



STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

Ref. no.3/4/1/5

2019-08-23

NOTICE OF THE 30TH MEETING OF THE COUNCIL OF STELLENBOSCH MUNICIPALITY WEDNESDAY, 2019-08-28 AT 10:00

TO

The Speaker, Cllr WC Petersen (Ms) [Chairperson]
The Executive Mayor, Ald G Van Deventer (Ms)
The Deputy Executive Mayor, Cllr N Jindela

COUNCILLORS

F Adams	MC Johnson
FJ Badenhorst	DD Joubert
FT Bangani-Menziwa (Ms)	N Mananga-Gugushe (Ms)
Ald PW Biscoombe	C Manuel
G Cele (Ms)	NE Mcombring (Ms)
PR Crawley (Ms)	XL Mdemka (Ms)
A Crombie (Ms)	C Moses (Ms)
Z Dalling (Ms)	RS Nalumango (Ms)
R Du Toit (Ms)	N Olayi (Ms)
J Fasser	MD Oliphant
A Florence	SA Peters
AR Frazenburg	MM Pietersen
E Fredericks (Ms)	WF Pietersen
T Gosa	SR Schäfer
E Groenewald (Ms)	Ald JP Serdyn (Ms)
JG Hamilton	N Sinkinya (Ms)
AJ Hanekom	P Sitshoti (Ms)
DA Hendrickse	Q Smit
JK Hendriks	LL Stander
LK Horsband (Ms)	E Vermeulen

Notice is hereby given in terms of Section 29, read with Section 18(2) of the *Local Government: Municipal Structures Act, 117 of 1998*, as amended, that the **30TH MEETING** of the **COUNCIL** of **STELLENBOSCH MUNICIPALITY** will be held in the **COUNCIL CHAMBER, TOWN HOUSE, PLEIN STREET, STELLENBOSCH** on **WEDNESDAY, 2019-08-28** at **10:00** to consider the items on the Agenda.


SPEAKER
WC PETERSEN (MS)

2019/08/22

MEETING OF THE COUNCIL OF STELLENBOSCH MUNICIPALITY 2019-08-28

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7.	APPROVAL OF MINUTES OF PREVIOUS COUNCIL
7.1	CONFIRMATION OF MINUTES OF THE 29 TH COUNCIL MEETING: 2019-07-24

The minutes of the 29th Council Meeting: 2019-07-24 is attached as **APPENDIX 1**.

FOR CONFIRMATION

APPENDIX 1



STELLENBOSCH
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Ref. no.3/4/1/5

2019-07-24

MINUTES

29TH MEETING OF THE COUNCIL OF STELLENBOSCH MUNICIPALITY

2019-07-24 AT 10:00

Detailed account of the meeting proceedings is available on audio recording, which is obtainable from The Municipal Manager's Office per Request for Information (RFI)

MINUTES
29TH MEETING OF THE COUNCIL
OF STELLENBOSCH MUNICIPALITY
2019-07-24

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MINUTES OF THE 29TH MEETING OF THE COUNCIL OF STELLENBOSCH MUNICIPALITY HELD ON 2019-07-24 AT 10:00 IN THE COUNCIL CHAMBER, TOWN HOUSE, PLEIN STREET, STELLENBOSCH

PRESENT	The Acting Speaker, Cllr Q Smit [Acting Chairperson] The Executive Mayor, Ald G van Deventer (Ms) (until 13:30) The Deputy Executive Mayor, Cllr N Jindela	
COUNCILLORS	F Adams (until 11:00)	MC Johnson
	FJ Badenhorst	DD Joubert (left between 12:10-14:00)
	FT Bangani-Menziwa (Ms)	N Mananga-Gugushe (Ms)
	Ald PW Biscombe	NE Mcombring (Ms)
	G Cele (Ms)	XL Mdemka (Ms)
	PR Crawley (Ms)	C Moses (Ms)
	R Du Toit (Ms)	RS Nalumango (Ms)
	J Fasser	N Olayi
	A Florence	MD Oliphant
	AR Frazenburg	SA Peters
	E Fredericks (Ms)	MM Pietersen
	T Gosa	WF Pietersen
	E Groenewald (Ms)	SR Schäfer
	JG Hamilton (left between 12:00-12:30)	Ald JP Serdyn (Ms)
	DA Hendrickse	N Sinkinya (Ms)
	JK Hendriks	E Vermeulen (Ms)
	LK Horsband (Ms)	

Officials:	Municipal Manager (Ms G Mettler) Director: Corporate Services (Ms A De Beer) Director: Infrastructure Services (D Louw) Director: Planning and Economic Development (T Mfeya) Chief Financial Officer (K Carolus) Director: Community and Protection Services (G Boshoff) Senior Manager: Governance (Ms S De Visser) Manager: Communications (S Grobbelaar) Manager: Secretariat (EJ Potts) Senior Administration Officer (T Samuels (Ms)) Committee Clerk (N Mbali (Ms)) Interpreter (J Tyatyeka)
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1.	OPENING AND WELCOME
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The Municipal Manager, Ms G Mettler, welcomed all present at the 29th Council meeting. She notified Council that the Speaker, Cllr WC Petersen (Ms) submitted an apology for leave of absence. In terms of Section 41 of the Structures Act, an Acting Speaker must be elected for the duration of the meeting.

In line with Rule 5.2 of Council's Rules of Order By-Law, the Municipal Manager called for nominations for an Acting Speaker. Cllr PW Biscombe nominated Cllr Q Smit.

There were no other nominations, and Cllr Q Smit was duly elected as the Acting Speaker for the duration of the meeting.

The elected Acting Speaker, Cllr Q Smit, took the chair and presided over the meeting.

The Acting Speaker, Cllr Q Smit welcomed all present, especially the newly elected Councillor of the ANC, Cllr C Moses (Ms), who replaces Cllr GN Bakubaku-Vos (Ms). He also welcomed Cllr J Fasser who attended his 3rd Council meeting and wished him well on his birthday which he celebrated on 13 July.

Cllr F Adams expressed his dissatisfaction for receiving his Council Agenda less than 24 hours prior to the Council meeting and requested either time off or to be excused from the meeting, because he were not allowed ample time to study the Agenda. In response to Cllr F Adams's request, the Acting Speaker confirmed that Cllr F Adams indeed received his Agenda late, but it was not deliberately, and allowed him to be excused from the meeting (at 10:20).

2.	COMMUNICATIONS
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2.1	MAYORAL ADDRESS
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"Goeiedag, Good morning, Molweni, As-salaam Alaikum

- Lekker om te begin met goeie nuus.
 - o Baie geluk aan die Springbokke met hul sege oor Australië, Saterdag.
 - o Die ster van die wedstryd Saterdag was een van ons streek se eie seuns – Herschel Jantjies!
 - o Herschel het twee drieë gedruk in sy debuutwedstryd Saterdag en was ook gekroon as speler van die wedstryd.
 - o Herschel kom van Kylemore en het skoolgegaan in Paul Roos.
 - o Baie geluk aan Herschel en sy gesin en alle sterkte vir die komende wedstryde.
 - o Ons is baie trots op jou!
- On 3 August, Stellenbosch FC will be playing in its first PSL game against Chippa United.
 - o The game will be played in Port Elizabeth, Nelson Mandela Stadium
 - o All the best for this first game and know that the support of the entire Stellenbosch Community and the best wishes of this Council goes with you.
- Baie opgewonde oor ons nuwe hidrolise platform voertuig wat ons Vrydag amptelik in ontvangs gaan neem.
 - o Belangrike aanwinst tot ons brandbestryding en reddingskapasiteit.
 - o Die voertuig sal ons in staat stel om brande en reddingsoperasies in hoër geboue meer effektief te hanteer.
 - o Voertuig kan tot 30m hoog werk (ongeveer 10 verdiepings)
 - o Die provinsiale regering het ook 'n bydrae gemaak tot die aanskaffing van die voertuig.
 - o Die tenderproses is gevolg en Rosenbauer, 'n wêreldbekende vervaardiger van hierdie tipe voertuie, het die bod gekry.
 - o Die voertuig is in Duitsland vervaardig en is verskeep na Suid-Afrika.
 - o Die voertuig is spesifiek vervaardig vir Stellenbosch, met ons nuwe strate in gedagte.
- The first ever meeting of the School Principal's Forum was held on Thursday evening, 18 July 2019. Mayor van Deventer established this forum.
- Important forum to bring school principals from the entire municipal area together on a regular basis.

- The forum aims to facilitate networking, encourage cooperation, expedite the resolving of issues and create a direct link between our schools and the municipality.
- Although education is not a municipal competency, our schools are also our clients and receive services from us.
- This forum will provide schools with a platform to raise issues that we can potentially help resolve.
- On 9 August, we will commemorate the role South African women played in establishing our democracy and continues to play in upholding our constitutional values.
- Despite our constitutionally guaranteed rights and freedoms, many women in South Africa are still treated as second class citizens facing abuse, discrimination and violence.
- I want to encourage all members of this council to celebrate Women's Day by sharing the message of empowerment and justice for women with your children, your wives, mothers, sisters and neighbours.
- Let's break the silent discrimination based on gender and celebrate the role of women as founding mothers in our country!
- Inwoners en raadslede word daaraan herinner dat ons steeds op vlak 2 waterbeperkings is, ten spyte van die goeie reënval van die afgelope paar weke.
- Die gemiddelde damvlakke in die provinsie is tans 49% terwyl die Stad Kaapstad se damme tans op 63% staan.
- Hou dus asseblief aan om water te spaar.
- Alhoewel ons watersituasie verbeter het vanaf verlede jaar, is daar steeds baie onsekerheid oor wat die res van die Winter asook die Somer vir ons gaan inhou.

Thank you."

2.2	COMMUNICATION BY THE SPEAKER
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The Acting Speaker, Cllr Q Smit raised his concern regarding the different lists that were submitted by parties to speak on. He urged Party Whips to kindly attend the Chief Whips meeting which are held prior to Council meetings.

Two Urgent items will be submitted under item 12 of the Agenda, and additional time will be given to Councillors to peruse the documents.

2.3	COMMUNICATION BY THE MUNICIPAL MANAGER
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The Municipal Manager, on behalf of Council, expressed her sincere condolences with the passing of an employee in the Planning and Economic Development Department, Mr Noor Daniels. A minute of silence was observed.

3.	OFFICIAL NOTICES
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3.1	DISCLOSURE OF INTEREST
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NONE

3.2	APPLICATIONS FOR LEAVE OF ABSENCE	(3/4/1/6)
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3.2.1 The following applications for leave of absence were approved in terms of the Rules of Order By-law of Council:-

Cllr A Crombie (Ms)	– 24 July 2019
Cllr Z Dalling (Ms)	– 24 July 2019
Cllr AJ Hanekom	– 24 July 2019
Cllr C Manuel	– 24 July 2019
Cllr WC Petersen	– 24 July 2019
Cllr LL Stander	– 24 July 2019
Cllr P Sitshoti (Ms)	– 24 July 2019

3.2.2 Permission was granted to the following Councillors to leave the meeting earlier:

Cllr F Adams	– (left at 10:20)
Cllr A Florence	– (left at 13:00)
Cllr J Hamilton	– (left between 12:00-12:30)
Cllr DD Joubert	– (left between 12:10-14:00)
Ald G Van Deventer (Ms)	– (left at 13:30)

4.	CONFIRMATION OF MINUTES	(3/4/1/5)
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4.1	CONFIRMATION OF MINUTES OF THE 27TH COUNCIL: 2019-05-29	(3/4/1/5)
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The minutes of the 27th Council Meeting: 2019-05-29 were **confirmed as correct, subject to the following amendments:**

Under 3.2.1 application for leave of absence

that the name of Cllr MD Oliphant be added to the names granted apology for leave of absence, because he submitted a doctor's certificate to the Office of the Speaker.

4.2	CONFIRMATION OF MINUTES OF THE 28TH COUNCIL: 2019-06-12	(3/4/1/5)
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The minutes of the 28th Council Meeting: 2019-06-12 were **confirmed as correct, subject to the following corrections:**

Under Communication by the Municipal Manager, capture the following:

“The Municipal Manager requested Council to take cognizance that on 7 June 2019, the Minister of Finance promulgated the new Municipal Cost Containment Regulations, 2019. The Regulations are applicable to all municipal officials and political office bearers in municipalities and will come into effect as from 1 July 2019. The Regulations will be made available to everyone.”

MINUTES

29TH MEETING OF THE COUNCIL
OF STELLENBOSCH MUNICIPALITY

2019-07-24

5.	STATUTORY MATTERS	(3/4/1/4)
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NONE

6.	REPORT/S BY THE MUNICIPAL MANAGER RE OUTSTANDING RESOLUTIONS TAKEN AT PREVIOUS COUNCIL MEETINGS
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ITEM	Pg.	INPUT	MM'S RESPONSE
<u>Cllr Serdyn (Ms)</u> THE FUTURE USE AND MAINTENANCE OF COUNCIL HERITAGE BUILDINGS	94	Item is 100% complete and not 30% as indicated, and should be allocated to Piet Smit and not Bernabe de la Bat.	MM will follow-up and respond in writing at the August Council meeting.
<u>Cllr DA Hendrickse</u> 7.6 INVESTIGATION WITH REGARD TO THE VARIOUS RESIDENTIAL PROPERTIES IN MONT ROCHELLE NATURE RESERVE	93	Raised his concern that this resolution was taken on 2015-10-28 and is still on 95% complete, which is unacceptable.	MM will follow-up and respond in writing at the August Council meeting.
<u>Cllr DA Hendrickse</u> THE FUTURE USE AND MAINTENANCE OF COUNCIL HERITAGE BUILDINGS	94	Cllr Hendrickse requested the MM to clarify on Cllr J Serdyn's comment that this report is 100% complete according Mr Piet Smit, and not 30% as stated in the report.	MM will follow-up and respond in writing at the August Council meeting.
<u>Cllr DA Hendrickse</u> JAMESTOWN HOUSING PROJECT	99	Requested the MM to provide clarity and more detail to Council on the way forward in terms of this project.	MM will follow-up and respond in writing at the August Council meeting.
<u>Cllr DA Hendrickse</u> APPOINTMENT OF A STRATEGIC ADVISORY COMMITTEE	100	A tender went out, and after 2 years these pieces of land have not been awarded?	MM will follow-up and respond in writing at the August Council meeting.
<u>Cllr DA Hendrickse</u> DRAFT 2 NORTHERN EXTENSION LAND FOR RELOCATION OF SURPLUS HOUSEHOLDS, KAYAMANDI PROGRESS - STATUS REPORT 20.09.2018	103	"Funding for the acquisition of land was received from the Provincial Dept of Human Settlements. Transfer process is under way." This comment has no relation to the item and should be deleted.	MM will follow-up and respond in writing at the August Council meeting.
<u>Cllr DA Hendrickse</u> PROPOSED SERVICE DELIVERY IN JONKERSHOEK	105	Not satisfied with the comment. An item should be submitted to Council reporting on the status of the various departments.	MM will follow-up and respond in writing at the August Council meeting.
<u>Cllr DA Hendrickse</u> ADVERTISING OF DRAFT MUNICIPAL SPATIAL DEVELOPMENT FRAMEWORK (MSDF) FOR WC024	108	Why is the SDF not serving at this Council as stated in the comment?	MM will follow-up and respond in writing at the August Council meeting.
<u>Cllr DA Hendrickse</u> APPROVAL OF THE DRAFT SECOND REVIEW OF THE FOURTH GENERATION IDP 2017 – 2022	108	IDP was already approved in May as prescribed.	MM will follow-up and respond in writing at the August Council meeting.
<u>Cllr DA Hendrickse</u> APPLICATION TO RELAX DEED OF SALE CONDITION: ANTI-SPECULATION CLAUSE: ERF 9194 TECHNOPARK	110	"Item on outstanding municipal debt will follow." Why is the comment here about the debt being written off? Clarity please?	MM will follow-up and respond in writing at the August Council meeting.
<u>Cllr DA Hendrickse</u> PROPOSED RENEWAL OF EXISTING MOU FOR THE MUNICIPAL COURT OF STELLENBOSCH	114	Based on the comments, what is the legal status of the municipal court if the previous agreement has lapsed and an agreement was sent to Department of Justice for signature?	MM will follow-up and respond in writing at the August Council meeting.
<u>Cllr DA Hendrickse</u> Outstanding resolutions not reported on as per the Urgent Council meeting dated 2019-06-12 RENTAL OF OFFICE SPACE APPROVAL OF DEBT AGREEMENT		What is the status of the following: RENTAL OF OFFICE SPACE? Was it signed? LOAN AGREEMENT WITH NEDBANK? Was agreement signed?	MM will follow-up and respond in writing at the August Council meeting.

NOTED

The concerns raised and the feedback report on Outstanding Resolutions.

