exceptional case and it is impractical or impossible to follow the official procurement process | Rates | - |
| D/SM 22/20 | 2020/05/21 | Waste Carriers (Pty) Ltd | The possibility that failure to take necessary action may result in the municipality not being able to render an essential community service | Rates | - |
| D/SM 23/20 | 2020/06/18 | Rufus Dercksen Attorneys | Exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 198 061 |
| D/SM 24/20 | 2020/06/26 | Chennells Albertyn Attorneys | Exceptional case and it is impractical or impossible to follow the official procurement processes | Total D/SM amount | 137 625 |
| D/SM 25/20 | 2020/06/29 | LJA Construction | Emergency | Total D/SM amount | 1 422 364 |
| D/SM 26/20 | 2020/06/30 | Coral Clean | Exceptional case and it is impractical or impossible to follow the official procurement processes | Rates | - |
| D/SM 27/20 | 2020/06/30 | The Sustainability Institute Innovation Lab (SIIL) | Exceptional case and it is impractical or impossible to follow the official procurement processes. | Total D/SM amount | 220 000 |
| D/SM 28/20 | 2020/06/30 | TMT Services and Supplies (Pty) Ltd | Emergency and exceptional case and it is impractical or impossible to follow the official procurement process | Rates | - |
| D/SM 29/20 | 2020/06/30 | Verso Financial services | Exceptional case and it is impractical to follow the official procurement processes. | Rates | - |
| D/SM 30/20 | 2020/06/30 | Nedbank Limited | Exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 816 607 |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

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62. Deviations from, and ratification of minor breaches of procurement process (continued)

| | | | | | |
|------------|------------|----------------|---|-------------------|-----------|
| D/SM 31/20 | 2019/03/19 | Webber Wentzel | Emergency and exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 1 041 744 |
| D/SM 32/20 | 2020/03/26 | AON | Exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 730 049 |

In accordance with paragraph 4.36(a) of the Supply Chain Management Policy the deviations from, and ratifications of minor breaches of procurement per directive are listed below for the comparative year:

| Deviation no: | Date of adjudication | Supplier | Reason | Rate of recurrence | Contract/Order amount |
|---------------|----------------------|-------------------------------------|---|--------------------|-----------------------|
| D/SM 1/19 | 11/07/2018 | Abedare Cables | Emergency and exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 228 073 |
| D/SM 2/19 | 13/07/2018 | Xaba Engineering & Consulting | Exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 138 745 |
| D/SM 3/19 | 25/07/2018 | Avalon Tchnology Group | Emergency | Total D/SM amount | 70 822 |
| D/SM 4/19 | 03/08/2018 | JVZ Construction | Emergency and exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 3 445 713 |
| D/SM 5/19 | 09/08/2018 | Liquid Telecom | Exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 515 960 |
| D/SM 6/19 | 07/08/2018 | Interwaste Environmental Solutions | Exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 7 838 976 |
| D/SM 7/19 | 03/08/2018 | Resource Innovations | Exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 1 780 669 |
| D/SM 8/19 | 21/08/2018 | Aurecon Consulting Engineers | Exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 526 082 |
| D/SM 9/19 | 07/08/2018 | Naele's Hydraulics | Emergency and exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 29 321 |
| D/SM 10/19 | 09/10/2018 | Telkom SA SOC | Goods or services are produced or available from a single provider | Total D/SM amount | 2 061 220 |
| D/SM 11/19 | 01/08/2018 | Sowerby Engineering WEC Projects | Goods or services are produced/available from a single provider and an exceptional case which made it impossible to follow the standard procurement process | Total D/SM amount | 96 907 |
| D/SM 15/19 | 22/08/2018 | TSU Protection Services | Emergency and exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 1 701 828 |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

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62. Deviations from, and ratification of minor breaches of procurement process (continued)

| | | | | | |
|------------|------------|---|---|-------------------|-----------|
| D/SM 17/19 | 09/10/2018 | Livewire Engineering and Consulting (Pty) Ltd | Emergency | Rates | - |
| D/SM 19/19 | 21/09/2018 | Advocate Vermaak | Exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 76 500 |
| D/SM 20/19 | 21/09/2018 | GLS Consulting | Goods or services are produced or available from a single provider | Rates | - |
| D/SM 21/19 | 28/09/2018 | Metro City Protection Services | Exceptional case and it is impractical or impossible to follow the official procurement process | Rates | - |
| D/SM 23/19 | 15/10/2018 | Transmission Gear Services MAN Engineering Services Gorman Rupp | Emergency and exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 198 055 |
| D/SM 26/19 | 16/10/2018 | Kings Catering | Exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 97 300 |
| D/SM 27/19 | 19/10/2018 | I Bester Staal | Emergency and goods or services are produced or available from single provider | Total D/SM amount | 11 696 |
| D/SM 28/19 | 03/12/2018 | Weber Wentzel | Exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 363 200 |
| D/SM 29/19 | 26/11/2018 | Microsoft Corporation | Goods or services are produced or available from a single provider | Rates | - |
| D/SM 30/19 | 14/12/2018 | Hydro-Tech System (Pty) Ltd | Emergency and exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM Amount | 1 520 028 |
| D/SM 31/19 | 21/12/2018 | I Bester Staal | Emergency and goods or services are produced or available from single provider | Total D/SM amount | 4 025 |
| D/SM 32/19 | 21/12/2018 | Leelyn Management | Exceptional case and it is impractical or impossible to follow the official procurement process | Rates | - |
| D/SM 33/19 | 27/12/2018 | Liquid Telecom | Exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 515 960 |
| D/SM 34/19 | 27/12/2018 | Farm Gaurd | Emergency and exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 197 373 |
| D/SM 35/19 | 25/01/2019 | Farm Gaurd Security | Emergency and exceptional case and it is impractical or impossible to follow the official procurement process | Rates | - |
| D/SM 36/19 | 18/02/2019 | Gateway Metal Works (Pty)(Ltd) | Emergency | Total D/SM amount | 2 068 395 |
| D/SM 38/19 | 28/02/2019 | Genadendal Jackies Bazaar Wate Mart (Pty) Ltd | Exceptional case and it is impractical or impossible to follow the official procurement process | Rates | 2 463 300 |
| D/SM 39/19 | 07/03/2019 | Plan Associates Town and Regional Planners | Exceptional case and it is impractical or impossible to follow the official procurement process. | Total D/SM amount | 553 500 |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