7.	CONSIDERATION OF ITEMS BY THE EXECUTIVE MAYOR: (ALD G VAN DEVENTER (MS))
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7.1	COMMUNITY AND PROTECTION SERVICES: (PC : CLLR J DE VILLIERS)
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7.1.1	POWERS AND APPOINTMENT OF LAW ENFORCEMENT OFFICERS APPOINTED BY MUNICIPALITIES
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Collaborator No: 646370
IDP KPA Ref No: Safest valley
Meeting Date: 10 July 2019

1. SUBJECT: POWERS AND APPOINTMENT OF LAW ENFORCEMENT OFFICERS APPOINTED BY MUNICIPALITIES

2. PURPOSE

To inform Council of the additional powers and functions of Law Enforcement officers appointed by a municipality.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

On 19 October 2018 the Minister of Justice and Correctional Services published the requirements for the appointment of Law Enforcement officers by municipalities in terms of Declaration no. 1114 of Government Gazette no. 41982. (Refer to attached **ANNEXURES A AND B**).

29TH COUNCIL MEETING: 2019-07-24: ITEM 7.1.1

NOTED

the additional powers and functions of Law Enforcement officers as per Declaration no. 1114 of Government Gazette 41982.

FOR FURTHER DETAILS CONTACT:

NAME	Neville Langenhoven
POSITION	
DIRECTORATE	COMMUNITY & PROTECTION SERVICES
CONTACT NUMBERS	X8497
E-MAIL ADDRESS	Neville.Langenhoven@ Stellenbosch.gov.za
REPORT DATE	14 May 2019

7.2	CORPORATE SERVICES: (PC: CLLR AR FRAZENBURG)
7.2.1	APPLICATION TO LEASE UNIT 1 OF BOSMANSHUIS (PART OF THE DORP STREET FLATS UNITS) TO THE IEC: CONSIDERATION OF WRITTEN INPUTS RECEIVED

Collaborator No:

IDP KPA Ref No: *Good Governance*

Meeting Date: 10 July 2019

1. SUBJECT: APPLICATION TO LEASE UNIT 1 OF BOSMANSHUIS (PART OF THE DORP STREET FLATS UNITS) TO THE IEC: CONSIDERATION OF WRITTEN INPUTS RECEIVED

2. PURPOSE

To consider the written inputs received as a consequence of the public notice and to make a final determination on whether to conclude a lease agreement with the IEC or not.

3. DELEGATED AUTHORITY

Council must consider the item.

4. EXECUTIVE SUMMARY

An application to lease a premise from Stellenbosch Municipality was received from the IEC. They originally indicated their interest in an office in the Town Hall, but that office is needed for the Municipality's own operations. One of the Dorp street flats was identified as a possible option. The premise that was identified for possible leasing by the IEC is Unit 1 in Bosmanshuis. The IEC inspected the premises and is happy that it will fulfil their needs. The IEC is a chapter 9 institution.

Council considered the matter on 2019-03-27 and, approved the proposed lease in principle, subject to a public participation process. The advertisement of the proposed leased for inputs were published on 9 May 2019. Input was received from the Stellenbosch Interest Group (**APPENDIX 3**).

Council must now consider the written inputs received and must make a final determination in this regard.

29TH COUNCIL MEETING: 2019-07-24: ITEM 7.2.1**RESOLVED** (majority vote)

- (a) that Council takes note of the written submission received from Stellenbosch Interest Group; and
- (b) that approval be granted to enter into a 3 year lease agreement with the IEC at an initial monthly rental of R5940, being 30% of fair market value, subject to the following conditions:
 - (i) IEC to take full responsibility for all internal maintenance as well as any functional upgrades needed for their own purposes;
 - (ii) That no upgrades or changes may take place without approval of the Municipality and taking into account the heritage status of the building;
 - (iii) That an early termination clause be inserted indicating that the contract can be terminated with a six (6) months written notice, should Council need the property for its own use, or should Council decide to dispose of the property or for any other legal reason want to cancel the lease;
 - (iv) An annual escalation on 1 July 2020 and 2021 of 7% apply;
 - (v) That the Municipal Manager be authorised to conclude the Lease Agreement.

Cllrs DA Hendrickse and LK Horsband (Ms) requested that their votes of dissent be minuted.

FOR FURTHER DETAILS CONTACT:

NAME	PIET SMIT
POSITION	MANAGER: PROPERTY MANAGEMENT
DIRECTORATE	CORPORATE SERVICES
CONTACT NUMBERS	021-8088189
E-MAIL ADDRESS	Piet.smit@ Stellenbosch.gov.za
REPORT DATE	2019-07 -03

7.2.2	PROPOSED EXCHANGE OF LAND: DISPOSAL OF ERF 1523 TO THE SEVENTH DAY ADVENTIST CHURCH IN EXCHANGE FOR ERF 718, KAYAMANDI: CONSIDERATION OF INPUTS RECEIVED
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Collaborator No:

IDP KPA Ref No:

Good Governance

Meeting Date:

10 July 2019

1. SUBJECT: PROPOSED EXCHANGE OF LAND: DISPOSAL OF ERF 1523 TO THE SEVENTH DAY ADVENTIST CHURCH IN EXCHANGE FOR ERF 718, KAYAMANDI: CONSIDERATION OF INPUTS RECEIVED

2. PURPOSE

To make a final determination on the proposed exchange of land after considering the inputs received as a consequence of the public notice.

3. DELEGATED AUTHORITY

The Municipal Council must consider the matter.

4. EXECUTIVE SUMMARY

Following the allocation of erf 718 to the Seventh Day Adventist Church in 1997, they paid the sales price of R11 286.00 in full during 2002. Before the property could be transferred to them, it became evident that the Municipal Clinic Building (now a Provincial clinic) was encroaching onto erf 718. Following a request by the Provincial Government of the Western Cape to acquire erf 718, in order for them to extend the current building, the Seventh Day Adventist Church was approached to accept an alternative site (erf 1523, Kayamandi).

They have subsequently confirmed in writing that they will accept the exchange of land, subject to certain conditions.

When Council considered the matter on 2019-02-27, they resolved, as follows:

RESOLVED (nem con)

- "a) that erf 1523 be identified as land not needed to provide the minimum level of Municipal Services;*
- b) that Council in principle approve the exchange of erf 718 for erf 1523 at equal value;*
- c) that Council's intention to do the exchange of land be advertise for public inputs/objections.*
- d) that following the public notice period, Council make a final decision in this regard".*

A notice was published on 25 April 2019 and one (1) input was received. Council must now consider this input and make a final determination on the proposed exchange of land.

The objection raised was on the availability of a play area for children that will be affected. Erf 1522 zoned a public open space will not be affected and can still be used as a play park.

29TH COUNCIL MEETING: 2019-07-24: ITEM 7.2.2**RESOLVED** (nem con)

- (a) that Council takes note of the written submission received and the concerns raised therein;
- (b) that Council approves the exchange of erf 718, Kayamandi for erf 1523 at equal value to the Seventh Day Adventist Church, subject to a fall-back clause, should the church not use the property for institutional use anymore; and
- (c) that the Municipal Manager be authorised to sign all documents necessary to attend to the transfer of erf 1523 to the Seventh Day Adventist Church.

FOR FURTHER DETAILS CONTACT:

NAME	Piet Smit
POSITION	Manager: Property Management
DIRECTORATE	Corporate Services
CONTACT NUMBERS	021-8088189
E-MAIL ADDRESS	Piet.smit@ Stellenbosch.gov.za
REPORT DATE	2019-06-12

7.2.3	PROPOSED CONCLUSION OF LEASE AGREEMENTS: LEASE FARMS 502 AX AND AY
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Collaborator No:

IDP KPA Ref No:

Good Governance

Meeting Date:

10 July 2019

1. SUBJECT: PROPOSED CONCLUSION OF LEASE AGREEMENTS: LEASE FARMS 502 AX AND AY

2. PURPOSE

To obtain Council approval for the conclusion of a lease agreement with Mr Jacques Olivier in relation to Lease Farms 502 AX and AY, following the public participation process.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

Stellenbosch Municipality concluded three (3) long-term Lease Agreements with HC Myburgh Boerdery on 1 April 1991.

During 2013 Mr Myburgh approached the Municipality with a written request to cede the lease agreements to the Heldervalley Farming Association, which, at the time included Mr Jacques Olivier. Before a formal agreement in this regard could be reached, Mr Myburgh passed away. Although the ceding was never formalised, women used the land for farming purposes as from 2008 under the supervision of Mr Olivier.

On 2019-01-30 Council considered a report, to approve, in principle, the leasing of the properties to Mr Jacques Olivier for a period of 9 years and 11 months, subject thereto that Council's intention so to act be advertised for public inputs. Council approved the recommendations, subject thereto that Council's intention to enter into the lease agreement be advertise for public inputs.

A formal notice was published; inviting interested and effected parties/individuals to submit written inputs by not later than 23 April 2019.

No such input/objections/comments were received and Council must now make a final determination.

29TH COUNCIL MEETING: 2019-07-24: ITEM 7.2.3

RESOLVED (majority vote)

- (a) that it be noted that no written submissions/input/objections were received, following the public notice;
- (b) that Council approves the leasing of Lease Farms 502 AX and AY to Mr Jacques Olivier for a period of 9 years and 11 months at a rate of 20% of market value, (R438.85 ha/per annum), provided that the current farming continues and that the land only be used for bona fide farming purposes;
- (c) that the rental be increased by CPI (based on 12 months July to June) on a yearly basis. That it be noted that when a new evaluation (every 5 years) takes place the rental be 20% of that market value with the same escalation provision until the end of the contract;

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-
- (d) that Mr Olivier ensures as far as is reasonably possible that the current people who farm on the land under his supervision continue to farm;
- (e) that Mr Olivier provides the Municipality with the list of people who currently form part of the farming on the property; and
- (f) that a separate report on the outstanding debt be provided to council by the Finance Department.

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

Cllrs FT Bangani-Menziwa (Ms); DA Hendrickse; LK Horsband (Ms); C Moses (Ms); RS Nalumango (Ms); N Mananga-Gugushe (Ms); MD Oliphant and N Sinkinya (Ms);

FOR FURTHER DETAILS CONTACT:

NAME	ANNALENE DE BEER
POSITION	DIRECTOR: CORPORATE SERVICES
DIRECTORATE	CORPORATE SERVICES
CONTACT NUMBERS	021-808 8106
E-MAIL ADDRESS	Annalene.deBeer@ Stellenbosch.gov.za
REPORT DATE	2019-06-14

7.3	FINANCIAL SERVICES: [PC: CLLR P CRAWLEY (MS)]
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NONE

7.4	HUMAN SETTLEMENTS: [CLLR N JINDELA]
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7.4.1	PROPOSED DEVELOPMENT OF ERF 81/2 AND ERF 81/9, STELLENBOSCH, FOR BACKYARDERS OF STELLENBOSCH
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Collaborator No: 653153

IDP KPA Ref No:

Meeting Date: 17 July 2019

1. SUBJECT: PROPOSED DEVELOPMENT OF ERF 81/2 AND ERF 81/9, STELLENBOSCH, FOR BACKYARDERS OF STELLENBOSCH

2. PURPOSE

To motivate for the proposed development of Erf 81/2 and Erf 81/9, Stellenbosch, henceforth "the property", as a residential development that can potentially address the housing needs of backyarders in Stellenbosch.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

Stellenbosch Municipality has over the last number of years developed a housing pipeline that addresses all types of housing delivery that takes into consideration all social and financial requirements of the residents.

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. The areas that are targeted for this projects are Ida's Valley, Cloeteville and Khayamandi and to a lesser extent Jamestown and Klapmuts. The purpose of the project is to make provision for essentially residents who would not under ordinary circumstances qualify for subsidised housing, for example backyard dwellers that earn higher than the earnings threshold for a housing subsidy or are not in a position to obtain a mortgage loan from a financial institution.

It is therefore imperative that the proposed development must be sensitive to the general built and landscaping vernacular of the Stellenbosch area. The proposed site for this project is Erf 81/2 and Erf 81/9. The site has several constraints for development. A desktop study using Google Earth indicated that a developable area ranging between 1ha and 3ha could be realised on the property. The latter area takes into consideration all the physical constraints on the property.

The site lends itself to a similar kind of development as in the Nuutgevonden Estate which is north of the Mount Simon development. The housing typologies that are part of the latter developments are all included under any social housing development, e.g. duplex apartments and single residential properties.

**29TH COUNCIL MEETING: 2019-07-24: ITEM 7.4.1****RESOLVED** (majority vote)

- (a) that a feasibility study as a matter of urgency must be concluded to determine the exact extent of the developable area;
- (b) that the appropriate land use rights as a matter of urgency be obtained;
- (c) that any development on the property be sensitive and complementary to enhancing the aesthetics of the entrance of Stellenbosch;
- (d) that the proposed development be earmarked for backyards in Cloetesville, Ida's Valley and Kayamandi; and
- (e) that the report be brought to Council as soon as possible.

Cllrs DA Hendrickse and LK Horsband (Ms) requested that their votes of dissent be minuted.

7.5	INFRASTRUCTURE: [CLLR Q SMIT]
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NONE

7.6	PARKS, OPEN SPACES AND ENVIRONMENT: [PC: CLLR N JINDELA]
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NONE

7.7	PLANNING AND ECONOMIC DEVELOPMENT: [PC: CLLR E GROENEWALD (MS)]
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NONE

7.8	RURAL MANAGEMENT AND TOURISM: [PC: CLLR S PETERS]
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NONE

7.9	YOUTH, SPORTS AND CULTURE: [PC: M PIETERSEN]
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NONE

7.10	REPORTS SUBMITTED BY THE MUNICIPAL MANAGER
7.10.1	APPROVED TOP LAYER (TL) SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) 2019/20

Collaborator No:

IDP KPA Ref No:

Good Governance and Compliance

Meeting Date:

10 July 2019

1. SUBJECT: APPROVED TOP LAYER (TL) SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) 2019/20

2. PURPOSE

To inform Council that the Executive Mayor has approved the Top Layer (TL) Service Delivery and Budget Implementation Plan (SDBIP) 2019/20.

3. DELEGATED AUTHORITY

According to Section 53(1)(c)(ii) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (the MFMA), the Executive Mayor must approve the TL SDBIP within 28 days after the approval of the municipal budget.

4. EXECUTIVE SUMMARY

Section 53(1)(c)(ii) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (the MFMA) compels the Mayor of a municipality to take all reasonable steps to ensure that the municipality's Service Delivery and Budget Implementation Plan (SDBIP) is approved by the mayor within 28 days after the approval of the budget.

The TL SDBIP 2019/20 was approved by the Executive Mayor on 26 June 2019, which falls within the prescribed 28 days after the approval of the Budget.

The TL SDBIP 2019/20 is herewith submitted to Council for notification.

29TH COUNCIL MEETING: 2019-07-24: ITEM 7.10.1

RESOLVED (majority vote with abstentions)

- (a) that Council takes note of the approved Top Layer (TL) Service Delivery and Budget Implementation Plan (SDBIP) 2019/20 attached hereto as **ANNEXURE A**;
- (b) that Council takes note that the approved TL SDBIP 2019/20 has been made public within 10 working days after the approval of the TL SDBIP 2019/20 and duly submitted to the MEC for Local Government in the Province; and
- (c) that Council approves that the performance indicators and targets as contained in the approved Integrated Development Plan (2017/2022) be adjusted in accordance with the performance indicators and targets contained in the approved TL SDBIP 2019/20 to ensure accurate technical alignment between the IDP 2017/2022 and TL SDBIP 2019/20.

Cllrs DA Hendrickse and LK Horsband (Ms) requested that their votes of dissent be minuted.

7.10.2	REVISED PERFORMANCE MANAGEMENT POLICY 2019/20
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Collaborator No:

IDP KPA Ref No:

Good Governance and Compliance

Meeting Date:

10 July 2019

1. SUBJECT: REVISED PERFORMANCE MANAGEMENT POLICY 2019/20**2. PURPOSE**

To submit the Revised Performance Management Policy 2019/20 to Council for adoption.

3. DELEGATED AUTHORITY

The executive mayor must, in terms of section 39 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (the MSA), manage the development of a performance management system and submit it to Council for adoption.

4. EXECUTIVE SUMMARY

To table the Revised Performance Management Policy 2019/20 for consideration and adoption by Council. This policy has been revised to be applicable for the 2019/20 financial year to monitor the improvement of services in the Stellenbosch Municipal Area.

29TH COUNCIL MEETING: 2019-07-24: ITEM 7.10.2**RESOLVED** (majority vote)

that Council adopts the Revised Performance Management Policy 2019/20.

Cllrs DA Hendrickse and LK Horsband (Ms) requested that their votes of dissent be minuted.

FOR FURTHER DETAILS CONTACT:

NAME	Shireen De Visser
POSITION	Senior Manager: Governance
DIRECTORATE	Municipal Manager
CONTACT NUMBERS	021 808 8035
E-MAIL ADDRESS	shireen.devisser@ Stellenbosch.gov.za
REPORT DATE	04 July 2019

7.10.3	PERFORMANCE AGREEMENTS 2018/19 OF THE CHIEF FINANCIAL OFFICER AND THE DIRECTOR: COMMUNITY AND PROTECTION SERVICES
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Collaborator No:

IDP KPA Ref No:

Good Governance and Compliance

Meeting Date:

10 July 2019

1. SUBJECT: PERFORMANCE AGREEMENTS 2018/19 OF THE CHIEF FINANCIAL OFFICER AND THE DIRECTOR: COMMUNITY AND PROTECTION SERVICES

2. PURPOSE

To submit to Council, for notification, the following:

- a) the Performance Agreement 2018/19 as concluded between the Municipal Manager and the Director: Community and Protection Services; and
- b) the Performance Agreement 2018/19 as concluded between the Municipal Manager and the Chief Financial Officer.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

According to Section 57(2) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) the performance agreement must:

- “(a) be concluded within a reasonable time after a person has been appointed as the municipal manager or as a manager directly accountable to the municipal manager and thereafter within one month after the beginning of the financial year of the municipality”.*

29TH COUNCIL MEETING: 2019-07-24: ITEM 7.10.3

NOTED

- (a) the Performance Agreement 2018/19 as concluded between the Municipal Manager and the Chief Financial Officer; and
- (b) the Performance Agreement 2018/19 as concluded between the Municipal Manager and the Director: Community and Protection Services.

FOR FURTHER DETAILS CONTACT:

NAME	Shireen De Visser
POSITION	Senior Manager: Governance
DIRECTORATE	Municipal Manager
CONTACT NUMBERS	021 808 8035
E-MAIL ADDRESS	shireen.devisser@ Stellenbosch.gov.za
REPORT DATE	04 July 2019

8.2	OFFICE OF THE MUNICIPAL MANAGER
8.2.1	STELLENBOSCH MUNICIPALITY STANDING RULES OF ORDER BY-LAW FOR THE MEETINGS OF THE COUNCIL AND ITS COMMITTEES

Collaborator No:

File number:

1/3/1/20

IDP KPA Ref No:

Institutional Transformation

Meeting Date:

24 July 2019

**1. SUBJECT: STELLENBOSCH MUNICIPALITY STANDING RULES OF ORDER
BY-LAW FOR THE MEETINGS OF THE COUNCIL AND ITS COMMITTEES**

2. PURPOSE

To request Council to approve the Stellenbosch Municipality Standing Rules of Order By-Law for the meetings of the Council and its Committees, after publication for input and before the promulgation of the by-law takes place

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

When the current council constituted in 2016, it resolved *“that the existing Rules of Order as set out in the APPENDIX be used as the Rules of Order applicable to the Stellenbosch Municipality’s Council and Council Committee meetings”*.

After the election of the current Speaker, Councillor Wilhelmina Petersen a new process was started to review the 2013 Rules of Order. SALGA published a standard draft Rules of Order By-law late in 2018 and the Rules Committee, under the Chairmanship of the Speaker, decided to use that as a basis for the new Rules of Order for Stellenbosch Municipality’s Council and Committees. The Rules Committee met on several occasions over the months from 18 February 2019 to March 2019 the last meeting being on 25 March 2019 to discuss the draft Rules of Order published by SALGA.

Several changes was made during these discussions and the draft rules were send out to all councillors on 2 March 2019 to provide input on before 20 March 2019. The input received within the time frame was discussed on 25 March 2019 and it was resolved that the final draft must be submitted for editing. The final draft has been submitted to the Stellenbosch University for editing. They have indicated that the final edited version will only be ready after 15 April 2019. The draft by-law was advertised for comment (**APPENDIX 1**) and comments closed on 1 July 2019. If a person wanted to comment, the comments should have been directed to the office of the Municipal Manager. They received no comments (**APPENDIX 1A**). Attached hereto as **APPENDIX 2** find the final Stellenbosch Municipality Standing Rules of Order By-Law for the meetings of the Council and its Committees for consideration and approval.

29TH COUNCIL MEETING: 2019-07-24: ITEM 8.2.1**RESOLVED** (majority vote)

- (a) that it be noted that no comments were received when the By-Law was advertised;
- (b) that the Stellenbosch Municipality Standing Rules of Order By-Law for the meetings of the Council and it's Committees (**APPENDIX 2**) be adopted; and
- (c) that the Municipal Manager be requested to take the necessary steps to promulgate the said Stellenbosch Municipality Rules of Order By-law.

Cllrs DA Hendrickse and LK Horsband (Ms) requested that their votes of dissent be minuted.

FOR FURTHER DETAILS CONTACT:

NAME	ANNALENE DE BEER
POSITION	DIRECTOR CORPORATE SERVICES
DIRECTORATE	CORPORATE SERVICES
CONTACT NUMBERS	021 808 6006
E-MAIL ADDRESS	<i>Annalene.deBeer@ Stellenbosch.gov.za</i>
REPORT DATE	12 July 2019

8.2.2	UPDATE OF TREE REGISTER FOR THE COMMUNITY SERVICES DEPARTMENT FOR THE 2018/2019 FINANCIAL YEAR
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Collaborator No: 653219
IDP KPA Ref No: Strategic Focus Area 2
Meeting Date:

1. **SUBJECT: UPDATE OF TREE REGISTER FOR THE COMMUNITY SERVICES DEPARTMENT FOR THE 2018/2019 FINANCIAL YEAR**
2. **PURPOSE**
To inform Council about the updated tree register for the 2018/2019 financial year.
3. **DELEGATED AUTHORITY**
Standing Committee.
4. **EXECUTIVE SUMMARY**
The tree register is a record keeping document that is used to record trees that are being sponsored within the WC024. The capturing of tree information ensures that the basic information of each tree is logged for control and monitoring purposes.

29TH COUNCIL MEETING: 2019-07-24: ITEM 8.2.2

NOTED

the updated Tree Register for the Community Services Department for the 2018/2019 Financial year.

FOR FURTHER DETAILS CONTACT:

NAME	TAMMY LEIBRANDT
POSITION	MANAGER: ENVIRONMENTAL MANAGEMENT
DIRECTORATE	COMMUNITY AND PROTECTION SERVICES
CONTACT NUMBERS	021 808 8180
E-MAIL ADDRESS	tammy.leibrandt@ Stellenbosch.gov.za
REPORT DATE	06 JUNE 2019

8.2.3	GRANT ALLOCATION OF TOURISM FUNDING TO TOURISM ENTITIES
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Collaborator No:

File No:

IDP KPA Ref No:

Meeting Date: 24 July 2019

1. **SUBJECT: GRANT ALLOCATIONS OF TOURISM FUNDING TO TOURISM ENTITIES**

2. **PURPOSE**

To make a grant allocation based on the applications received from entities/external bodies performing a municipal function.

3. **DELEGATED AUTHORITY**

COUNCIL

4. **EXECUTIVE SUMMARY**

In terms of section 6(2) of the Policy for The Financing of External Bodies Performing a Municipal Function, "the Grant Committee will have the power to make recommendations to Council for final appointments and financial allocations", and in terms of section 6(3), "the Grant Committee must submit a report on its decisions to the Council for final approval".

This item deals with the applications received from tourism organisations who applied for funding in terms of the Policy for The Financing of External Bodies Performing a Municipal Function.

29TH COUNCIL MEETING: 2019-07-24: ITEM 8.2.3

RESOLVED (majority vote)

- (a) that Council takes note of the R4.6m grant allocation available for distribution to tourism organisations; and
- (b) that Council approves the allocation as recommended by the Grant Committee (as per its meeting of 2019-07-12 and contained in this report), to the organisation below as follows:

Visit Stellenbosch

R 2 528 511.00

Cllrs DA Hendrickse and LK Horsband (Ms) requested that their votes of dissent be minuted.

FOR FURTHER DETAILS CONTACT:

NAME	Widmark Moses
POSITION	MANAGER: LED & TOURISM
DIRECTORATE	PLANNING AND ECONOMIC DEVELOPMENT
CONTACT NUMBERS	021 808 8179
E-MAIL ADDRESS	Widmark.moses@ Stellenbosch.gov.za
REPORT DATE	15 July 2019

8.2.4	MONTHLY FINANCIAL STATUTORY REPORTING: DEVIATIONS FOR MAY AND JUNE 2019
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Collaborator No:

File No: 8/1

IDP KPA Ref No: Good Governance and Compliance

Meeting Date: 24 July 2019

1. SUBJECT: MONTHLY FINANCIAL STATUTORY REPORTING: DEVIATIONS FOR MAY AND JUNE 2019

2. PURPOSE

To comply with Regulation 36(2) of the Municipal Supply Chain Management Regulations and Section 36 of the Supply Chain Management Policy 2018/2019 to report the deviations to Council.

3. DELEGATED AUTHORITY

Council

FOR NOTING.

4. EXECUTIVE SUMMARY

Regulation 36(2) of the Municipal Supply Chain Management Regulations and Section 36 of the Supply Chain Management Policy (2018/2019) stipulate that SCM deviations be reported to Council. In compliance thereto, this report presents to Council the SCM deviations that occurred during May and June 2019.

29TH COUNCIL MEETING: 2019-07-24: ITEM 8.2.4

NOTED

the deviations as listed for the months of May and June 2019.

The following deviations were approved with the reasons as indicated below:

DEVIATION NUMBER	CONTRACT DATE	NAME OF CONTRACTOR	CONTRACT DESCRIPTION	REASON	SUBSTANTIATION WHY SCM PROCESS COULD NOT BE FOLLOWED	TOTAL CONTRACT PRICE R
D/SM 46/19	06 May 2019	Smith Tabata Buchanan Boyes (STBB)	Appointment of an appropriately experienced legal service provider for legal assistance with regards to an appeal and implementation of the decision on farm 393/11	Exceptional case and it is impractical or impossible to follow the official procurement processes.	The Municipality received an Appeal on Farm 393/11 Longlands on 28 June 2018. Smith Tabata Buchanan Boyes (STBB) was appointed to assist with the appeal assessment report. Smith Tabata Buchanan Boyes (STBB) was recommended to be	Estimated amount of R 25 872 VAT excluded.

MINUTES

29TH MEETING OF THE COUNCIL
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2019-07-24

					appointed due to the legal firm's expertise in dealing with these type of issues, pertaining to planning law, and the professionalism in handling and finalisation of Municipal matters.	
D/SM 47/19	28 June 2019	Liquid Telecom	Appointment of Liquid Telecom for the provision of voice services on a month to month basis but not exceeding 3 months starting from 1 July 2019 – 30 September 2019 until the implementation of the Telkom SA SOC voice services.	Exceptional case and it is impractical or impossible to follow the official procurement processes.	There was a tender awarded to Telkom SA SOC for the provision of voice services. Due to the delays in the contractual terms and agreement between Stellenbosch Municipality and Telkom SA SOC, a month-to-month contract not exceeding 30 September 2019, starting from 1 July 2019 is required for the voice services from Liquid Telecom until the next contract with Telkom SA SOC has been implemented. It is not practical to now go through a tender process as a new service provider will not be able to provide the services from 1 July 2019 and the Municipality will have no voice services and will not be contactable.	Estimated amount of - R 270 000.00 VAT excluded
D/SM 48/19	28 June 2019	Avalon Technology Group	Appointment of Avalon Technology Group for the provision of 100 mbps internet services for a period not exceeding 3 months starting from 01 July 2019 – 30 September 2019.	Exceptional case and it is impractical or impossible to follow the official procurement processes	Council approved a tender for the provision of the disaster recovery site, WAN and Internet services. The tenderer to whom the tender was awarded informed the Municipality on 26 June 2019 that they are unable to provide the services as indicated in the tender from 1 July 2019. The municipality to make alternative arrangements for short term to host the Disaster recovery site, but the provision of internet services must continue. It is not practical to on such short notice appoint another service provider to provide internet services to the Municipality.	R 91 500.00 VAT excluded

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D/SM 49/19	19 June 2019	Interwaste	Operation and management of landfill site – Interwaste from 01 July 2018 – 30 September 2019	Exceptional case and it is impractical or impossible to follow the official procurement processes	<p>The current deviation expires 30 June 2019, which was approved to allow Section 78 process. Section 78 is taking much longer than initially anticipated and tender can't commence until section 78 process completed.</p> <p>Transfer/ disposal faculty was required to dispose/transfer Stellenbosch, tender had to be cancelled due to non-compliance.</p> <p>The current service provider need to increase slope of the current cell 3 in order to dispose of waste to allow sufficient time for new tender to be put in place.</p> <p>Slope creep requirement and additional handling and material which increased the cost of service provider. This an essential service which we can't do without.</p>	Estimated amount of R2 539 779 VAT excluded until 30 Sept 2019
D/SM 50/19	07 June 2019	Van der Spuy	Gerhard Schalk van Niekerk N.O and Others / Stellenbosch Municipality	Exceptional case and it is impractical or impossible to follow the official procurement processes.	<p>Gerhard Schalk van Niekerk N.O and Others ("the Applicants") instituted review proceedings against Stellenbosch Municipality's resolution of 31 October 2018, which resolved that the owners be instructed to demolish all structures/boundary fences impeding public access to the Millstream, and to move any and all boundary fencing to their own erf boundaries, within a period of 3 (three) months of receipt of the notice.</p> <p>The applicants served papers on the Municipality on 20 May 2019.</p> <p>The normal procurement process will not be completed in time for the</p>	Estimated amount of R490 000.00 VAT excluded

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					<p>municipality to file the notice of opposition on 10 June 2019. If no letter of appointment is filed, the matter is enrolled to be load on 19 June 2019</p> <p>Taking this period in consideration it is impractical and impossible to follow the normal procurement processes.</p>	
D/SM 51/19	24 December 2018	Andre Swart of Smit of Tabata Buchanan Boyes Attorneys	La Concorde South Africa (Pty) Ltd / Stellenbosch Municipality And Others	Exceptional case and it is impractical or impossible to follow the official procurement processes.	<p>La Concorde South Africa (Pty) Ltd instituted legal action against Stellenbosch Municipality, which court papers were served on the Municipality on or about 12 December 2018.</p> <p>Should a formal quotation process be followed, the formal quotations needed to be advertised for a period of seven days on the notice boards and website. Taking this period in consideration, the formal quotation would only be considered in the last week of December 2018, pursuant to any offers being received. Furthermore, most of the attorney firms usually closed between 14 December 2018 to 14 January 2019, whilst the senior partners/directors usually return to work during the third week of January 2019.</p> <p>Taking this period in consideration it is impractical and impossible to follow the normal procurement process.</p>	Estimated amount of R200 000.00 VAT excluding

FOR FURTHER DETAILS CONTACT:

NAME	Kevin Carolus
POSITION	CFO
DIRECTORATE	Finance
CONTACT NUMBERS	021 808 8528
E-MAIL ADDRESS	Kevin.Carolus@ Stellenbosch.gov.za
REPORT DATE	10 July 2019

8.2.5	MFMA SECTION 52 REPORTING UP TO JUNE 2019
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Collaborator No:

File No: 8/1

IDP KPA Ref No: Good Governance and Compliance

Meeting Date: 24 July 2019

1. SUBJECT: MFMA SECTION 52 REPORTING UP TO JUNE 2019

2. PURPOSE

To comply with section 52(d) of the Municipal Finance Management Act and report to Council on the budget; financial and service delivery budget implementation plan by the Municipality for quarter 4 of the 2018/19 financial year.

3. DELEGATED AUTHORITY

THE EXECUTIVE MAYOR TO SUBMIT TO COUNCIL

In terms of section 52 (d) of the Municipal Finance Management Act:

"The mayor of a municipality—

(d) must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget as well as the non-financial performance of the municipality;"

4. EXECUTIVE SUMMARY

The Executive Mayor, must provide general political guidance over the fiscal and financial affairs of the Municipality and is required by Section 52(d) of the Municipal Finance Management Act to submit a report on the implementation of the budget and the financial and non-financial performance of the Municipality, to the Council within 30 days after end of each quarter.

The Section 52 report is a summary of the budget performance. It compares the implementation of the budget to the commitments made and contained in the Service Delivery and Budget Implementation Plan (SDBIP), and is intended to enable Council to give effect to their oversight responsibility.

This report provides the overall performance of the Municipality for the period 1 April 2019 to 30 June 2019.

The Office of the CFO is currently, in terms of s126 (1)(a) of the MFMA, preparing the annual financial statements for the financial period ended 30 June 2019. It is important to note that the information in this report are preliminary results and may not be an accurate reflection of the financial position of the municipality as same will materially be influenced by year-end journals and processes still to be finalised which will influence the financial position. The latter process alluded to will only be finalised by the end of August 2019.

29TH COUNCIL MEETING: 2019-07-24: ITEM 8.2.5**NOTED**

the Section 52 Report (including quarterly performance report) – Fourth Quarter 2018/2019.