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62. Deviations from, and ratification of minor breaches of procurement process (continued)

| | | | | | |
|------------|------------|--|---|-------------------|-----------|
| D/SM 41/19 | 19/03/2019 | Smith Tabata Buchanan Boys Attorneys | Exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 287 500 |
| D/SM 42/19 | 19/03/2019 | Rufus Dercksen Inc | Exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 179 837 |
| D/SM 43/19 | 29/03/2019 | Total Cooling Solutions Pty Ltd | Emergency | Total D/SM amount | 77 121 |
| D/SM 44/19 | 29/03/2019 | John Macrobert Attorneys | Exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 22 078 |
| D/SM 45/19 | 29/03/2019 | APEX | Exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 114 770 |
| D/SM 46/19 | 06/05/2019 | Smith Tabata Muchanan Boyes (STBB) | Exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 25 872 |
| D/SM 47/19 | 28/06/2019 | Liquid Telecom | Exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 310 500 |
| D/SM 48/19 | 28/06/2019 | Avalon Technology Group | Exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 91 500 |
| D/SM 49/19 | 19/06/2019 | Interwaste | Exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 2 920 746 |
| D/SM 50/19 | 07/06/2019 | Van der Spuy | Exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 490 000 |
| D/SM 51/19 | 24/12/2018 | Andre Swart of Smit of tabata Buchanan Boyes Attorneys | Exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 200 000 |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

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63. Budget differences

Material differences between budget and actual amounts

The materiality framework of the municipality informs the determining base ranges. The framework outlines all principles and guiding practices to allow management to enforce a consistent application of the framework's guidelines. With regard to reporting, the understandability and transparency to users of the financial statements was a determining factor when deciding on the base %.

Statement of Financial Performance

Revenue

The determining base range used was 1 % of total revenue.

Service charges (BD1)

The projection was based on the prior period's collection and also as a result of the reversal of the electricity and water income estimate accrual that was substantially higher in the comparative year.

Rental of facilities and equipment (BD2)

The revenue for rental of facilities and equipment declined due to factors such as social change, which is a cultural and economic change.

Interest earned - outstanding receivables (BD3)

The budget projection increase was based on historic performance.

Agency services (BD3)

The projected collection was based on historic performance.

Other income (BD4)

The decrease is due to the national lockdown, as a result of the covid-19 pandemic.

Government grants & subsidies (BD5)

Delays were experienced with the implementation of capital projects due to the national lockdown enforced, as a result of the covid-19 pandemic.

Fines, Penalties and Forfeits (BD6)

The budget projection for fines was based on previous performance.

Expenditure

The determining base range was 2% of total expenditure.

Contribution to / from provisions (BD7)

The variance emanates from the rehabilitation of the landfill site which is calculated based on information as at year end and subject to certain unpredictable assumptions. This information is not available when the budget is drafted.

Employee related costs (BD8)

The municipality reclassified the Contribution to Employee Benefits that was separately disclosed on the face of the financial statements to Employee related cost.

Finance costs (BD11)

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

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63. Budget differences (continued)

The variance pertains to the unwinding of the interest of the provision for landfill sites.

The municipality reclassified the Contribution to Employee Benefits that was separately disclosed on the face of the financial statements to Employee related cost.

Depreciation and amortisation (BD9)

The capital projects that were expected to be completed in the financial year was impacted due to the national lockdown, as a result of the Covid-19 pandemic.

Impairment loss/ Reversal of impairments (BD10)

No assets were impaired/ reversed for impairment during the year.

Debt Impairment (BD12)

The projection was based on historical data.

Contribution to allowance for doubtful debt (BD13)

The projection was based on historic performance of debtors'accounts

Contracted Services (BD14)

The variance is as a result of the COVID-19 lockdown regulations that had an adverse impact the expenditure.

General Expenses (BD15)

The variance is as a result of the COVID-19 lockdown regulations that had an adverse impact the expenditure.

Fair value adjustments (BD16)

These adjustments are based on estimates that cannot be budgeted for.

Gain on biological assets and agricultural assets

The gain is based on the growth of the biological assets and cannot be calculated before hand for budget purposes.

Inventories (lossess/write downs) (BD18)

The write downs are based on specific activities during the period, for example stock take and can thus not be budgeted for.

Statement of Financial Position

Assets

The determining base was 1% of total assets and 5% of accumulated surplus.

Cash and cash equivalents (BD19)

Due to unspent conditional grants, there was more cash to invest on a short-term basis.

Receivables from exchange transactions (BD20)

The variance is as a result of the economic conditions of consumers in the municipal area and further impacted by the national lockdown due to the covid-19 pandemic.

Other receivables from exchange transactions (BD21)

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

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63. Budget differences (continued)

The income estimate for water and electricity formed part of the other receivables budget, but was reclassified due to the nature of the receivable.

VAT receivable (BD23)

Management did not anticipate a VAT receivable at year end.

Long term receivable (BD24)

This includes arrangement debtors. Defaulting on the arrangement entered into with the municipality is the main reason for the variance.

Intangible Assets (BD25)

The municipality had planned to procure more software systems.

Biological assets that form part of an agricultural activity (BD26)

The budgeted amount is based on the previous fair value model which has since been changed to cost model

Heritage assets (BD27)

The budgeted amount is based on the previous fair value model which has since been changed to cost model.

Liabilities

The determining base was 2% of total liabilities.

Consumer deposits (BD28)

Growth in our community/ client base resulting in increase deposits.

Employee benefit obligation (BD29)

The difference emanates from the post-retirement benefits and long service awards which is calculated based on information as at year end and subject to certain unpredictable assumptions ie. discount rate, expected rate of return, retirement age, etc. This information is not available when the budget is drafted.

Operating lease liability (BD30)

Operating lease liability is included in other financial liabilities

Other financial liabilities (BD31)

The external loan was taken up towards the end of the financial year.