FOR FURTHER DETAILS CONTACT:

NAME	Kevin Carolus
POSITION	<i>Director Financial Services</i>
DIRECTORATE	<i>Financial Services</i>
CONTACT NUMBERS	021 – 807 8528
E-MAIL ADDRESS	<i>Kevin.Carolus@ Stellenbosch.gov.za</i>
REPORT DATE	24 July 2019

8.2.6	REPORT ON THE IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY OF STELLENBOSCH MUNICIPALITY: <u>QUARTER 4 (01 APRIL 2019 - 30 JUNE 2019)</u>
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Collaborator No:

File No: 8/1/3/3/2

IDP KPA Ref No: 8: Financial Sustainability (KFA 59: Supply Chain Management

Meeting Date: 24 July 2019

1. SUBJECT: REPORT ON THE IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY OF STELLENBOSCH MUNICIPALITY: QUARTER 4 (01 APRIL 2019 - 30 JUNE 2019)

2. PURPOSE

To submit to Executive Management a report for the period 01 April 2019 – 30 June 2019 on the implementation of Council's Supply Chain Management Policy. The report covers the performance of the various delegated functions and the implementation thereof.

3. DELEGATED AUTHORITY

For decision by Municipal Council.

Section 2(3) & 4 of the SCM Policy 2018/2019 determines that the Accounting Officer must within 10 days at the end of each quarter; submit a report on the implementation of the SCM Policy to the Executive Mayor. This report must be made public in accordance with section 21A of the Municipal Systems Act (32 of 2000).

4. EXECUTIVE SUMMARY

On a quarterly basis the Accounting Officer must submit a report on the implementation of the Supply Chain Management Policy to the Executive Mayor. In terms of the SCM Regulations and Council's SCM Policy the SCM unit has been delegated to perform powers and functions that related to the procurement of goods and services, disposal of goods no longer needed, the selection of contractors to provide assistance in the provision of municipal services.

29TH COUNCIL MEETING: 2019-07-24: ITEM 8.2.6

NOTED

- (a) that Council takes note of this report and **ANNEXURE A** attached to the report; and
- (b) that the report be made public in accordance with section 21A of the Municipal Systems Act.

FOR FURTHER DETAILS CONTACT:

NAME	Kevin Carolus
CONTACT NUMBERS	021 808 8528
E-MAIL ADDRESS	Kevin.Carolus@ Stellenbosch.gov.za
DIRECTORATE	Financial Services
REPORT DATE	10 July 2019

8.2.7	CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS – MUNICIPAL VALUER
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Collaborator No:

File No: 8/1

IDP KPA Ref No: Good Governance and Compliance

Meeting Date: 24 July 2019

1. SUBJECT: CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS – MUNICIPAL VALUER

2. PURPOSE

Council to approve in terms of Section 33(1) (c) MFMA, the contract to be entered into between the municipality and the municipal valuer for the compilation of the General Valuation Roll to be implemented on 1 July 2021.

3. DELEGATED AUTHORITY

Council to approve.

4. EXECUTIVE SUMMARY

A process as envisaged in Section 33, MFMA, is to be followed in order for the municipality to enter into a contract having budgetary implications beyond the three years covered in the current financial year's budget.

This process has been initiated and is to be concluded by the council considering this report and adopting the relevant resolution.

29TH COUNCIL MEETING: 2019-07-24: ITEM 8.2.7

The Speaker **RULED**

that this matter be referred back to the Administration for refinements.

FOR FURTHER DETAILS CONTACT:

NAME	A Treurnich
POSITION	Manager: Treasury
DIRECTORATE	Finance
CONTACT NUMBERS	021 808 8016
E-MAIL ADDRESS	Andre.treurnich@ Stellenbosch.org.za
REPORT DATE	15 July 2019

8.2.8	RECRUITMENT AND SELECTION PROCESS OF THE DIRECTOR: PLANNING AND ECONOMIC DEVELOPMENT
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Collaborator No:

File No:

IDP KPA Ref No: Good Governance and Compliance

Meeting Date: 24 July 2019

1. RECRUITMENT AND SELECTION PROCESS OF THE DIRECTOR: PLANNING AND ECONOMIC DEVELOPMENT

2. PURPOSE OF REPORT

To obtain Council approval for the commencement of the recruitment and selection process of the Director: Planning and Economic Development.

3. DELEGATED AUTHORITY

Municipal Council

4. EXECUTIVE SUMMARY

The contract period of Mr Tabiso Mfeya, Director Planning and Economic Development comes to an end on 30 September 2019. It is therefore critical to commence with the recruitment and selection process for the Director Planning and Economic Development to cultivate stability within the Directorate. The Portfolio Committee consist of three (3) members responsible for the functions of the Directorate. Council to determine which Mayoral Committee member(s) form part of the selection panel. The selection panel must consist of minimum three (3) members and maximum five (5) members.

29TH COUNCIL MEETING: 2019-07-24: ITEM 8.2.8

RESOLVED (majority vote with abstentions)

- (a) that Council approves the recruitment and selection process of the Director Planning and Economic Development;
- (b) that Council approves the recruitment and selection panel of the Director Planning and Economic Development as set out in the Government Gazette 37245: Local Government Regulations on Appointment and Conditions of Employment of Senior Manager –
 - The Municipal Manager;
 - Member of the Mayoral Committee, Councillor Esther Groenewald, being responsible for the majority of the portfolios falling under the Directorate: Planning and Economic Development;
 - At least one person who is not a councillor or staff member, and who has expertise or experience in the area.
- (c) that the advertisement indicates a term of up to 10 years; and
- (b) that an independent external consultant be appointed to assist with the recruitment and selection process in line with abovementioned Regulations (name to be provided at Council).

8.2.9	2019-2020 GRANT IN AID DONATIONS
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Collaborator No: 529636
 IDP KPA Ref No: Dignified Living: Municipal Focus Area 21
 Meeting Date: 24 July 2019

1. SUBJECT: 2019-2020 GRANT IN AID DONATIONS

2. PURPOSE

To obtain approval for an additional Grant in Aid donation for the 2019-2020 financial year.

3. DELEGATED AUTHORITY

FOR DECISION BY MUNICIPAL COUNCIL

4. EXECUTIVE SUMMARY

Council approved Grant in Aid donations as part of the Draft MTREF (Budget) 2019-2022 item at the 27th Council meeting on 29 May 2019. An additional donation is being recommended for approval after it became apparent that the appeal of Nietvoorbij United Football Club was not included in the documents presented to Council on 29 May 2019.

29TH COUNCIL MEETING: 2019-07-24: ITEM 8.2.9

the Speaker **RULED**

that this matter be referred back to the Administration for refinements, whereafter same be resubmitted at the next Council meeting.

FOR FURTHER DETAILS CONTACT:

NAME	Michelle Aalbers
POSITION	Manager Community Development
DIRECTORATE	Community and Protection Services
CONTACT NUMBERS	8408
E-MAIL ADDRESS	Michelle.aalbers@ Stellenbosch.gov.za
REPORT DATE	2019-06-04

9.	MATTERS FOR NOTIFICATION
9.1	REPORT BY THE EXECUTIVE MAYOR
9.1.1	REPORT ON THE DECISIONS TAKEN BY THE EXECUTIVE MAYOR FOR THE QUARTER: APRIL 2019 TO JUNE 2019

File No.:

Collaborator No:

IDP KPA Ref No:

N/A

Meeting Date:

2019-07-24

1. PURPOSE OF THE REPORT

To inform Council of the decisions taken by the Executive Mayor from April 2019 to June 2019 (see **ANNEXURE 1**).

2. BACKGROUND

In terms of the Municipal Structures Act 117 of 1998 Section 56 (5) it is stated that:

“An Executive Mayor must report to the municipal council on all decisions taken by the Executive Mayor.”

According to the Municipal Systems Act 60 (1)(b)

“(1) the following powers may, within policy framework determined by the municipal council be delegated to an executive committee or executive mayor only (b) the determination or alternation of the remuneration, benefits or other conditions of service of the municipal manager or managers directly responsible to the municipal manager.

3. FINANCIAL IMPLICATIONS

None

29TH COUNCIL MEETING: 2019-07-24: ITEM 9.1.1**NOTED**

the decisions taken by the Executive Mayor for the Quarter April 2019 to June 2019.

FOR FURTHER DETAILS CONTACT:

NAME	DONOVAN MULLER
POSITION	OFFICE MANAGER: EXECUTIVE MAYOR
DIRECTORATE	CORPORATE AND STRATEGIC SERVICES
CONTACT NUMBERS	021 8088314
E-MAIL ADDRESS	Donovan.Muller@ Stellenbosch.gov.za
REPORT DATE	01 July 2019

9.1.2	REPORT BY THE EXECUTIVE MAYOR ON THE MAYOR – RECTOR FORUM MEETING: 30 MAY 2019
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Collaborator No:

File No:

IDP KPA Ref No:

Good Governance

Meeting Date:

24 July 2019

1. **SUBJECT: REPORT BY THE EXECUTIVE MAYOR ON THE MAYOR – RECTOR FORUM MEETING: 30 MAY 2019**

2. **PURPOSE**

To inform Council of the matters under discussion at the Mayor – Rector Forum meeting held on 18 February 2019.

3. **DELEGATED AUTHORITY**

FOR INFORMATION

4. **EXECUTIVE SUMMARY**

The Executive Mayor has since her election reported to the Council on discussions that takes place at the regular meetings of the Mayor – Rector Forum. The meeting was held on 30 May 2019. The minutes is attached as **ANNEXURE A**.

29TH COUNCIL MEETING: 2019-07-24: ITEM 9.1.2

NOTED

the report by the Executive Mayor on the Mayor–Rector Forum Meeting dated 30 May 2019.

FOR FURTHER DETAILS CONTACT:

NAME	DONOVAN MULLER
POSITION	OFFICE MANAGER: EXECUTIVE MAYOR
DIRECTORATE	CORPORATE SERVICES
CONTACT NUMBERS	021 8088314
E-MAIL ADDRESS	Donovan.Muller@ Stellenbosch.gov.za
REPORT DATE	1 July 2019

9.2	REPORT BY THE SPEAKER
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NONE

9.3	REPORT BY THE MUNICIPAL MANAGER
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9.3.1	DECISIONS TAKEN BY DIRECTORATES IN TERMS OF DELEGATED AUTHORITY 01 APRIL 2019 UNTIL 30 JUNE 2019
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Collaborator No:

IDP KPA Ref No:

Good governance and Compliance

Meeting Date:

24 JULY 2019

1. DECISIONS TAKEN BY DIRECTORATES IN TERMS OF DELEGATED AUTHORITY FROM 01 APRIL 2019 UNTIL 30 JUNE 2019

2. PURPOSE OF REPORT

To report to Council on the decisions taken by the Municipal Manager and Directors in terms of Council's System of Delegations for the period 01 April 2019 until 30 June 2019, in compliance with Section 63 of the Local Government: Municipal Systems Act read in conjunction with the System of Delegations as approved by Council.

3. DELEGATED AUTHORITY

Municipal Council

4. EXECUTIVE SUMMARY

In view of the legislative stipulations, attached is a summary as **ANNEXURE 1** of decisions taken by each Directorate. The report is for noting purposes.

Please note that these delegations only indicate the delegations exercised as delegated by Council to the various Senior Managers.

29TH COUNCIL MEETING: 2019-07-24: ITEM 9.1.1

NOTED

the report by the Municipal Manager on decisions taken by the following Section 56 Managers, for the period 01 April 2019 until 30 June 2019:

- Municipal Manager – Ms G Mettler (01 April 2019 – 30 June 2019).
- Director Corporate Services – Ms A de Beer (01 April 2019 – 30 June 2019).
- Director Infrastructure Services – Mr D Louw (01 April 2019 – 30 June 2019).
- Director Community and Protection Services – Mr G Boshoff (01 April 2019 – 30 June 2019).
- Chief Financial Officer – Mr K Carolus (01 April 2019 – 30 June 2019).
- Director Planning and Economic Development – Mr T Mfeya (01 April 2019 – 30 June 2019).

10.	CONSIDERATION OF NOTICES OF QUESTIONS AND NOTICES OF MOTIONS RECEIVED BY THE SPEAKER
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NONE

11.	CONSIDERATION OF URGENT MOTIONS
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NONE

12.	URGENT MATTERS SUBMITTED BY THE MUNICIPAL MANAGER
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12.1	TABLING OF APPLICATION FOR DBSA GRANT FUNDING FOR THE REVISED CAPITAL EXPENDITURE FRAMEWORK (CEF) TO BE SUBMITTED TO DCOG IN 2020
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Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance and Compliance

Council: 24 July 2019

1. SUBJECT: TABLING OF APPLICATION FOR DBSA GRANT FUNDING FOR THE REVISED CAPITAL EXPENDITURE FRAMEWORK (CEF) TO BE SUBMITTED TO DCOG IN 2020

2. PURPOSE

The purpose is to obtain Council's approval for submission Development Bank of South Africa (DBSA) Funding for revising the Capital Expenditure Framework as part of the integrated Urban Development Grant process to be submitted to DCOG at the end of March 2020.

3. DELEGATED AUTHORITY

Council support required from DBSA as sign of commitment of work to be done.

4. EXECUTIVE SUMMARY

Stellenbosch Municipality qualified for the IUDG for 2019/20 and has been identified as a participating municipality to contribute to the development improvement of Capital Expenditure Frameworks through the DBSA support programme. The Municipality having engaged with COGTA and with the Development Bank of Southern Africa (DBSA) has requested technical and other non-lending support from the DBSA to develop its Capital Expenditure Framework ("the Project").

DBSA Engaged municipal officials at the IUDG Seminar held in at Birchwood Johannesburg on 9 –10 July 2019 indicating willingness to provide financial assistance in revising the CEF for the 2020 submission. In order to facilitate speedy transfer of the grant funding, the municipality was requested to re-submit a new DBSA grant application for the 2020 CEF by the end of the July 2019. The guidelines for the new submission was received at the end of last week from DBSA, which provided insufficient time to submit this item in time. The importance of the application and the potential financial and other benefit to be Stellenbosch Municipality, Council is therefore asked for its indulgence in accepting the late item submission to consider this item as urgent.

5. RECOMMENDATIONS

- (a) that the Council hereby approves/supports the DBSA Grant support and any related technical support, and supports the implementation of the Project for which it will conclude a Grant Agreement with the DBSA;
- (b) that Council duly authorises and mandates the Municipal Manager to sign the Grant Agreement on its behalf, and to sign and/or dispatch all documents and notices in connection with the Agreement.
- (c) that Municipal Manager to provide the DBSA with the Designated and Authorised Signatories, any of whom shall represent the Municipality on the Project Steering Committee for the purposes stated in the Agreement;
- (d) that the Municipality provides the relevant FICA documentation required by the DBSA in terms of regulations 3, 4, 5 and 6 of FICA (the Financial Intelligence Centre Act, 38 of 2001).

6. LEGAL CONTEXT

According to section 21(n) of the Spatial Planning and Land Use Management Act (SPLUMA), Act No. 16 of 2013, the content of a municipal spatial development framework must determine a CEF for the municipality's development programmes. This means that the CEF is informed by the Spatial Development Framework i.e. stating the spatial vision of the municipality where the CEF states the financial vision of the municipality.

7. DISCUSSION / CONTENTS

7.1 Background

Stellenbosch Municipality qualified for the IUDG for 2019/20 and has been identified as a participating municipality to contribute to the development improvement of Capital Expenditure Frameworks through the DBSA support programme. The Municipality having engaged with COGTA and with the Development Bank of Southern Africa (DBSA) has requested technical and other non-lending support from the DBSA to develop its Capital Expenditure Framework ("the Project").

7.2 Discussion

According to section 21(n) of the Spatial Planning and Land Use Management Act (SPLUMA), Act No. 16 of 2013, the content of a municipal spatial development framework must determine a CEF for the municipality's development programmes. This means that the CEF is informed by the Spatial Development Framework i.e. stating the spatial vision of the municipality where the CEF states the financial vision of the municipality.

The purpose of the ICMs support strategy is to help translate IUDF policy into practical programmes of action in the ICMs. Stellenbosch Municipality is participating in the Government's Intermediate City Municipalities Programme which is designed to support the Municipality to respond to the development challenges that it is facing. The Municipality is expected to revise and submit its Capital Expenditure Framework (CEF) to the Department of Cooperative Governance and Traditional Affairs (COGTA) by 30 March 2020. Stellenbosch Municipality qualified for the IUDG for 2019/20 and has been identified as a participating municipality to contribute to the development improvement of Capital Expenditure Frameworks through the DBSA support programme. The Municipality having engaged with COGTA and with the Development Bank of Southern Africa (DBSA) has requested technical and other non-lending support from the DBSA to develop its Capital Expenditure Framework ("the Project").

DBSA Engaged municipal officials at the IUDG Seminar held in at Birchwood Johannesburg on 9 –10 July 2019 indicating willingness to provide financial assistance in revising the CEF for the 2020 submission. In order to facilitate speedy transfer of the grant funding, the municipality was requested to re-submit a new DBSA grant application for the 2020 CEF by the end of the July 2019. The guidelines for the new submission was received at the end of last week from DBSA, which provided insufficient time to submit this item in time. The importance of the application and the potential financial and other benefit to be Stellenbosch Municipality, Council is therefore asked for its indulgence in accepting the late item submission to consider this item as urgent.

Accordingly, the Municipality will be obliged to enter into a Grant Agreement ("the Agreement") with the DBSA, in terms of which the DBSA will make available a grant and/or technical resources to the benefit of the Municipality for the Project. Pursuant to the Agreement, the Municipality acknowledges that the Grant Amount from the DBSA shall be used solely for the Project which is to be executed by the Professional Services Provider appointed by the Municipality, or alternatively, appointed by the DBSA for the provision of the services relating to the Project for the benefit of the Municipality.

7.3 Financial Implications

The financial implications is aligned to the co-funding requirements of DBSA's grant conditions, as outlined in the letter of motivation attached.

7.4 Legal Implications

Compliance with relevant legislation as outlined.

7.5 Staff Implications

No additional staff implications.

7.6 Previous / Relevant Council Resolutions

None.

7.7 Risk Implications

None

29TH COUNCIL MEETING: 2019-07-24: ITEM 12.1.1**RESOLVED** (nem con)

- (a) that the Council hereby approves/supports the DBSA Grant support and any related technical support, and supports the implementation of the Project for which it will conclude a Grant Agreement with the DBSA;
- (b) that Council duly authorises and mandates the Municipal Manager to sign the Grant Agreement on its behalf, and to sign and/or dispatch all documents and notices in connection with the Agreement.
- (c) that Municipal Manager to provide the DBSA with the Designated and Authorised Signatories, any of whom shall represent the Municipality on the Project Steering Committee for the purposes stated in the Agreement;
- (d) that the Municipality provides the relevant FICA documentation required by the DBSA in terms of regulations 3, 4, 5 and 6 of FICA (the Financial Intelligence Centre Act, 38 of 2001).

ANNEXURES

Annexure A: Stellenbosch Municipality DBSA Grant Application

FOR FURTHER DETAILS CONTACT:

NAME	<i>Shireen de Visser</i>
POSITION	<i>Senior Manager: Governance</i>
DIRECTORATE	<i>Office of the Municipal Manager</i>
CONTACT NUMBERS	<i>021 808 8035</i>
E-MAIL ADDRESS	shireen.devisser@ Stellenbosch.gov.za
REPORT DATE	<i>23 July 2019</i>

The content of this item was discussed with the Executive Mayor

12.2	VAN DER STEL SPORT FACILITY: REVIEW OF THE AGREEMENTS BETWEEN STELLENBOSCH MUNICIPALITY (WC024), STELLENBOSCH SPORT AND RECREATION ASSOCIATION (SSRA) AND VAN DER STEL SPORT COUNCIL
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Collaborator No:

IDP KPA Ref No:

Meeting Date:

24 July 2019

1. SUBJECT: VAN DER STEL SPORT FACILITY: REVIEW OF THE AGREEMENTS BETWEEN STELLENBOSCH MUNICIPALITY (WC024), STELLENBOSCH SPORT AND RECREATION ASSOCIATION (SSRA) AND VAN DER STEL SPORT COUNCIL

2. PURPOSE

To inform Council of:

- 2.1 The draft lease agreement between the Stellenbosch Municipality (WC024) and the Van Der Stel Sport Council.
- 2.2 The draft memorandum of understanding (MOU) between the Stellenbosch Municipality and the Stellenbosch Sport and Recreation Association (SSRA).
- 2.3 The intended review of the respective role functions and obligations of the SSRA and its affiliated structures in respect of municipal sport facilities, in partnership with the Stellenbosch Municipality.

3. DELEGATED AUTHORITY

For the Municipal Council

4. EXECUTIVE SUMMARY

Since the adoption and implementation of the Municipal Sport Plan (2016) it became apparent that it has certain shortcomings, particularly where it is supposed to direct the relationship between the Stellenbosch Municipality, the SSRA and its affiliated sport councils. It is imperative that the municipality identifies the gaps and address it forthwith.

After consultation with the SSRA it was agreed that the revised lease agreements (with Sport Councils) and memorandum of understanding (MOU) with the SSRA, be renewed for 6 months. During the six-month period the municipality, in consultation with the SSRA, will review the Municipal Sport Plan, conduct a forensic audit of the Van Der Stel Sport Club (as per the request of the SSRA), develop a process to deal with the outstanding debt of the Area Sport Councils and commence with the process to transfer management control of the Van Der Stel Sport Facility, back to the municipality. The SSRA and the Community Services Department have agreed that the implementation and execution of the resolutions as contained in this item should be directly linked to specific timelines and be finalised as soon as practically possible.

5. RECOMMENDATIONS

- 5.1 that the draft MOU between the Stellenbosch Municipality and the SSRA be approved for a six month period;
- 5.2 that, upon the dissolution of the lease agreement between the SSRA and Van Der Stel Sport Council, the Director Community & Protection Services be mandated to conclude a lease agreement between the Stellenbosch Municipality and Van Der Stel Sport Council for a period not longer than six months;
 - 5.2.1 that Council takes note of paragraph 8.1. in the draft lease Agreement, which specifically prohibits the Van Der Stel Sport Council from concluding any sub-lease agreement without consultation with and written approval of, the Stellenbosch Municipality;
- 5.3 that Council agrees that the Community Services Department review the Sport Policy and Facilities Management Model (Plan) of the Stellenbosch Municipality, in consultation with the SSRA;
- 5.4 that Council notes that the Municipality will appoint a service provider to conduct a forensic audit of the financial (accounts), operational systems and processes in operation at the Van Der Stel Sport Club; and that the Senior Manager Community Services report back to Council on the forensic investigation's outcome;
- 5.5 that Council notes that the Community Services Department will commence with the process to develop an alternative management model for the Van Der Stel Sport facility, in consultation with the SSRA; and
- 5.6 that a separate report on the outstanding debt of Area Sport Councils be submitted to the next Council Meeting.

6 DISCUSSION / CONTENTS**6.1 Background**

In 2017 the Stellenbosch Municipality revised the lease agreements with the various Sport Councils and concluded one-year contracts with the Sport Councils, except for the Van Der Stel and Kayamandi Sport Councils. Unfortunately the lease agreements with both Kayamandi and Van Der Stel Sport Councils were never concluded and is still outstanding. In the interim, the one-year lease agreements with the other sport councils have also expired and must be renewed.

6.2 Discussion

It is clear from the recent court case between Van Der Stel Sport Club and one of its lessees, that there are certain shortcomings in the current sport and facilities management model which governs the relationship between the Stellenbosch Municipality, the SSRA and its affiliated sport councils. It is critical that the municipality identify the shortcomings in the Sport Management Plan – the plan which was adopted by Council in January 2016 and which paved the way for the categorisation of municipal sport facilities and the drafting of lease agreements per category.

After consultation with the SSRA it was agreed that the revised lease agreements (with Sport Councils) and the Memorandum of Understanding (MOU) with the SSRA, be renewed for six months. During the six-month period the municipality in consultation

with the SSRA, will review the Municipal Sport Plan with the objective to identify the gaps and weaknesses that might have contributed to the management and control challenges presently experienced by both the SSRA and the Municipality in relation to the sport facilities. Based on the earlier request of the SSRA, it was agreed that the municipality will conduct a forensic audit of the financial records, as well as the operational and administrative systems of the Van der Stel Sport Club. The forensic audit will investigate allegations of fraud, mismanagement of resources, preferential treatment, etc. The results of the forensic audit will direct further action where it is deemed necessary.

The SSRA and the Community Services Department have agreed that the implementation and execution of the resolutions as contained in this item should be directly linked to specific timelines so that the forensic audit, review of the Sport and Facilities Management Plan, the implementation of a process to deal with the outstanding debt of Sport Councils and the transfer of management control of the Van Der Stel sport facility, be concluded as soon as practically possible.

6.3 Financial Implications

The municipality will incur costs for the appointment of a service provider to conduct the forensic audit. The potential appointment of additional staff to manage Van Der Stel sport facility will have significant financial implications for the municipality.

6.4 Legal Implications

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

6.5 Staff Implications

This potential take-over of the management of the Van Der Stel sport facility will require additional personnel.

6.6 Previous / Relevant Council Resolutions

November 2017

6.7 Risk Implications

This transfer of direct management control of the Van Der Stel facility will require the municipality to review its risk management plan for sport facilities.

29TH COUNCIL MEETING: 2019-07-24: ITEM 12.2

RESOLVED (majority vote)

- (a) that the draft MOU between the Stellenbosch Municipality and the SSRA be approved for a six month period;
- (b) that, upon the dissolution of the lease agreement between the SSRA and Van Der Stel Sports Council, the Director: Community & Protection Services be mandated to conclude a lease agreement, in line with a rental amount in line with relevant tariffs for rental of municipal property, as amended, from time to time;

MINUTES

29TH MEETING OF THE COUNCIL
OF STELLENBOSCH MUNICIPALITY

2019-07-24

-
- (c) that Council agrees that the Community Services Department review the Sport Policy and Facilities Management Model (Plan) of the Stellenbosch Municipality, in consultation with the SSRA;
 - (d) that Council notes that the Municipality will appoint a service provider to conduct a forensic audit of the financial (accounts), operational systems and processes in operation at the Van Der Stel Sport Club; and that the Senior Manager Community Services report back to Council on the forensic investigation's outcome;
 - (e) that Council notes that the Community Services Department will commence with the process to develop an alternative management model for the Van Der Stel Sport facility, in consultation with the SSRA;
 - (f) that a separate report on the outstanding debt of Area Sport Councils be submitted to the next Council Meeting; and
 - (g) that the period of the aforementioned lease agreement period not exceed six (6) months and that the draft Lease Agreement be updated to reflect same.

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

Cllrs FT Bangani-Menziwa (Ms); DA Hendrickse; LK Horsband (Ms); C Moses (Ms); RS Nalumango (Ms); N Mananga-Gugushe (Ms); MD Oliphant and N Sinkinya (Ms);

Cllr J Hamilton requested that his vote of support be minuted.

ANNEXURES:

Annexure A: Draft Revised MOU with SSRA

Annexure B: Draft Revised Lease Agreement with Van Der Stel Sport Council

FOR FURTHER DETAILS CONTACT:

NAME	Albert van der Merwe
POSITION	Manager: Community Services
DIRECTORATE	Community and Protection Services
CONTACT NUMBERS	021 808 8165
E-MAIL ADDRESS	Albert.vandermerwe@ Stellenbosch.gov.za
REPORT DATE	19 July 2019

13.	CONSIDERATION OF REPORTS
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13.1	REPORTS SUBMITTED BY THE SPEAKER
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NONE

13.2	REPORTS SUBMITTED BY THE EXECUTIVE MAYOR
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NONE

14.	MATTERS TO BE CONSIDERED IN-COMMITTEE
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(See pink documentation)

The meeting adjourned at 15:00.

CHAIRPERSON:

DATE:

Confirmed on **with/without amendments.**

7.2	CONFIRMATION OF MINUTES OF AN URGENT COUNCIL MEETING: 2019-08-02
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The minutes of an Urgent Council Meeting: 2019-08-02 is attached as **APPENDIX 1**.

FOR CONFIRMATION

APPENDIX 1



STELLENBOSCH
STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

Ref no.3/4/1/5

2019-08-02

MINUTES

URGENT MEETING OF THE COUNCIL OF STELLENBOSCH MUNICIPALITY

2019-08-02 AT 10:00

Detailed account of the meeting proceedings is available on audio recording, which is obtainable from The Municipal Manager's Office per Request for Information (RFI)

MINUTES
URGENT MEETING OF THE COUNCIL
OF STELLENBOSCH MUNICIPALITY
2019-08-02

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**MINUTES OF AN URGENT MEETING OF THE COUNCIL OF STELLENBOSCH
MUNICIPALITY HELD ON 2019-08-02 AT 10:00 IN THE COUNCIL CHAMBER, TOWN
HOUSE, PLEIN STREET, STELLENBOSCH**

PRESENT The Acting Speaker, Cllr Q Smit [Acting Chairperson]
The Executive Mayor, Ald G van Deventer (Ms)

COUNCILLORS	F Adams (until 11:00)	AJ Hanekom
	FJ Badenhorst	DA Hendrickse
	FT Bangani-Menziwa (Ms)	JK Hendriks
	Ald PW Biscombe	MC Johnson
	G Cele (Ms)	C Manuel
	PR Crawley (Ms)	C Moses (Ms)
	A Crombie (Ms)	MD Oliphant
	Z Dalling (Ms)	SA Peters
	R Du Toit (Ms)	MM Pietersen
	J Fasser	WF Pietersen
	A Florence	SR Schäfer
	AR Frazenburg	Ald JP Serdyn (Ms)
	E Fredericks (Ms)	N Sinkinya (Ms)
	T Gosa	Q Smit
	E Groenewald (Ms)	LL Stander
	JG Hamilton	E Vermeulen (Ms)

Officials: Municipal Manager (Ms G Mettler)
Director: Corporate Services (Ms A De Beer)
Director: Infrastructure Services (D Louw)
Director: Planning and Economic Development (T Mfeya)
Chief Financial Officer (K Carolus)
Acting Director: Community and Protection Services (A vd Merwe)
Senior Manager: Governance (Ms S De Visser)
Manager: Spatial Planning (B De la Bat)
Manager: Communications (S Grobbelaar)
Manager: Secretariat (EJ Potts)
Senior Administration Officer (T Samuels (Ms))
Committee Clerk (N Mbali (Ms))
Interpreter (J Tyatyeka)

1.	OPENING AND WELCOME
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The Speaker, Cllr WC Petersen (Ms) welcomed all present.

Her communication can be summarized as follows:

- “Allow me to welcome all to the Urgent Council meeting:
 - Executive Mayor
 - Municipal Manager
 - All Directors and other Officials
 - All members of the public
- A special welcome to all women in the Council, meaning:
 - All women Councillors
 - All women in employment of Council
 - And all women in the WCO24 area of jurisdiction.

May we as women remember our past and use this month to reconcile with the future.

- REASONS FOR THIS SPECIAL COUNCIL MEETING
 - Aldermen and Councillors will recall that during the approval of the IDP and Budget at the Council meeting dated 2019-06-12, a request was made to have another public participation on the MSDF process with the closing date for comments on 5 July 2019.
 - An very important Statutory Inter-Governmental Steering Committee meeting took place 5 June 2019 to discuss certain inputs.

Based on the above:

- a special meeting was called for the approval of the Revised Stellenbosch Spatial Development Framework (SDF) after the extended public participation process.
- the Approval of the Integrated Development Plan (IDP) to update the newly included proposals from the communities.

Moment of silence:

- WF Ortell – Alderman and previous Mayor on three (3) occasions, passed away at the age of 89 years. May His Soul Rest In Peace.
- Council also notes the passing on of other people within the WCO24 and think of the families during this cold winter days.
- A student died and another has been paralysed through unknown student activities at the University of Stellenbosch. Lets keep their families and the university itself in our prayers during these times.
- Another brutal attack took place on a 88-year old farmer of Stellenbosch in the Koelenhof area. Request that the agencies of safety do everything human possible to secure our voters lifes against this evil attacks.
- Two people in Jamestown lost their lives in a mysterious way.
- Let us think of all people within WCO24.
- Let us stand for a moment of silence, please.

Thank You”.

2.	APPLICATION FOR LEAVE OF ABSENCE
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- 2.1 The following applications for leave of absence were approved in terms of the Rules of Order By-law of Council:-

Cllr LK Horsband (Ms)	– 2 August 2019
Cllr N Jindela	– 2 August 2019
Cllr DD Joubert	– 2 August 2019
Cllr N Mananga-Gugushe (Ms)	– 2 August 2019
Cllr NE Mcombring (Ms)	– 2 August 2019
Cllr XL Mdemka	– 2 August 2019
Cllr RS Nalumango (Ms)	– 2 August 2019
Cllr N Olayi	– 2 August 2019
Cllr P Sitshoti (Ms)	– 2 August 2019

- 2.2 Permission was granted to Councillor F Adams to leave the meeting earlier (at 11:00), because he did not feel well.