Provisions (BD32)

Provisions are based on experts' work as at the end of the financial year using information that is not available during the budget. The budget is based on historic amounts.

Payables from exchange transactions (BD33)

This was mainly due to late contractor appointments, delays in projects which led to more invoices not being paid at year end.

Unspent conditional grants and receipts (BD34)

Due to unforeseen circumstances, late contractor appointments, delays in projects, etc, conditions of some grants could not be met at year end.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

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63. Budget differences (continued)

Cash Flow Statement

Grants (CF 1)

The equitable share allocated per the Division of Revenue Act (DoRA) increased to accommodate the increase in active housing projects.

Interest income (CF 2)

Capital projects were funded from Capital Replacements Reserves (CRR) instead of an external loans.

Payments

Suppliers and employee costs (CF3)

Bulk purchases which are bought by the municipality are based on the consumption of the community have increased compared to the prior year.

Employee related cost decrease due to vacancies not filled and posts becoming vacant during the financial year.

Transfers and grants (CF4)

Management anticipated to spend the allocated funds, but due to unforeseen circumstances it did not materialise as planned.

Cash flow from investing activities

Purchase of PPE (CF5)

The variance relates to the underspending on the capital budget.

Purchase of intangible assets (CF6)

The municipality had undertaken a feasibility into new software for cemeteries.

Movement in investments (CF7)

The municipality invested excess funds for periods more than 3 months but up to 12 months, these investments are classified as short term investments in the statement of financial position.

Cash flow from financing activities

64. BBBEE Performance

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.



ANNEXURE B: ANNUAL PERFORMANCE REPORT 2019/20



STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

Annual Performance Report

2019/20

(01 July 2019 – 30 June 2020)

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1. PURPOSE

The Annual Performance Report 2019/20 is hereby submitted to the Stellenbosch Municipal Council in terms of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA), Section 46(1) and (2). The report covers the performance information from 01 July 2019 to 30 June 2020 and focuses on the implementation of the Top Layer (TL) Service Delivery and Budget Implementation Plan (SDBIP), in relation to the objectives as encapsulated in the Municipality's Integrated Development Plan (IDP) for the year under review.

The format of the report will reflect the Stellenbosch Municipality's Key Performance Indicators (KPIs) per Strategic Focus Area (SFA).

This report will also endeavour to report to Council on the Municipality's performance in terms of the five (5) National Government's Key Performance Areas for local government, which are (1) Basic Service Delivery; (2) Local Economic Development; (3) Municipal Institutional Transformation and Development; (4) Municipal Financial Viability and Management and (5) Good Governance and Public Participation.

2. LEGISLATIVE REQUIREMENTS

This Annual Performance Report has been compiled in compliance with the requirements of Section 46(1) of the MSA, which stipulates as follows:

- (1) A municipality must prepare for each financial year a performance report reflecting—
 - (a) the performance of the municipality and each external service provider during that financial year;
 - (b) a comparison of the performance referred to in paragraph (a) with targets set for performance in the previous financial year; and
 - (c) measures taken to improve performance.

In addition, regulation 7(1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players." Performance management is not only relevant to the organisation as a whole, but is also applicable to the individuals employed in the organisation as well as the external service providers.

3. MUNICIPAL OVERVIEW

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

The area houses excellent educational institutions, including the University of Stellenbosch, Boland College, sports and culinary institutions and a number of prestigious schools. It has a strong business sector, varying from major South African businesses and corporations, to smaller

enterprises and home industries. The tourism industry alone is responsible for the creation of about 18 000 jobs in the area. The area's numerous wine farms and cellars are very popular and the area is the home of the very first wine route in South Africa.

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

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



Figure 1: Location of the Stellenbosch Municipality

3.1 Vision

“Valley of Opportunity and Innovation”.

3.2 Socio-economic status

Table 1: Total population

| Total population | | |
|------------------|-----------|-----------|
| 2017/18 | 2018/19 | 2019/20 |
| 176 523** | 186 274** | 186 274** |

**Western Cape Government, 2018 & 2019 Socio-economic Profile, Stellenbosch Municipality

Table 2: Total number of households

| Households | 2017/18 | 2018/19 | 2019/20 |
|--|----------|----------|----------|
| Number of households in municipal area | 52 374** | 52 374** | 52 374** |
| Number of registered indigent households in municipal area | 6 453 | 6 817 | 6 666 |

**Western Cape Government, 2017 Socio-economic Profile, Stellenbosch Municipality

Table 3: Access to Services

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

Source: Western Cape, Socio-Economic Profile 2019

4. PERFORMANCE MANAGEMENT OVERVIEW

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

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

Table 4: Performance Management System Checklist

| | Performance Management Policy | All MSA s57/56 Performance contracts signed | Audit Committee | Municipal Public Accounts Committee (MPAC) | Quarterly Performance Reporting to Council | Annual Performance Reporting to Council |
|-----------|-------------------------------|---|-----------------|--|--|---|
| In place? | √ | √ | √ | √ | √ | √ |

4.1 Top Layer Service Delivery and Budget Implementation Plan

The organisational performance is evaluated by means of a Municipal Scorecard (TL SDBIP) at organisational level and through the Service Delivery and Budget Implementation Plan (SDBIP) at departmental levels.

The SDBIP is a plan that converts the IDP and Budget into measurable indicators on how, where and when the strategies, objectives and normal business processes of the Municipality are implemented. It also allocates responsibilities to directorates to deliver the services in terms of the IDP and Budget.

The MFMA Circular No.13 prescribes that:

- The IDP and budget must be aligned;
- The budget must address the strategic priorities;
- The SDBIP should indicate what the municipality is going to do during next the 12 months; and
- The SDBIP should form the basis for measuring the performance against goals set during the budget / IDP processes.

The TL SDBIP was prepared as described in the paragraphs below and approved by the Executive Mayor on 26 June 2019.

The approved TL SDBIP 2019/20 was revised in January 2020. These revisions were made in line with the adjustment budget, internal audit findings and recommendations made by the Auditor General of South Africa (AGSA).