3.	DISCLOSURE OF INTEREST
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NONE

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URGENT MEETING OF THE COUNCIL
OF STELLENBOSCH MUNICIPALITY

2019-08-02

4.	STATUTORY MATTERS
4.1	APPROVAL OF THE DRAFT MUNICIPAL SPATIAL DEVELOPMENT FRAMEWORK IN RESPONSE TO COMMENT AND INPUT RECEIVED FROM THE PUBLIC AND OTHER KEY PLATFORMS

Collaborator No:

IDP KPA Ref No:

Valley of Possibility

Meeting Date:

2 August 2019

-
1. **SUBJECT: APPROVAL OF THE DRAFT MUNICIPAL SPATIAL DEVELOPMENT FRAMEWORK IN RESPONSE TO COMMENT AND INPUT RECEIVED FROM THE PUBLIC AND OTHER KEY PLATFORMS**
 2. **PURPOSE**
To submit to council the final draft municipal Spatial Development Framework (*mSDF*) in terms of the Municipal Systems Act, no 32 of 2000 (MSA) for formal approval.
 3. **DELEGATED AUTHORITY**
Council
 4. **EXECUTIVE SUMMARY**
The purpose of the item is to inform Council of the comments received during the period that the *mSDF* was re-advertised in terms of the Stellenbosch Municipal Land Use Planning By-law, 2015 and Section 20(3) of the Spatial Planning and Land Use Planning Act, No 16 of 2013 (SPLUMA) and the MSA for a further period of 21 days and to obtain Council approval of the *mSDF* for inclusion in the 2019/20 Integrated Development Plan (IDP).

URGENT COUNCIL MEETING: 2019-08-02: ITEM 4.1

The Administration handed out a map in the meeting, which replaces page 79 in the Agenda (see attached **APPENDIX**). A presentation on the document was done by the Director: Planning and Economic Development, Mr T Mfeya and the Manager: Spatial Planning, Mr B De La Bat.

During deliberations on the matter, the DA requested a caucus, which the Speaker allowed.

When the meeting resumed, it was

RESOLVED (majority vote)

- (a) that Council notes input and comments received on the Draft Municipal Spatial Development Framework attached as **ANNEXURE 1** of the agenda;

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URGENT MEETING OF THE COUNCIL
OF STELLENBOSCH MUNICIPALITY

2019-08-02

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- (b) that Council approves the final draft *mSDF* as attached as **ANNEXURE 1** to the agenda item; with the exclusion of Erf 1049/3 from the urban edge, as this is currently zoned agriculture;
- (c) that the final draft Municipal Spatial Development Framework be included in the 2019/20 Integrated Development Plan (IDP); and
- (d) that the Municipal Manager be mandated to investigate the approvals of Brandwacht Hotel outside the urban edge and how this proposal was now included in the Brandwacht urban edge.

Cllr DA Hendrickse requested that his vote of dissent be minuted and that an Official confirmed that there is an other rezoning on the land apart from agriculture.

NAME	Tabiso Mfeya
POSITION	Director Planning and Economic Development
DIRECTORATE	Planning and Economic Development
CONTACT NUMBERS	021 – 808 8491
E-MAIL ADDRESS	Tabiso.mfeya@ Stellenbosch.gov.za
REPORT DATE	20 July 2019

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URGENT MEETING OF THE COUNCIL
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2019-08-02

4.2	APPROVAL OF THE DRAFT FIRST AMENDMENT OF THE FOURTH GENERATION IDP 2017 – 2022
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Collaborator No: 654776
IDP KPA Ref No: Good Governance and Compliance
Meeting Date: 2 August 2019

1. SUBJECT: APPROVAL OF THE DRAFT FIRST AMENDMENT OF THE FOURTH GENERATION IDP 2017 – 2022

2. PURPOSE

To submit the draft First Amendment of the Fourth Generation IDP 2017 – 2022 to Council to be released for public comment.

3. DELEGATED AUTHORITY

In terms of Section 34 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA) prescribes that the Municipal Council:–

“(b) may amend its integrated development plan in accordance with a prescribed process.

The process referred to in Section 34(b) of the MSA are further regulated by Regulations 3(1) – (6) of the Local Government: Municipal Planning and Performance Management Regulations, 2001.

4. EXECUTIVE SUMMARY

The Municipality concluded an extensive process to review its Municipal Spatial Development Framework (*mSDF*). The *mSDF* is regarded as a core component to the IDP, as noted in Section 26(e) of the MSA. The *mSDF* is regarded as a critical developmental tool as an enabler for development, hence the *mSDF* must be incorporated into the IDP to give expression to its developmental focal.

URGENT COUNCIL MEETING: 2019-08-02: ITEM 4.2

RESOLVED (majority vote)

- (a) that the draft First Amendment of the Fourth Generation IDP (2017 –2022) of the Stellenbosch Municipality be tabled in terms of section 34(b) of the MSA read together with Regulations 3(1) – (6) of the Local Government: Municipal Planning and Performance Management Regulations, 2001;
- (b) that the draft First Amendment of the Fourth Generation IDP (2017 –2022) be released for public comment;
- (c) that the period of 21 days shall commence from the date of the Council resolution;

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2019-08-02

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- (d) that an advertisement be placed on the official website of the Municipality, municipal notice boards and in the local newspapers notifying the public that the draft First Amendment of the Fourth Generation IDP 2017 – 2022 is open for public inputs and comments during August 2019; and
- (e) that the draft First Amendment of the Fourth Generation IDP 2017 – 2022 be submitted to the Department of Local Government, Provincial Treasury, National Treasury and the Cape Winelands District Municipality.

Cllr DA Hendrickse requested that his vote of dissent be minuted.

FOR FURTHER DETAILS CONTACT:

NAME	Shireen De Visser
POSITION	Senior Manager: Governance
DIRECTORATE	Municipal Manager
CONTACT NUMBERS	021 808 8035
E-MAIL ADDRESS	shireen.devisser@ Stellenbosch.gov.za
REPORT DATE	29 July 2019

MINUTES

URGENT MEETING OF THE COUNCIL
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2019-08-02

5.	MATTERS SUBMITTED BY THE MUNICIPAL MANAGER
5.1	2019-2020 GRANT IN AID DONATIONS: EDMUND RICE CAMPS

Collaborator No:	654789
IDP KPA Ref No:	Dignified Living: Municipal Focus Area 21
Meeting Date:	2 August 2019

1. SUBJECT: 2019-2020 GRANT IN AID DONATIONS: EDMUND RICE CAMPS

2. PURPOSE

To inform council of the status of the approved Grant in Aid donation for the 2019-2020 financial year.

3. DELEGATED AUTHORITY

FOR DECISION BY MUNICIPAL COUNCIL

4. EXECUTIVE SUMMARY

Council approved Grant in Aid donations as part of the Draft MTREF (Budget) 2019-2022 item at the 27th Council meeting on 29 May 2019. After approval of the donations, the Grant in Aid policy requires that a Memorandum of Agreement be signed with each of the recipient organizations prior to making payment. Agreements were signed with all approved organisations apart from Edmund Rice Camps and documentation have been prepared to give effect to the intended donations.

URGENT COUNCIL MEETING: 2019-08-02: ITEM 5.1

NOTED

that the approved donation of R 40 000.00 for Edmund Rice Camps will not be paid.

FOR FURTHER DETAILS CONTACT:

NAME	Michelle Aalbers
POSITION	Manager Community Development
DIRECTORATE	Community and Protection Services
CONTACT NUMBERS	8408
E-MAIL ADDRESS	Michelle.aalbers@ Stellenbosch.gov.za
REPORT DATE	2019-07-03

MINUTES

URGENT MEETING OF THE COUNCIL
OF STELLENBOSCH MUNICIPALITY

2019-08-02

5.2	2019-2020 GRANT IN AID DONATIONS
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Collaborator No: 529636
 IDP KPA Ref No: Dignified Living: Municipal Focus Area 21
 Meeting Date: 02 August 2019

1. SUBJECT: 2019-2020 GRANT IN AID DONATIONS

2. PURPOSE

To obtain approval for a Grant in Aid donation for the 2019-2020 financial year.

3. DELEGATED AUTHORITY

FOR DECISION BY MUNICIPAL COUNCIL

4. EXECUTIVE SUMMARY

Council approved Grant in Aid donations as part of the Draft MTREF (Budget) 2019-2022 item at the 27th Council meeting on 29 May 2019. A further donation is being recommended for approval after it became apparent that the appeal of Nietvoorbij United Football Club was not included in the documents presented to Council on 29 May 2019.

URGENT COUNCIL MEETING: 2019-08-02: ITEM 5.2

RESOLVED (majority vote)

that a Grant in Aid donation to the amount of R 40 000.00 to Nietvoorbij United Football Club be approved.

FOR FURTHER DETAILS CONTACT:

NAME	Michelle Aalbers
POSITION	Manager Community Development
DIRECTORATE	Community and Protection Services
CONTACT NUMBERS	8408
E-MAIL ADDRESS	Michelle.aalbers@ Stellenbosch.gov.za
REPORT DATE	2019-07-30

5.3	FINAL GRANT ALLOCATIONS OF TOURISM FUNDING TO TOURISM ENTITIES
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1. SUBJECT: FINAL GRANT ALLOCATIONS OF TOURISM FUNDING TO TOURISM ENTITIES

2. PURPOSE

To make the final grant allocations on applications received from entities/external bodies performing a municipal function.

3. DELEGATED AUTHORITY

COUNCIL

4. EXECUTIVE SUMMARY

In terms of section 6(2) of the Policy for The Financing of External Bodies Performing a Municipal Function, "the Grant Committee will have the power to make recommendations to Council for final appointments and financial allocations", and in terms of section 6(3), "the Grant Committee must submit a report on its decisions to the Council for final approval".

This item deals with the applications received from tourism organisations who applied for funding in terms of the Policy for The Financing of External Bodies Performing a Municipal Function.

URGENT COUNCIL MEETING: 2019-08-02: ITEM 5.3

RESOLVED (majority vote with abstentions)

- (a) that Council takes note of the R 2 071 489 grant allocation available for distribution to tourism organisations; and
- (b) that Council approves the allocation as recommended by the Grant Committee (as per its meeting of 2019-07-12 and contained in this report), to the organisations below as follows:

Franschhoek Wine Valley Tourism	R 1 202 075
Stellenbosch Economic Enterprise Development	R 417 000
Dwarsrivier Tourism Office	R 452 414

FOR FURTHER DETAILS CONTACT:

NAME	Widmark Moses
POSITION	MANAGER: LED & TOURISM
DIRECTORATE	PLANNING AND ECONOMIC DEVELOPMENT
CONTACT NUMBERS	021 808 8179
E-MAIL ADDRESS	Widmark.moses@ Stellenbosch.gov.za
REPORT DATE	30 July 2019

MINUTES

URGENT MEETING OF THE COUNCIL
OF STELLENBOSCH MUNICIPALITY

2019-08-02

5.4	2019/20 WATER AND REFUSE REMOVAL TARIFF ADJUSTMENTS
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Collaborator No:

IDP KPA Ref No:

Meeting Date: 2 August 2019

1. SUBJECT: 2019/20 WATER AND REFUSE REMOVAL TARIFF ADJUSTMENTS**2. PURPOSE**

To obtain Council's approval to adjust the 2019/20 water and refuse removal tariffs in line with the increases approved by council.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

The water tariffs structure is based on a punitive structure. The purpose of a punitive structure is to force high-volume water users to reduce demand and to bring the municipality's water usage down. This means that the higher block tariffs will increase with a higher percentage.

After assessing the outstanding debt it's evident that water debt substantially increased over last year and considering the outcry from the public about the high water accounts coupled with the improved dam levels. It is recommended that all water block tariffs be adjusted to increase with only 6.5% for the 2019/2020 financial year.

The refuse removal tariffs also need to be adjusted. A calculation error in the input sheet for the refuse removal tariffs resulted in tariffs increasing with 20% and not 16.5% as recommended to council. These tariffs need to be adjusted to reflect the correct increase of 16.5%.

The refuse removal revenue modelling was done on a 16.5% increase, therefore the budgeted refuse removal revenue is correct.

URGENT COUNCIL MEETING: 2019-08-02: ITEM 5.4

During debate on the matter, the ANC requested a caucus, which the Speaker allowed.

When the meeting resumed, it was

RESOLVED (majority vote)

that Council approves the adjusted water and refuse removal tariffs in **APPENDIX 1**.

Cllr DA Hendrickse requested that his vote of dissent be minuted.

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2019-08-02

FOR FURTHER DETAILS CONTACT:

NAME	Kevin Carolus
POSITION	CFO
DIRECTORATE	Financial Services
CONTACT NUMBERS	021 808 8528
E-MAIL ADDRESS	kevin.carolus@ Stellenbosch.gov.za
REPORT DATE	31 July 2019

The meeting adjourned at 12:10.

CHAIRPERSON:

DATE:

Confirmed on with/without amendments.

8.	STATUTORY MATTERS
8.1	APPROVAL OF THE DRAFT FIRST AMENDMENT OF THE FOURTH GENERATION IDP 2017-2022

**(KINDLY NOTE: THIS MATTER WILL BE DISTRIBUTED
IN DUE COURSE, AFTER THE CLOSING DATE OF
2019-08-26)**

9.	REPORT BY THE MUNICIPAL MANAGER RE OUTSTANDING RESOLUTIONS
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The report by the Municipal Manager re outstanding resolutions taken at previous meetings of Council is attached as **APPENDIX 1**.

FOR INFORMATION

APPENDIX 1

Council Meeting		Resolution	Resolution Date	Allocated To	% Feedback	Feedback Comment
394114	Investigation with regards to the various residential properties in Mont Rochelle Nature Reserve	<p>7.6 INVESTIGATION WITH REGARD TO THE VARIOUS RESIDENTIAL PROPERTIES IN MONT ROCHELLE NATURE RESERVE</p> <p>35TH COUNCIL MEETING: 2015-10-28: ITEM 7.6</p> <p>RESOLVED (majority vote)</p> <p>(a) that Council rescind its resolution taken at the meeting dated, 2014-01-16, with regard to Item 7.2;</p> <p>(b) that the funds allocated to be spent on conducting the proposed investigation rather be spent on consolidating the 46 unsold erven with Mont Rochelle Nature Reserve and negotiating with the owners of the 14 sold (but undeveloped) erven (the priority being erven 342, 307, 314, 322, 355, 336, located in a visually sensitive area north-eastern slope of "Du Toits Kop" facing the Franschoek valley) regarding the possibility to exchange current erven within Mont Rochelle Nature Reserve with erven in a more suitable area (suitable in terms of environmental, visual and service delivery perspective); and</p> <p>(c) that any other feasible alternative that can limit the impact on the nature reserve that might be identified in the process be considered.</p> <p>The following Councillors requested that their votes of dissent be minuted: Councillors F Adams; JA Davids; DA Hendrickse; S Jooste (Ms); C Moses (Ms); P Mntumi (Ms); RS Nalumango (Ms); P Sitshoti (Ms); AT van der Walt and M Wanana.</p> <p>(DIRECTOR: PLANNING AND ECONOMIC DEVELOPMENT TO ACTION)</p>	2015-10-28	SCHALKVDM	95.00	A site visit was undertaken on 26/10/2018. Internal meetings held. In the process of formulating an implementation plan. Area is currently inaccessible due to Franschoek pass being closed. Site visits outstanding to be finalised.
478901	THE THIRD GENERATION INTEGRATED WASTE MANAGEMENT PLAN	<p>7.6.4 THE THIRD GENERATION INTEGRATED WASTE MANAGEMENT PLAN (IWMP) FOR STELLENBOSCH MUNICIPALITY</p> <p>4TH COUNCIL MEETING: 2016-11-23: ITEM 7.6.4</p>	2016-11-23	SALIEMH	95.00	The process will be finalised in September 2019. The content of the IWMP has been finalised and the annual review thereof has been completed.

	(IWMP) FOR STELLENBOSCH MUNICIPALITY	<p>RESOLVED (nem con)</p> <p>(a) that the attached Draft 3rd Generation IWMP be supported by Council for approval in principle; and</p> <p>(b) that the proposed Draft 3rd Generation IWMP be duly advertised for public comment until the end of February 2017, and be re-submitted together with any comments / objections by D:EA&DP and the public, for final approval and adoption by Council.</p>				
478903	SECTION 78 PROCESS FOR AN EXTERNAL SERVICE DELIVERY MECHANISM WITH REGARDS TO PUBLIC	<p>7.6.2 SECTION 78 PROCESS FOR AN EXTERNAL SERVICE DELIVERY MECHANISM WITH REGARD TO PUBLIC TRANSPORT</p> <p>4TH COUNCIL MEETING: 2016-11-23: ITEM 7.6.2</p> <p>RESOLVED (majority vote)</p> <p>(a) that Council approves the proposal that an assessment of the municipality's capacity be done to determine its ability to provide the proposed public transport service through an internal mechanism and that the recommendation of the assessment be submitted to Council for consideration and decision; and</p> <p>(b) that, should the above assessment recommend the use of an external mechanism for the provision of the public transport service, a feasibility study be conducted for the provision of the service through an external mechanism.</p> <p>The following Councillors requested that their votes of dissent be minuted: Councillors F Adams; DA Hendrickse and LK Horsband (Ms).</p>	2016-11-23	ROSCOEB	50.00	Item submitted to serve at next MayCo meeting.
513321	THE FUTURE USE AND MAINTENANCE OF COUNCIL HERITAGE BUILDINGS	<p>7.3.1 THE FUTURE USE AND MAINTENANCE OF COUNCIL HERITAGE BUILDINGS</p> <p>8TH COUNCIL MEETING: 2017-04-26: ITEM 7.3.1</p> <p>RESOLVED (majority vote with abstentions)</p> <p>(a) that Council supports the establishment of a "heritage portfolio" that can be managed independently from other assets and that the Municipal Manager be mandated to identify all council owned properties to be placed in the heritage portfolio;</p> <p>(b) that the Rhenish complex including Voorlegegen and the Transvalia complex of apartments (Transvalia, Tinetta, Bosmanhuis en Alma) be agreed to be categorised as category A assets;</p> <p>(c) that in terms of Section 14(2)(a) of the MFMA, the properties listed in paragraph 3.4 (table 2) marked as Category A properties, be identified as</p>	2017-04-26	BERNABEDLB	30.00	Information statement in process to be compiled.