The overall assessment of actual performance against targets set for the Key Performance Indicators as documented in the SDBIP is illustrated in terms of the following assessment methodology:

Table 5: Performance Assessment Criteria

| Color | Category | Explanation |
|-------|------------------------|--|
| | KPI Not Yet Measured | KPIs with no targets or actual results for the selected period |
| | KPI Not Met | Actual vs. target less than 75% |
| | KPI Almost Met | Actual vs. target between 75% and 100% |
| | KPI Met | Actual vs. target 100% achieved |
| | KPI Well Met | Actual vs. target more than 100% and less than 150% achieved |
| | KPI Extremely Well Met | Actual vs. target more than 150% achieved |

The TL SDBIP (the Municipal Scorecard) consolidate service delivery targets set by Council / Senior Management and provide an overall picture of performance for the Municipality as a whole, reflecting performance on its strategic priorities. The TL SDBIP is a detailed one-year plan and the necessary components should include:

- Monthly projections of revenue to be collected for each source;
- Expected revenue to be collected not billed;
- Monthly projections of expenditure (operating and capital) and revenue for each vote;
- Quarterly projections of service delivery targets and performance indicators for each vote;
- Non-financial measurable performance objectives in the form of targets and indicators; and
- Detailed capital project plan broken down by ward over three years.

4.2 Departmental Service Delivery and Budget Implementation Plan

The Departmental Service Delivery and Budget Implementation Plan (the detailed SDBIP) capture the performance of each Directorate. Unlike the TL SDBIP, which reflects on the strategic performance of the Municipality, the Departmental SDBIP 2019/20 provides a comprehensive picture of the performance per Directorate, Department and Section. It was compiled by the Directors and Senior Managers for their respective Departments and Sections and consists of objectives, indicators and targets derived from the approved TL SDBIP 2019/20.

5. PLANNED TARGETS VS ACTUAL RESULTS FOR THE 2019/20 FINANCIAL YEAR

This section of the Annual Performance Report 2019/20 will report on the Municipality's actual performance against the planned targets as derived from the Municipality's IDP. Due to the fact that the Municipality has developed five (5) Strategic Focus Areas (SFAs) the performance reporting will follow these themes.

5.1 Municipal performance per National Key Performance Indicator

5.1.1 Municipal Transformation and Institutional Development

Table 6: NKPA- Municipal Transformation and Institutional Development

| INDICATOR | MUNICIPAL ACHIEVEMENT 2018/19 | MUNICIPAL ACHIEVEMENT 2019/20 |
|--|---|--|
| The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan | 2* | 4** |
| The percentage of a municipality's budget actually spent on implementing its workplace skills plan | R2 374 502 / R1 719 104 450 x 100 = 0.14% | R2 262 082.24/ R1 778 283 844 x100 = 0.13% |

*EE appointments made within the 2018/19 financial year.

**EE appointments made within the 2019/20 financial year.

5.1.2 Basic Service Delivery

Table 7: NKPA- Basic Service Delivery

| INDICATOR | MUNICIPAL ACHIEVEMENT 2018/19* | MUNICIPAL ACHIEVEMENT 2019/20 |
|---|--------------------------------|-------------------------------|
| The percentage of households earning less than R6,500 per month with access to free basic services (In the case of Stellenbosch Municipality- percentage of registered Indigent households are being reported) | 100% | 100% |
| The percentage of households with access to basic level of water | 100% | 100% |
| The percentage of households with access to basic level of sanitation | 100% | 100% |
| The percentage of households with access to basic level of electricity | 71% | 74.4% |
| The percentage of households with access to basic level of solid waste removal | 100% | 100% |

* The percentage of households with access to basic level of water, sanitation, electricity and solid waste services is based on formal households only. The information on informal households and backyard dwellings were not taken into account.

5.1.3 Local Economic Development

Table 8: NKPA- Local Economic Development

| INDICATOR | MUNICIPAL ACHIEVEMENT 2018/19 | MUNICIPAL ACHIEVEMENT 2019/20 |
|---|-------------------------------|-------------------------------|
| The number of jobs created through municipality's local economic development initiatives including capital projects | 153.10 | 1 656 |

5.1.4 Municipal Financial Viability and Management

Table 9: NKPA- Municipal Financial Viability and Management

| INDICATOR | MUNICIPAL ACHIEVEMENT 2018/19 | MUNICIPAL ACHIEVEMENT 2019/20 |
|---|-------------------------------|-------------------------------|
| Debt coverage ((Total operating revenue - operating grants received) / Debt service payments due within the year) | 55.20% | 59.13% |
| Service debtors to revenue (Total outstanding service debtors / Annual revenue received for services) | 17.83% | 12.38% |
| Cost coverage ((Available cash + investments) / Monthly fixed operating expenditure) | 4.70 | 2.43 |

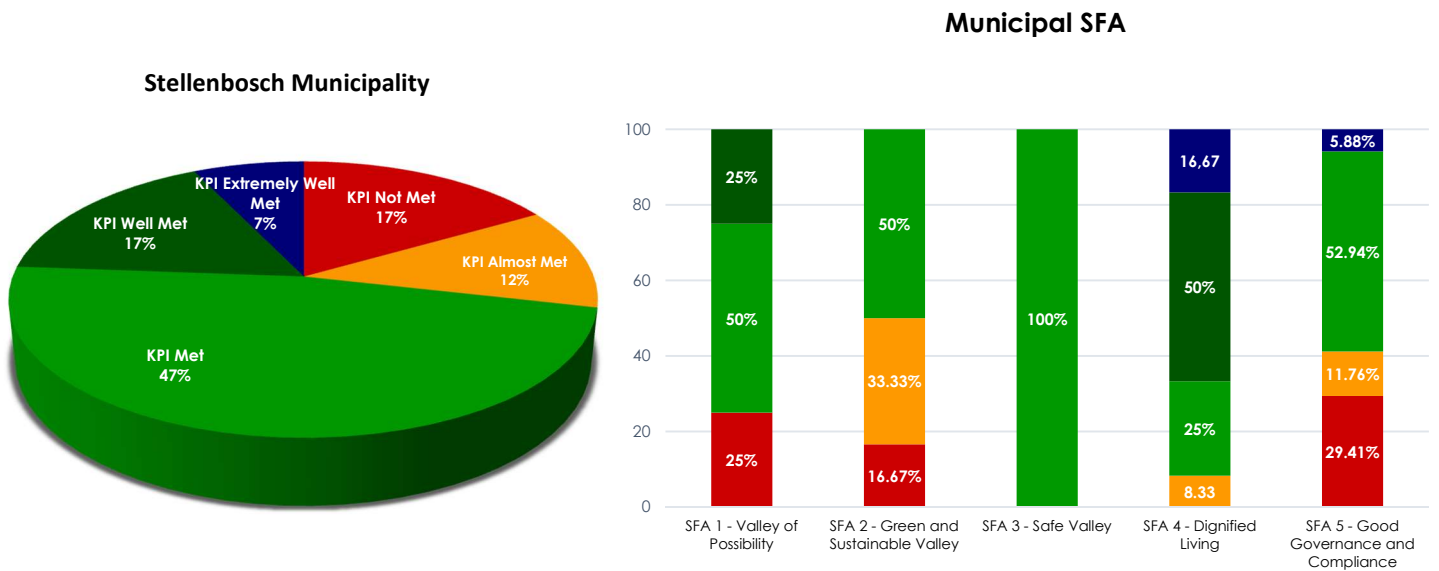
5.1.5 Good Governance and Public Participation

Table 10: NKPA- Good Governance and Public Participation

| INDICATOR | MUNICIPAL ACHIEVEMENT 2018/19 | MUNICIPAL ACHIEVEMENT 2019/20 |
|--|-------------------------------|-------------------------------|
| The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan | 87.53% | 70.80% |

5.2 Overall performance per Municipal Strategic Focus Area

The following graph and table illustrates the Municipality's overall performance per Municipal Strategic Focus Area (SFA).



| Stellenbosch Municipality | | Municipal Strategic Focus Areas (SFAs) | | | | |
|---------------------------|-------------|--|--------------------------------------|---------------------|--------------------------|--|
| | | SFA 1 - Valley of Possibility | SFA 2 - Green and Sustainable Valley | SFA 3 - Safe Valley | SFA 4 - Dignified Living | SFA 5 - Good Governance and Compliance |
| KPI Not Yet Measured | - | - | - | - | - | - |
| KPI Not Met | 7 (16.67%) | 1 (25%) | 1 (16.67%) | - | - | 5 (29.41%) |
| KPI Almost Met | 5 (11.90%) | - | 2 (33.33%) | - | 1 (8.33%) | 2 (11.76%) |
| KPI Met | 20 (47.62%) | 2 (50%) | 3 (50%) | 3 (100%) | 3 (25%) | 9 (52.94%) |
| KPI Well Met | 7 (16.67%) | 1 (25%) | - | - | 6 (50%) | - |
| KPI Extremely Well Met | 3 (7.14%) | - | - | - | 2 (16.67%) | 1 (5.88%) |
| Total: | 42 | 4 | 6 | 3 | 12 | 17 |
| | 100% | 9.52% | 14.29% | 7.14% | 28.57% | 40.48% |

Table and Graph 11: Overall performance per SFA- 01 July 2019 – 30 June 2020

5.2.1 SFA 1 - Valley of Possibility

| SFA 1 - VALLEY OF POSSIBILITY | | | | | | | | | | | |
|-------------------------------|---------|---|---|-----------------------|------------------------|-----------------------|--|--------|---|---|---|
| Ref | IDP Ref | KPI Name | Description of Unit of Measurement | Past Year Performance | Original Annual Target | Revised Annual Target | Overall Performance 01 July 2019 to 30 June 2020 | | | Performance comments / Reason(s) for deviation from target (under and over performance) | Improvement Plan(s) to correct deviation from target (under performance) |
| | | | | | | | Target | Actual | R | | |
| TL1 | KPI007 | The number of jobs created through the Municipality's local economic development initiatives including capital projects (NKPI Proxy - MSA, Reg. S10(d)) | Number of job opportunities created through the Municipality's local economic development initiatives including capital projects by 30 June | 153.10 | 300 | 1 300 | 1 300 | 1 656 | | | |
| TL2 | KPI008 | Land-use applications approved by the Municipal Planning Tribunal within 120 days | Percentage of land-use applications approved by the Municipal Planning Tribunal within 120 days after date of first submission of application | 40% | 90% | 90% | 90% | 0% | | 0 / 32 x 100 = 0% | Land-use strategy is in place to deal with the land use applications backlog. At the same time the Municipality is dealing with current applications. The implementation of TPAMS will also assist in the improved management of land use applications received. The shift to lockdown level 3 has allowed the Stellenbosch MPT to resume their normal functioning via the virtual MS Teams platform. |
| TL3 | KPI009 | Training opportunities provided for entrepreneurs and Small, Medium and Micro Enterprises (SMMEs) | Number of quarterly training opportunities provided for entrepreneurs and SMMEs | 5 | 4 | 4 | 4 | 4 | | | |
| TL4 | KPI012 | Revised Housing Pipeline (document) submitted to the Mayoral Committee (MayCo) | Number of Revised Housing Pipelines (documents) submitted to the MayCo by 31 March | 1 | 1 | 1 | 1 | 1 | | | |

| | |
|------------------------|----------|
| KPI Not Yet Measured | 0 |
| KPI Not Met | 1 |
| KPI Almost Met | 0 |
| KPI Met | 2 |
| KPI Well Met | 1 |
| KPI Extremely Well Met | 0 |
| Total KPIs | 4 |