		<p>properties not needed to provide the minimum level of basic municipal services;</p> <p>(d) that, in terms of Regulation 34(3) of the ATR, the Municipal Manager be authorized to conduct the prescribed public participation process, as envisaged in Regulation 35 of the ATR, with the view of awarding long term rights in relation to the Category A properties;</p> <p>(e) that, for the purpose of disposal, two independent valuers be appointed to determine the fair market value and fair market rental of the properties listed in Categories A and B;</p> <p>(f) that, following the public participation process, a report be tabled before Council to consider in principle, the awarding of long term rights in the relevant properties, whereafter a public competitive disposal process be followed; and</p> <p>(g) that, with regard to the properties listed as Category B and C, the Municipal Manager be mandated to investigate the best way of disposing of or managing these assets, including feasibility studies on the possible disposal/awarding of long term rights and/or outsourcing of the maintenance function and that a progress report be tabled before Council within 6 months from the date of approval of the recommendation.</p> <p>Councillor F Adams requested that his vote of dissent be minuted.</p> <p>(DIRECTOR: PLANNING AND ECON DEV TO ACTION)</p>				
514994	Stellenbosch Municipality: Extension of Burial Space	<p>7.3.2 STELLENBOSCH MUNICIPALITY: EXTENSION OF BURIAL SPACE</p> <p>8TH COUNCIL MEETING: 2017-04-26: ITEM 7.3.2</p> <p>RESOLVED (nem con)</p> <p>(a) that Council amends its 27th Meeting of the Council of Stellenbosch (25 February 2015) resolution by adding (b)(x) to include any alternative land in the same area which could feasibly be used as a site to be investigated as a solution to the critical need for burial space within Stellenbosch Municipality;</p> <p>(b) that Council supports the acquisition of the required authorization for the proposed establishment of regional cemeteries (for burial need within WC024) at Farm Culcatta No. 29 and the Remainder of Farm Louw's Bos No. 502 as well as the proposed establishment of a regional cemetery at Farm De Novo No. 727/10 and Portion 1 of 'Farm Meer Lust No 1006 should the process of acquiring the necessary approval from the Department of Transport and Public Works be acquired;</p> <p>(c) that the possible creation of a garden of remembrance as alternative to a traditional land site also be investigated; and</p> <p>(d) that Council authorises the Municipal Manager to proceed with acquiring the</p>	2017-04-26	SCHALKVDM	60.00	Environmental Impact Assessment (EIA) proceeding on 2 sites, Louw's Bos and Culcatta Bos. Expecting a decision from the DEADP on the NEMA application on both by November 2019 and Water Use Licensing by DWS by May 2020.

		necessary approvals for the establishment of the above cemeteries. (DIRECTOR: PLANNING & ECON DEV TO ACTION)				
543945	IDENTIFYING OF MUNICIPAL AGRICULTURAL LAND FOR IMPLEMENTATION OF FARMER PRODUCTION SUPPORT UNIT (FPSU) - 9/2/1/1/1/3	<p>7.3.2 IDENTIFYING OF MUNICIPAL AGRICULTURAL LAND FOR IMPLEMENTATION OF FARMER PRODUCTION SUPPORT UNIT (FPSU)</p> <p>12TH COUNCIL: 2017-09-27: ITEM 7.3.2</p> <p>RESOLVED (majority vote with abstentions)</p> <p>(a) that Council support and approve the implementation of a Farmer Production Support Unit (FPSU) within the WCO24;</p> <p>(b) that Council support and approve the following two sites as identified for the purpose of a Farmer Production Support Unit (FPSU) in accordance with the Policy of the Management of Agricultural Land:</p> <ul style="list-style-type: none"> • Lease portion BH1 of Farm 502, Stellenbosch; and • Lease portion BH2 of Farm 502 Stellenbosch. <p>(c) that the Local Economic Development Department be mandated to undertake all required land use management applications and processes, which include, amongst others rezoning, registration of lease area and departures for the relevant area to accommodate a Farmer Production Support Unit (FPSU) as the current zoning is for agricultural purposes only, given sufficient funding and budget made available by the National Department of Rural Development and Land Reform (NDRDLR); and</p> <p>(d) that the National Department of Rural Development and Land Reform (NDRDLR) draft a MOU between the Stellenbosch Municipality as land owner and the National Department of Rural Development and Land Reform (NDRDLR) on the roles and responsibilities of the different role players for the Council to consider, prior to any lease agreement be entered into or change in land use process commences.</p> <p>Cllrs DA Hendrickse and LK Horsband (Ms) requested that their votes of dissent be minuted.</p> <p>Councillor F Adams requested that it be minuted that he supports the item with reservations.</p> <p>(DIRECTOR: PLAN & ECON DEV TO ACTION)</p>	2017-09-27	WIDMARKM	65.00	Draft MOU completed. Zoning of the areas identified for the FPSU was confirmed to be correct to commence with the activities.
543966	PARKING UPGRADE REPORT	<p>7.6.1 PARKING UPGRADE REPORT</p> <p>12TH COUNCIL: 2017-09-27: ITEM 7.6.1</p>	2017-09-27	JOHANF	90.00	Item submitted to serve at next MayCo meeting.

		<p>RESOLVED (majority vote with abstentions)</p> <p>(a) that a Section 78 process be launched and that an internal parking service delivery increase be investigated through the Section 78(1) approach;</p> <p>(b) that parking service delivery increase be based on the towns of:</p> <ul style="list-style-type: none"> i) Stellenbosch ii) Klapmuts, and iii) Franschhoek; and <p>(c) that a formal report be submitted to Council as required by Section 78(2), which will indicate the best way of rendering internal parking and any recommendations to a possible external method of rendering parking services.</p> <p>(DIRECTOR: ENGINEERING SERVICES TO ACTION)</p>				
543953	SOLID WASTE UPGRADE REPORT	<p>7.6.2 SOLID WASTE UPGRADE REPORT</p> <p>12TH COUNCIL: 2017-09-27: ITEM 7.6.2</p> <p>RESOLVED (majority vote with abstentions)</p> <p>(a) that a Section 78 process be launched and that an internal waste disposal service delivery increase be investigated through the Section 78(1) approach; and</p> <p>(b) that a formal report be submitted to Council as required by Section 78(2), which will indicate the best way of rendering internal waste disposal by landfill and any recommendations to a possible external method of waste disposal landfill.</p> <p>(DIRECTOR: ENGINEERING SERVICES TO ACTION)</p>	2017-09-27	SALIEMH	90.00	The S78(3) review has been completed and would need to be reviewed by the department before consulting with organised labour, finalising and taking the item to Council.
546882	Motion WC Petersen - Proposed development of erven 412 and 284, Groendal, Franschhoek	<p>10.2 MOTION BY COUNCILLOR WC PIETERSEN (MS): PROPOSED DEVELOPMENT OF ERVEN 412 AND 284, GROENDAL, FRANSCHHOEK</p> <p>12TH COUNCIL MEETING: 2017-09-27: ITEM 10.2</p> <p>The Speaker allowed Cllr WC Petersen (Ms) put her Motion, duly seconded. After the Motion was motivated, the Speaker allowed debate on the matter.</p> <p>The matter was put to the vote, yielding a result of all in favour.</p> <p>RESOLVED (nem con)</p> <p>that an item be prepared for Council's consideration regarding the development of Erf 412 (high density housing) and retirement resort Erf 284 with or without</p>	2017-09-27	PIETS/ LESTERVS	10.00	<p>In the process of ascertaining what kind of subsidies, if any would be payable on a project of this nature.</p> <p>Once this information is available a report will be submitted to Council.</p>

		frail care facility. (OFFICE OF THE MM TO ACTION)				
559624	STELLENBOSCH MUNICIPALITY PROBLEM PROPERTIES DRAFT BY- LAW, AUGUST 2017	<p>8.3.3 STELLENBOSCH MUNICIPALITY PROBLEM PROPERTIES DRAFT BY- LAW, AUGUST 2017</p> <p>14TH COUNCIL MEETING: 2017-11-29: ITEM 8.3.3</p> <p>RESOLVED (nem con)</p> <p>(a) that the draft By-law on Problem Properties for Stellenbosch Municipality, August 2017, be approved, in principle;</p> <p>(b) that the draft By-law on Problem Properties for Stellenbosch Municipality, August 2017, be advertised for public comment for 90 days where after same be resubmitted to Council for final consideration and subsequent approval; and</p> <p>(c) that the reference to the properties referred to in the agenda item under point 4 be removed from the item.</p> <p>(DIR: PLANNING & ECON DEV TO ACTION)</p>	2017-11-29	HEDRED	70.00	Section 80 Committee resolved to refer resolution to Executive Mayor.
559586	DEVELOPMENT OF ZONE O AND THE HOUSING ALLOCATION CRITERIA FOR THE PHASE 2B AND 2C (277 SITES), WATERGANG, KAYAMANDI	<p>7.5.2 DEVELOPMENT OF ZONE O AND THE HOUSING ALLOCATION CRITERIA FOR THE PHASE 2B AND 2C (277 SITES), WATERGANG, KAYAMANDI</p> <p>14TH COUNCIL MEETING: 2017-11-29: ITEM 7.5.2</p> <p>RESOLVED (majority vote with abstentions)</p> <p>(a) that the block approach/method be implemented in Zone O (upper part next to Thubelisha) to effectively address the provision of new housing opportunities i.e. servicing of sites and construction of high density residential units;</p> <p>(b) that beneficiaries that were not allocated houses on the bottom part (access road) be allocated a site or Temporary Relocation Area units once (a) has been achieved and if there is any space available;</p> <p>(c) that, within the block approach non-qualifiers that earn R3 501 to R7 000 per month be allocated serviced sites in accordance with the Finance Linked Individual Subsidy Programme (FLISP);</p> <p>(d) that, within the block approach non-qualifiers (as prescribed by housing policy guidelines) that earn between R7 001 to R15 000 per month be allocated a serviced site at a cost equal to the amount as approved by Provincial Department of Human Settlement (PDoHS) for a serviced site in the project (Watergang Phase 2, Kayamandi);</p>	2017-11-29	TABISOM	94.00	The finalization of the Call for Proposal to a successful bidder is at an advance stage. The financial implication which includes the bulk and other infrastructure services must be submitted by the potential bidder for the final evaluation. Thereafter a submission will be done to the BAC

		<p>(e) that ±40 beneficiaries from Enkanini that are on the road reserve be allocated temporary housing units to enable the Municipality to implement the erf 2175 pilot project (i.e. electrification, sanitation, water);</p> <p>(f) that Temporary Relocation Area 1 residents who were not allocated units in 2005, that does not qualify for a housing subsidy also be allocated sites (±20 beneficiaries);</p> <p>(g) that the 10m road reserve be waived and the 8m road reserve be approved in order to create more housing opportunities;</p> <p>(h) that 10% of the Temporary Relocation Areas be reserved for emergency cases in accordance with Council's Emergency Housing Assistance Policy (EHAP);</p> <p>(i) that once the above process has been completed and should plots still be available in the Temporary Relocation Areas (TRA), beneficiaries are identified from Zone N that can be allocated sites in the TRA (only from the group that was placed there by the Municipality); and</p> <p>(j) that the parking requirements be amended from one (1) parking per housing unit to 0,6 average per housing unit.</p> <p>(DIR: HUMAN SETTLEMENTS TO ACTION)</p>				
559653	KAYAMANDI: LAND FOR RELOCATION OF SURPLUS HOUSEHOLDS	<p>8.3.2 KAYAMANDI: LAND FOR RELOCATION OF SURPLUS HOUSEHOLDS</p> <p>14TH COUNCIL MEETING: 2017-11-29: ITEM 8.3.2</p> <p>RESOLVED (majority vote)</p> <p>that the Municipal Manager be authorised to investigate / negotiate the acquisition of land, which may include land swaps, land purchase and /or the early termination of lease agreements on Council-owned property in the area (lease areas), to be approved by Council before implementation.</p> <p>(DIR: HUMAN SETTLEMENTS TO ACTION)</p>	2017-11-29	TABISOM/ROTAN DAR	90.00	Discussion/negotiations is at an advance stage and reports have served before Council to this effect.
559971	PROPOSED DISPOSAL (THROUGH A LAND AVAILABILITY AGREEMENT) OF MUNICIPAL LAND, A PORTION OF PORTION 4 OF FARM NO 527 AND A	<p>PROPOSED DISPOSAL (THROUGH A LAND AVAILABILITY AGREEMENT) OF MUNICIPAL LAND, A PORTION OF PORTION 4 OF FARM NO 527 AND A PORTION OF THE REMAINDER OF FARM 527, BOTH LOCATED IN JAMESTOWN, STELLENBOSCH AND THE APPOINTMENT OF A TURNKEY DEVELOPER IN ORDER TO FACILITATE THE DELIVERY OF STATE SUBSIDIZED HOUSING UNITS, SERVICED SITES FOR AFFORDABLE HOUSING UNITS, GAP HOUSING UNITS AND HIGH INCOME HOUSING UNITS</p>	2017-11-29	TABISOM	90.00	The tender was evaluated by a multi-disciplinary team and the Bid Evaluation report was submitted to BEC during January 2019. A special technical committee was established of senior managers to determine the process for the compilation of Stage 2 of the tender.

	<p>PORTION OF THE REMAINDER OF FARM 527, BOTH LOCATED INCH AND THE APPOINTMENT OF A TURNKEY DEVELOPER IN ORDER TO F</p>	<p>14TH COUNCIL MEETING: 2017-11-29: ITEM 7.5.1</p> <p>RESOLVED (majority vote with abstentions)</p> <p>(a) that the land parcels listed in paragraph 1.(i) and indicated in Figure 12 be identified as land not needed by Stellenbosch Municipality to provide the minimum level of services; and</p> <p>(b) that the Municipal Manager be authorized to initiate a Call for Proposals process with minimum requirements as determined through preliminary investigations to be completed by the administration.</p> <p>Cllrs DA Hendrickse and LK Horsband (Ms) requested that their votes of dissent be minuted.</p> <p>(DIR: HUMAN SETTLEMENTS TO ACTION)</p>				
582813	<p>APPOINTMENT OF A STRATEGIC ADVISORY COMMITTEE: POLICY ON THE MANAGEMENT OF MUNICIPAL AGRICULTURAL LAND</p>	<p>7.3.1 APPOINTMENT OF A STRATEGIC ADVISORY COMMITTEE: POLICY ON THE MANAGEMENT OF MUNICIPAL AGRICULTURAL LAND</p> <p>16TH COUNCIL MEETING: 2018-03-28: ITEM 7.3.1</p> <p>RESOLVED (nem con)</p> <p>(a) that Council confirms the positions from the respective organisations to be members of the Strategic Advisory Committee and Operational Committee as proposed in the table below and that the Manager LED initiate the process of convening the first committee meeting before end of May 2018;</p> <p>Strategic Advisory Committee Organisation Position Contact Details Stellenbosch Municipality Chairperson: Director: Community and Protection Services 021 808 8437</p> <p>Stellenbosch Municipality Director: Planning and Economic Development 021 808 8667 Stellenbosch Municipality Director: Integrated Human Settlements and Property 021 808 8493 Stellenbosch Municipality Director: Strategic and Corporate Services 021 808 8018 Stellenbosch Municipality Legal Services 021 808 8018 Stellenbosch Municipality Manager: LED 021 808 8179 Stellenbosch Municipality Snr LED Officer: Rural Development 021 808 8173 Stellenbosch Agricultural Society General Manager 021 886 4867 Department of Agriculture Acting Chief Director: Farmer Support and Development 021-8085103</p> <p>Department of Rural Development and Land Reform Deputy Director 079 880 9320 Land Bank</p>	2018-03-28	WIDMARKM	50.00	Item served at Council meeting on 14 August 2019. Advisory Committee meeting held on 15 August 2019.