5.2.2 SFA 2 - Green and Sustainable Valley

| SFA 2 - GREEN AND SUSTAINABLE VALLEY | | | | | | | | | | | |
|--------------------------------------|---------|--|---|-----------------------|------------------------|-----------------------|--|--------|---|--|---|
| Ref | IDP Ref | KPI Name | Description of Unit of Measurement | Past Year Performance | Original Annual Target | Revised Annual Target | Overall Performance 01 July 2019 to 30 June 2020 | | | Performance comments / Reason(s) for deviation from target (under and over performance) | Improvement Plan(s) to correct deviation from target (under performance) |
| | | | | | | | Target | Actual | R | | |
| TL5 | KPI016 | Conduct an external audit of the Stellenbosch Municipality Waste Disposal Facilities | Number of external audits of the Stellenbosch Municipality Waste Disposal Facilities conducted by 30 June | 1 | 1 | 1 | 1 | 1 | | | |
| TL6 | KPI073 | Implementation of identified waste minimisation projects | Number of identified waste minimisation projects implemented by 30 June | New KPI | 2 | 2 | 2 | 1 | | 1 waste minimisation project was implemented before the National Lockdown Regulations took effect in March 2020. | Waste minimisation projects will resume once the Covid-19 Lockdown Regulations have been lifted. |
| TL7 | KPI018 | Building plan applications processed within 30 days | Percentage of building plan applications of <500sqm processed within 30 days after date of receipt | 76.29% | 90% | 90% | 90% | 72.92% | | $625 / 857 \times 100 = 72.92\%$ | |
| TL8 | KPI019 | Waste water quality managed and measured ito. the SANS Accreditation physical and micro parameters | Percentage waste water quality compliance as per analysis certificate measured by 30 June | 72.72% | 75% | 75% | 75% | 60.70% | | 60.70% as per analysis certificate. | The Municipality is currently in process of revisiting the design of the Wemmershoek Wastewater Treatment Works due to current design not meeting discharge limits set by the Department of Water Affairs (DWA). The Municipality is also reviewing the Pniel Wastewater Treatment Works design due to insufficient capacity. |
| TL9 | KPI078 | Submission of the Revised Facility Management Plan to the MayCo | Number of Revised Facility Management Plans submitted to the MayCo by 31 May | New KPI | 1 | 1 | 1 | 1 | | | |
| TL10 | KPI079 | Submission of a Tree Management Policy to the MayCo | Number of Tree Management Policies submitted to the MayCo by 31 October | New KPI | 1 | 1 | 1 | 1 | | | |

Summary of Results: SFA 2 - Green and Sustainable Valley

| | |
|------------------------|----------|
| KPI Not Yet Measured | 0 |
| KPI Not Met | 1 |
| KPI Almost Met | 2 |
| KPI Met | 3 |
| KPI Well Met | 0 |
| KPI Extremely Well Met | 0 |
| Total KPIs | 6 |

5.2.3 SFA 3 - Safe Valley

| SFA 3 - SAFE VALLEY | | | | | | | | | | | |
|---------------------|---------|---|---|-----------------------|------------------------|-----------------------|--|--------|---|---|--|
| Ref | IDP Ref | KPI Name | Description of Unit of Measurement | Past Year Performance | Original Annual Target | Revised Annual Target | Overall Performance 01 July 2019 to 30 June 2020 | | | Performance comments / Reason(s) for deviation from target (under and over performance) | Improvement Plan(s) to correct deviation from target (under performance) |
| | | | | | | | Target | Actual | R | | |
| TL11 | KPI025 | Revised Disaster Management Plan submitted to the MayCo | Number of Revised Disaster Management Plans submitted to the MayCo by 31 May | 1 | 1 | 1 | 1 | 1 | | | |
| TL12 | KPI026 | Revised Safety and Security Strategy submitted to the MayCo | Number of Revised Safety and Security Strategies submitted to the MayCo by 31 May | 1 | 1 | 1 | 1 | 1 | | | |
| TL13 | KPI027 | Revised Traffic Management Plan submitted to the MayCo | Number of Revised Traffic Management Plans submitted to the MayCo by 31 October | New KPI | 1 | 1 | 1 | 1 | | | |

Summary of Results: SFA 3 - Safe Valley

| | | |
|--|------------------------|----------|
| | KPI Not Yet Measured | 0 |
| | KPI Not Met | 0 |
| | KPI Almost Met | 0 |
| | KPI Met | 3 |
| | KPI Well Met | 0 |
| | KPI Extremely Well Met | 0 |
| | Total KPIs | 3 |

5.2.4 SFA 4 - Dignified Living

| SFA 4 - DIGNIFIED LIVING | | | | | | | | | | | |
|--------------------------|---------|---|---|-----------------------|------------------------|-----------------------|--|--------|---|---|---|
| Ref | IDP Ref | KPI Name | Description of Unit of Measurement | Past Year Performance | Original Annual Target | Revised Annual Target | Overall Performance 01 July 2019 to 30 June 2020 | | | Performance comments / Reason(s) for deviation from target (under and over performance) | Improvement Plan(s) to correct deviation from target (under performance) |
| | | | | | | | Target | Actual | R | | |
| TL14 | KPI037 | Provision of waterborne toilet facilities | Number of waterborne toilet facilities provided by 30 June | 69 | 25 | 25 | 25 | 51 | | | |
| TL15 | KPI039 | Provision of free basic water to registered indigent households (NKPI Proxy - MSA, Reg. S10(a), (b)) | Percentage of registered indigent households with access to free basic water, measured quarterly | 100% | 100% | 100% | 100% | 100% | | 6 666 / 6 666 x 100 = 100% | |
| TL16 | KPI040 | Limit unaccounted electricity to less than 9% annually {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold (incl. Free basic electricity)) / Number of Electricity Units Purchased and/or Generated} x 100} | Percentage average electricity losses measured by 30 June | 7.55% | <9% | <9% | <9% | 9,36% | | (381 810 591 kWh – 346 076 786 kWh) / 381 810 591 kWh x 100 = 9,36% The Priel network is not performing on required levels due to the quality of the infrastructure. | The municipality included the development of a new network in its 20/21 capital budget. At present this project is in its design phase. |
| TL17 | KPI041 | Water quality managed and measured quarterly to the SANS 241 physical and micro parameters | Percentage water quality level as per analysis certificate measured quarterly | 99.90% | 90% | 90% | 90% | 90.96% | | | |
| TL18 | KPI042 | Limit unaccounted water to less than 25% | Average percentage water losses measured by 30 June | 28% | <25% | <25% | <25% | 20.50% | | 1 640 553kl / 8 015 027kl x 100 = 20.50% | |
| TL19 | KPI043 | Provision of free basic electricity to registered indigent households (NKPI Proxy - MSA, Reg. S10(a), (b)) | Percentage of registered indigent households with access to free basic electricity, measured quarterly | 71% | 100% | 65% | 65% | 73,99% | | 4 932 / 6 666 x 100 = 74% | |
| TL20 | KPI044 | Provision of free basic refuse removal to registered indigent households (NKPI Proxy - MSA, Reg. S10(a), (b)) | Percentage of registered indigent households with access to free basic refuse removal, measured quarterly | 100% | 100% | 100% | 100% | 100% | | 6 666 / 6 666 x 100 = 100% | |

SFA 4 - DIGNIFIED LIVING

| Ref | IDP Ref | KPI Name | Description of Unit of Measurement | Past Year Performance | Original Annual Target | Revised Annual Target | Overall Performance 01 July 2019 to 30 June 2020 | | | Performance comments / Reason(s) for deviation from target (under and over performance) | Improvement Plan(s) to correct deviation from target (under performance) |
|------|---------|---|---|-----------------------|------------------------|-----------------------|--|--------|---|---|--|
| | | | | | | | Target | Actual | R | | |
| TL21 | KPI045 | Provision of free basic sanitation to registered indigent households (NKPI Proxy - MSA, Reg. S10(a), (b)) | Percentage of registered indigent households with access to free basic sanitation, measured quarterly | 100% | 100% | 100% | 100% | 100% | | 6 666 / 6 666 x 100 = 100% | |
| TL22 | KPI074 | Formal households provided with access to water (NKPI Proxy - MSA, Reg. S10(a)) | Number of formal households provided with access to water, measured quarterly | 26 088 | 26 000 | 26 000 | 26 000 | 26 397 | | 27 143 – 736 – 10 = 26 397 | |
| TL23 | KPI075 | Formal households provided with access to electricity (NKPI Proxy - MSA, Reg. S10(a)) | Number of formal households provided with access to electricity, measured quarterly | 26 088 | 24 000 | 24 000 | 24 000 | 26 397 | | 27 143 – 736 – 10 = 26 397 | |
| TL24 | KPI076 | Formal households provided with access to refuse removal (NKPI Proxy - MSA, Reg. S10(a)) | Number of formal households provided with access to refuse removal, measured quarterly | 26 088 | 26 000 | 26 000 | 26 000 | 26 397 | | 27 143 – 736 – 10 = 26 397 | |
| TL25 | KPI077 | Formal households provided with access to sanitation (NKPI Proxy - MSA, Reg. S10(a)) | Number of formal households provided with access to sanitation, measured quarterly | 26 088 | 26 000 | 26 000 | 26 000 | 26 397 | | 27 143 – 736 – 10 = 26 397 | |

Summary of Results: SFA 4 - Dignified Living

| | |
|------------------------|-----------|
| KPI Not Yet Measured | 0 |
| KPI Not Met | 0 |
| KPI Almost Met | 1 |
| KPI Met | 3 |
| KPI Well Met | 6 |
| KPI Extremely Well Met | 2 |
| Total KPIs | 12 |

5.2.5 SFA 5 - Good Governance and Compliance

| SFA 5 - GOOD GOVERNANCE AND COMPLIANCE | | | | | | | | | | | |
|--|---------|---|--|-----------------------|------------------------|-----------------------|--|--------|---|--|---|
| Ref | IDP Ref | KPI Name | Description of Unit of Measurement | Past Year Performance | Original Annual Target | Revised Annual Target | Overall Performance 01 July 2019 to 30 June 2020 | | | Performance comments / Reason(s) for deviation from target (under and over performance) | Improvement Plan(s) to correct deviation from target (under performance) |
| | | | | | | | Target | Actual | R | | |
| TL26 | KPI055 | Financial viability measured in terms of the available cash to cover fixed operating expenditure (NKPI Proxy - MSA, Reg. S10(g)(iii)) | Cost coverage as at 30 June annually [(Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment] / Monthly Fixed Operational Expenditure excluding (Depreciation) | 4.70 | 4 | 4 | 4 | 2.43 | | Decrease in the payment collection rate from 96 to 85% during April and May, due to CoVID19. | N/A, the collection rate is expected to improve as the effect of the CoVID 19 pandemic becomes less severe. |
| TL27 | KPI056 | Achieve an average payment percentage of 96% by 30 June (Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100 | (Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100 | 100.24% | 96% | 96% | 96% | 89.17% | | (R290 310 743 + R880 125 828 - R262 470 829 - R123 186 856) / R880 125 828 = 89.17% Decrease in the payment collection rate from 96 to 85% during April and May, due to CoVID19. | N/A, the collection rate is expected to improve as the effect of the CoVID 19 pandemic becomes less severe. |
| TL28 | KPI057 | Actual expenditure on the approved Capital Budget for the Municipality by 30 June (NKPI - MSA, Reg. S10(c)) | Percentage of approved Capital Budget for the Municipality actually spent by 30 June | 87.53% | 90% | 90% | 90% | 70.25% | | Spending affected by the declaration of a State of National Disaster and consequent National lockdown implemented from 28 March 2020 to date. Projects had to be stopped and could only resume late May and June 2020. | Tender specifications indicators were developed in the Departmental SDBIP 2020/21 for each Directorate which are aligned to the Demand Management Plan. |
| TL29 | KPI058 | Employment equity appointments made within the financial year in the three highest levels of management | Percentage of employment equity appointments made within the financial year in the three highest levels of management, measured by 30 June | 33% | 75% | 75% | 75% | 66.67% | | 4 / 6 x 100 = 66.67% | Employment Equity targets are considered in every appointment in the Municipality. Where candidates from target groups did not apply or did |

SFA 5 - GOOD GOVERNANCE AND COMPLIANCE

| Ref | IDP Ref | KPI Name | Description of Unit of Measurement | Past Year Performance | Original Annual Target | Revised Annual Target | Overall Performance 01 July 2019 to 30 June 2020 | | | Performance comments / Reason(s) for deviation from target (under and over performance) | Improvement Plan(s) to correct deviation from target (under performance) |
|------|---------|---|---|-----------------------|------------------------|-----------------------|--|--------|---|---|--|
| | | | | | | | Target | Actual | R | | |
| | | | | | | | | | | | not pass the assessment test they could not be appointed. |
| TL30 | KPI059 | The percentage of actual payroll budget spent on implementing the Municipal Workplace Skills Plan (NKPI Proxy- MSA, Reg. S10(f)) | Percentage of municipality's payroll budget actually spent on implementing its Workplace Skills Plan ((Total Actual Training Expenditure/ Total Annual payroll Budget) x100), measured by 30 June | 0.14% | 0.85% | 0.58% | 0.58% | 0.13% | | R2 262 082.24/ R1 778 283 844 x100 = 0.13% | Due to the National Lockdown regulations, planned training could not commence or continue. Planned training will be resumed in August 2020 in line with the easing of the National Lockdown regulations and taking the measures to prevent the spread of the virus into consideration. |
| TL31 | KPI060 | Financial viability measured in terms of the Municipality's ability to meet its service debt obligations (NKPI Proxy - MSA, Reg. S10(g)(i)) | Debt coverage ratio ((Total operating revenue - operating grants received) / (Debt service payments due within the year)) measured by 30 June | 55.20% | 15% | 15% | 15% | 59.13% | | | |
| TL32 | KPI061 | Financial viability measured in terms of the outstanding service debtors (NKPI Proxy - MSA, Reg. S10(g)(iii)) | Service debtors to revenue ratio - (Total outstanding service debtors / revenue received for services) measured by 30 June | 17.83% | 27% | 27% | 27% | 12.38% | | | |
| TL33 | KPI062 | Revised Risk-Based Audit Plan (RBAP) submitted to the Audit Committee | Number of Revised RBAPs submitted to the Audit Committee by 30 June | 1 | 1 | 1 | 1 | 1 | | | |
| TL34 | KPI063 | Audit Action Plan (AAP) submitted to the Audit Committee | Number of Audit Action Plans submitted to the Audit Committee by 28 February | 1 | 1 | 1 | 1 | 1 | | | |
| TL35 | KPI064 | Revised Strategic Risk Register (SRR) submitted to the Risk Management Committee | Number of Revised Strategic Risk Registers submitted to the Risk Management Committee by 30 June | 1 | 1 | 1 | 1 | 1 | | | |

SFA 5 - GOOD GOVERNANCE AND COMPLIANCE

| Ref | IDP Ref | KPI Name | Description of Unit of Measurement | Past Year Performance | Original Annual Target | Revised Annual Target | Overall Performance 01 July 2019 to 30 June 2020 | | | Performance comments / Reason(s) for deviation from target (under and over performance) | Improvement Plan(s) to correct deviation from target (under performance) |
|------|---------|--|--|-----------------------|------------------------|-----------------------|--|--------|---|--|--|
| | | | | | | | Target | Actual | R | | |
| TL36 | KPI065 | Revised Information and Communication Technology (ICT) Backup Disaster Recovery Plan submitted to the ICT Steering Committee | Number of Revised ICT Backup Disaster Recovery Plans submitted to the ICT Steering Committee by 31 March | 1 | 1 | 1 | 1 | 1 | | | |
| TL37 | KPI066 | Revised Strategic ICT Plan submitted to the ICT Steering Committee | Number of Revised Strategic ICT Plans submitted to the ICT Steering Committee by 31 March | 1 | 1 | 1 | 1 | 1 | | | |
| TL38 | KPI067 | Draft Integrated Development Plan (IDP) submitted to Council | Number of Draft IDPs submitted to Council by 31 March | 1 | 1 | 1 | 1 | 1 | | | |
| TL39 | KPI068 | Submission of the Revised Asset Management Policy Council | Number of Revised Asset Management Policies submitted to Council by 30 June | 1 | 1 | 1 | 1 | 1 | | | |
| TL40 | KPI070 | IDP / Budget / SDF time schedule (process plan) submitted to Council | Number of IDP / Budget / SDF time schedules (process plan) submitted to Council by 31 August | 1 | 1 | 1 | 1 | 1 | | | |
| TL41 | KPI071 | Revised Electrical Master Plan submitted to Council | Number of Revised Electrical Master Plans submitted to Council by 30 June | 1 | 1 | 1 | 1 | 1 | | | |
| TL42 | KPI072 | Submission of a Draft Smart City Framework to the MayCo | Number of Draft Smart City Frameworks submitted to the MayCo by 31 May | 0 | 1 | 1 | 1 | 0 | | The Draft Smart City Framework has been developed and circulated for input. The framework was also submitted to the management team for input. | Draft Smart City Framework will be submitted to MayCo by 31 May 2021. |

Summary of Results: SFA 5 - Good Governance and Compliance

| | |
|------------------------|-----------|
| KPI Not Yet Measured | 0 |
| KPI Not Met | 5 |
| KPI Almost Met | 2 |
| KPI Met | 9 |
| KPI Well Met | 0 |
| KPI Extremely Well Met | 1 |
| Total KPIs | 17 |

5.3 Supplier performance

Looking at the applicable legislation, specifically s46(1)(a) of the MSA - A municipality must prepare for each financial year an annual report consisting of –

(a) a performance report reflecting— (i) the municipality's, and any service provider's, performance during that financial year, also in comparison with targets of and with performance in the previous financial year.

In consideration of this legislative requirement, we consider the definition prescribed to a service provider, as well as a municipal service and a service delivery agreement in terms of the MSA.

A "service provider" in terms of section 76(b) of the MSA constitutes a person or institution, or combination thereof, which provide to or for the benefit of a local community. Whereas, an "external service provider" is considered to be an external mechanism (as referred to in section 76(b)) which provides a municipal service for a municipality.

It is necessary to further consider the meaning prescribed to a "service delivery agreement", as in terms of section 76(b), this is considered to be an agreement between a municipality and an institution or person mentioned in section 76(b) in terms of which a municipal service is provided by the institution or person, either for its own account or on behalf of the municipality. Finally, the MSA defines a "municipal service" as necessary to ensure an acceptable and reasonable quality of life and, if not provided, would endanger public health or safety of the environment.

In consideration of the year under review, as well as the legislative interpretations detailed above, the Municipality asserts that no service delivery agreements were entered into with service providers who provided a municipal service to or for the benefit of the local community on behalf of the Municipality. However, in the table below we provide an overview of the number of SCM awards made throughout the year.



GERALDINE METTLER
MUNICIPAL MANAGER
DATE: 30 October 2020