		<p>Provincial Manager Commercial Development Banking Division Western Cape 021 974 2200 / 082 339 1626 Stellenbosch University Professor and Chairman of the Department Agricultural Economics 021 808 4899 Department of Water Affairs Deputy Director 021 941 6000 Winelands Water Board CEO 021 887 6487 CASIDRA CEO 021 863 5000</p> <p>Operational Committee</p> <p>Organisation Position Stellenbosch Municipality Manager: LED Stellenbosch Municipality Manager: Municipal Property Stellenbosch Municipality Senior Legal Advisor Stellenbosch Municipality Environmental Manager Stellenbosch Municipality Senior LED Officer: Rural Development</p> <p>(b) that the following vacant municipal agricultural land be advertised to be utilised by farmers in line with the policy on the Management of Municipal Agricultural Land as advertised in the Government Gazette on 27 March 2017 (ANNEXURE B).</p> <p>PROPERTY DESCRIPTION SIZE TOTAL (HA) WATER</p> <p>1 165/1A 10.5 ha no water 10.5 2 279BN 25.3 ha no water 25.3 3 502 AM 8.56 ha 3 ha water 8.56 3 4 502 AP 7 ha 2 ha water 7 2 5 502 AU 8.9 ha no water 8.9 6 502 AW 6 ha no water 6 7 502 BFN 15.5 ha 6 ha c/water 15.5 6 8 502 V 21.6 ha 8 ha water 21.6 8 9 619/1 26 ha no water 26 10 502 BH PORTION 17&18 5 ha 3 ha water 5 3 11 502M 5.1 ha 3 ha water 5.1 3 12 502V 21.6 ha 8 ha water 21.6 8 13 502W 9 ha 3 ha water 9 3 TOTAL 175,41 ha</p>				
582874	FUTURE UTILIZATION OF EX-KLEINE LIBERTAS THEATRE SITE: CONSIDERATION OF INPUTS RECEIVED	<p>8.4.2 FUTURE UTILIZATION OF EX-KLEINE LIBERTAS THEATRE SITE: CONSIDERATION OF INPUTS RECEIVED</p> <p>16TH COUNCIL MEETING: 2018-03-28: ITEM 8.4.2</p> <p>RESOLVED (nem con)</p> <p>a) that Council takes note of the large number of inputs/comment received; and</p>	2018-03-28	PIETS	95.00	<p>Appointment of team who will design new building and project manage the erecting of the building will be during 2019/20 financial year.</p> <p>Specifications completed for serving at BSC</p>

		b) that a multi-purpose building be planned and after erection of building council call for proposals from the Stellenbosch Community for its utilization in line with our strategic objectives.				
601650	THE AWARDING OF RIGHTS TO THE LOCAL ECONOMIC HUBS	<p>7.3.1 THE AWARDING OF RIGHTS TO THE LOCAL ECONOMIC DEVELOPMENT HUBS</p> <p>18TH COUNCIL MEETING: 2018-07-25: ITEM 7.3.1</p> <p>RESLOVED (majority vote)</p> <p>(a) that Council adopts the recommendation to award the leases of the Local Economic Development Hubs to the entities that scored the highest points for each property, as follows: Property Applicant</p> <ol style="list-style-type: none"> 1. The Old Clinic Building (Erven 6487 & 6488) Ranyaka 2. Triangle Building (Erf 228) Hugonote Fine Chocolates 3. Mooiwater Building (Erf 2253) ABC Empowerment (Profiles attached Appendix 2) <p>(b) that once Council approves and awards the leasing rights to the highest scoring applicant, the Director Corporate Services be mandated to draft and sign lease agreements with the successful applicants;</p> <p>(c) that the contract must make provision for termination on non-performance in terms of the agreement;</p> <p>(d) that the contract be awarded for a period of 9 years and 11 months; and</p> <p>(e) that the awarding of rights of the Old Agricultural Hall to the Stellenbosch Craft Alive and Stellenbosch Trail Fund be awarded, conditional to the settlement of the outstanding legal dispute.</p> <p>Councillor F Adams requested that it be minuted that he supports the item, with reservations.</p>	2018-07-25	TABISOM	90.00	The outstanding legal dispute has been resolved. Lease agreement in progress.
601711	PROPOSED RENEWAL OF	<p>7.5.4 PROPOSED RENEWAL OF VARIOUS LEASE AGREEMENTS</p> <p>18TH COUNCIL MEETING: 2018-07-25: ITEM 7.5.4</p>	2018-07-25	PIETS	80.00	Item broken up into separate items that will serve before Council: Burgerhuis – September 2019

	VARIOUS LEASE AGREEMENTS	RESOLVED (nem con) that this item be withdrawn for further refinement.				Bergsicht – September 2019 Toy Museum (Rhenish Complex) – item to be drafted Franschhoek tennis club – item to be drafted Franschhoek Bowling Club – item to be drafted
612597	Draft 2 NORTHERN EXTENTION LAND FOR RELOCATION OF SURPLUS HOUSEHOLDS, KAYAMANDI PROGRESS - STATUS REPORT 20.09.2018	8.2.3 NORTHERN EXTENSION / LAND FOR RELOCATION OF SURPLUS HOUSEHOLDS, KAYAMANDI: PROGRESS / STATUS REPORT 20 TH COUNCIL MEETING: 2018-09-26: ITEM 8.2.3 During deliberations on the matter, the Speaker ordered Cllr F Adams to leave the chambers (at 11:20) for violating Rule 27 of the Rules of Order By-law. RESOLVED (majority vote with 7 abstentions) (a) that the progress to date (lack thereof), be noted; (b) that the Municipal Manager be authorised to further investigate the options as set out in paragraph 6.2.2 and to enter into preliminary discussions / negotiations with the relevant stakeholders, with the view of finding solutions for the future development of the Northern Extension; (c) that the Municipal Manager reports back on progress within 3 months; and (d) that no definitive agreement(s) be concluded without Council's approval.	2018-09-26	TABISOM	95.00	Funding for the acquisition of land was received from the Provincial Department of Human Settlements. Transfer process is under way.
616959	MIGRATION OF OLD HOUSING WAITING LIST TO A HOUSING DEMAND DATABASE SYSTEM	7.5.5 MIGRATION OF OLD HOUSING WAITING LIST TO A HOUSING DEMAND DATABASE SYSTEM 21ST COUNCIL MEETING: 2018-10-31: ITEM 7.5.5 RESOLVED (nem con) (a) that Council approves that the administration embarks on a process of updating data on the old Housing Waiting List; (b) that all updated information be imported into the Municipal Housing Demand Database; and (c) that, when the above process has been concluded, the Municipal Housing Demand Database becomes the only reference point and source of information in determining the municipality's housing backlog and the profile of applicants.	2018-10-31	TABISOM	60.00	The presentation to the office of the Municipal Manager occurred on 2 August 2019. The launch date has been scheduled for Monday, 26 August 2019 and the implementation of the update programme will commence on 2 September 2019 and run until 28 February 2020. Publication and communication regarding the update programme will commence on 29 August 2019 and will be refreshed on a monthly basis.
616964	POSTER BY-LAW	7.6.2 POSTER BY-LAW RELATING TO OUTDOOR ADVERTISING AND SIGNAGE	2018-10-31	DEONL	80.00	By-law served at Infrastructure Services S80 Committee. To serve at the next combined

		<p>21ST COUNCIL MEETING: 2018-10-31: ITEM 7.6.2</p> <p>RESOLVED (nem con)</p> <p>(a) that the report be accepted;</p> <p>(b) that the Draft By-Law Relating to Outdoor Advertising and Signage, attached as ANNEXURE 1, be accepted as the copy of the By-Law to be used in a Public Participation process;</p> <p>(c) that the Draft By-Law relating to Outdoor Advertising and Signage be duly advertised for the purpose of a public participation process until the end of January 2019; and</p> <p>(d) that, upon the completion of the public participation process, the Draft By-Law together with any comments/objections by the public be resubmitted to Council for final approval and adoption.</p>				Infrastructure Service and Planning committee Section 80 meeting scheduled for 05/09/2019.
616954	CONDONATION OF QUALIFYING CRITERIA: SALE OF UNDEVELOPED ERVEN IN KAYAMANDI	<p>7.2.3 CONDONATION OF QUALIFYING CRITERIA: SALE OF UNDEVELOPED ERVEN IN KAYAMANDI</p> <p>21ST COUNCIL MEETING: 2018-10-31: ITEM 7.2.3</p> <p>RESOLVED (majority vote with abstentions)</p> <p>(a) that Council resolves not to condone the criteria set out in the tender documentation published on 12 November 2016; and</p> <p>(b) that Council resolves that the following criteria be used in the new tender process, i.e.</p> <p>i) Beneficiary must be a resident of Kayamandi for a minimum period of ten (10) years;</p> <p>ii) If younger than 40 years (at date of closing tender), then the beneficiary must be married or have a legal dependent staying with him/her;</p> <p>iii) May not have received any form of financial assistance/subsidy from the State in obtaining a house/serviced site previously;</p> <p>iv) May not currently own any other fixed asset;</p> <p>v) Must be a South African citizen;</p> <p>vi) Must be a first time home owner; and</p> <p>vi) that a pre-emptive clause be inserted in the title deed of the property that the property be developed within 2 years and not be sold within 5 years of registration.</p>	2018-10-31	PIETS	30.00	Tender document compiled and submitted to DCS before going to SCM.

621645	UTILISATION OF A PORTION OF THE WEMMERSHOEK COMMUNITY HALL AS AN EARLY CHILDHOOD DEVELOPMENT FACILITY (ECD CENTRE)	<p>7.2.3 UTILISATION OF A PORTION OF THE WEMMERSHOEK COMMUNITY HALL AS AN EARLY CHILDHOOD DEVELOPMENT FACILITY (ECD CENTRE)</p> <p>22ND COUNCIL MEETING: 2018-11-28: ITEM 7.2.3</p> <p>RESOLVED (majority vote with abstentions)</p> <p>(a) that Council notes that a tender call for proposal was advertised and dealt with through the Supply Chain Process;</p> <p>(b) that Council now proceed with the lease based on the proposal received;</p> <p>(c) that, should Council accept the proposal, an agreement be entered into with Mr Goosen that stipulates that the property may only be used for the purposes of an ECD centre; and</p> <p>(d) that the Municipal Manager be authorised to sign all documents necessary to effect the lease agreement.</p>	2018-11-28	ANNALENE DB	90.00	<p>Applicant informed of outcome await signed agreement.</p> <p>Meeting will be arranged to sign agreement as no feedback forthcoming from applicants on draft lease agreement.</p>
621772	PROPOSED SERVICE DELIVERY IN	<p>7.2.4 PROPOSED SERVICE DELIVERY IN JONKERSHOEK</p> <p>22ND COUNCIL MEETING: 2018-11-28: ITEM 7.2.4</p> <p>RESOLVED (majority vote with abstentions)</p> <p>(a) that the Power of Attorney from the National Department of Public Works, authorising Stellenbosch Municipality to commence with service delivery in Jonkershoek, be noted;</p> <p>(b) that the Administration be authorised to render interim municipal services in the Mixed Use Precinct in Jonkershoek on a cost recovery basis from the users who receive the services, except to those households that qualify for free basic services in terms of the Municipality's Indigent Policy;</p> <p>(c) that the Administration be authorised to provide/upgrade Access to Basic Services (Communal services) in informal areas, free of charge;</p> <p>(d) that the Director: Planning and Economic Development be requested to commission a feasibility study with the view of identifying a possible site(s) for possible township establishment, taking into account the Draft SDF for Jonkershoek, but also taking into account the positioning of bulk infrastructure and access to the site(s);</p> <p>(e) that the National Department of Public Works be requested to transfer the land to Stellenbosch Municipality;</p> <p>(f) that the National Department of Public Works be requested to transfer the land on which the office space previously used by Cape Nature, either by way of</p>	2018-11-28	ALL DIRECTORS	30.00	<p>Meeting was scheduled during December 2018 with representatives of Informal Settlements and Engineering Services to discuss implementation of Council resolutions. The National Department of Public Works was requested the use of the office space. A meeting in this regard was scheduled for 29 January 2019.</p> <p>Team establishment will be discussed at next Directors meeting.</p>

		<p>acquisition or by way of a Lease Agreement, to the Municipality;</p> <p>(g) that, the Director: Infrastructure Services be requested to compile a status quo report regarding the availability of bulk infrastructure but also indicating the cost of possible interim upgrading of such bulk infrastructure;</p> <p>(h) that the Director: Planning & Economic Development be requested to finalise the SDF for Jonkershoek in terms of the SPLUMA Act 16 of 2013;</p> <p>(i) that the Municipal Manager be authorised to conclude an agreement(s) with the relevant authorities to ensure that Stellenbosch Municipality is in a position to do law enforcement in the Jonkershoek Valley, with specific reference to the prevention of further unauthorised structures being constructed/erected;</p> <p>(j) that a progress report be tabled to Council within 6 months, including an environmental impact report and indicating progress that has been made regarding the provision of services; and</p> <p>(k) that, in the mean-time, all expenditure be incurred within the existing, approved budget.</p> <p>The following Councillors requested that it be minuted that they abstained from voting on the matter:</p> <p>Cllrs F Adams; DA Hendrickse and LK Horsband (Ms).</p>				
633551	ADVERTISING OF DRAFT MUNICIPAL SPATIAL DEVELOPMENT FRAMEWORK (MSDF) FOR WC024	<p>8.2.5 ADVERTISING OF DRAFT MUNICIPAL SPATIAL DEVELOPMENT FRAMEWORK (MSDF) FOR WC024</p> <p>24TH COUNCIL MEETING: 2019-02-27: ITEM 8.2.5</p> <p>RESOLVED (majority vote with abstentions)</p> <p>(a) that Council notes the Draft Municipal Spatial Development Framework attached as ANNEXURE 1;</p> <p>(b) that Council gives consent that the public participation process as prescribed by the Spatial Planning and Land Use Management Act, Act 16 of 2013 and the Stellenbosch Municipality Land Use Planning By-Law, 2015 proceed without delay; and</p> <p>(c) that the final draft Municipal Spatial Development Framework be submitted for consideration with the Integrated Development Plan no later than the Council meeting in May 2019.</p> <p>Councillors F Adams and DA Hendrickse requested that their votes of dissent be minuted.</p>	2019-02-27	BERNABEDLB	90.00	<p>Project concluded.</p> <p>Council approved draft MSDF at Council meeting in May 2019</p>

634249	MOTION BY ALDERMAN PW BISCOMBE: APPOINTMENT OF INDEPENDENT INVESTIGATOR	<p>10.3 MOTION BY ALDERMAN PW BISCOMBE: APPOINTMENT OF INDEPENDENT INVESTIGATOR</p> <p>24TH COUNCIL MEETING: 2019-02-27: ITEM 10.3</p> <p>The Speaker allowed Alderman PW Biscombe to put his Motion, duly seconded.</p> <p>After the Motion was motivated, the Speaker allowed debate on the matter.</p> <p>The matter was put to vote, yielding a result of 31 for and 2 against.</p> <p>RESOLVED (majority vote)</p> <p>(a) that Council authorizes the Municipal Manager to appoint an independent investigator in terms of the supply chain management process and Council Policies;</p> <p>(b) that the Municipal Manager mandate the independent investigator to investigate in terms of Schedule 1, Section 10 and Schedule 2, Section 6 of the Municipal Systems Act, 32 of 2000; and</p> <p>(c) that Council consider the findings in accordance with Section 14, and Schedule 2 Section 14A of the Municipal Systems Act 32 of 2000 (154-162).</p> <p>Cllrs F Adams and DA Hendrickse requested that their votes of dissent be minuted.</p>	2019-02-27	NOMIET	80	<p>Investigator appointed.</p> <p>Report to be submitted to Speaker when investigation completed</p>
639570	TO AUTHORISE THE MUNICIPAL MANAGER TO START THE PRESCRIBED PUBLIC PARTICIPATION PROCESS AS PER CHAPTER 4 OF THE MUNICIPAL ASSET TRANSFER REGULATIONS, WITH THE VIEW OF FOLLOWING A TENDER/CALL FOR PROPOSAL PROCESS FOR OUTSOURCING THE MANAGEMENT/USE OF THE KAYAMANDI ECONOMIC AND TOURISM CORRIDOR (KETC)	<p>7.7.2 TO AUTHORISE THE MUNICIPAL MANAGER TO START THE PRESCRIBED PUBLIC PARTICIPATION PROCESS AS PER CHAPTER 4 OF THE MUNICIPAL ASSET TRANSFER REGULATIONS, WITH THE VIEW OF FOLLOWING A TENDER/CALL FOR PROPOSAL PROCESS FOR OUTSOURCING THE MANAGEMENT/USE OF THE KAYAMANDI ECONOMIC AND TOURISM CORRIDOR (KETC)</p> <p>25TH COUNCIL MEETING: 2019-03-27: ITEM 7.7.2</p> <p>RESOLVED (majority vote)</p> <p>a) that Council authorises the Municipal Manager to start the Public Participation Process (60 days) as per Chapter 4 of the Asset Transfer Regulations with the intention of following an appropriate process for the outsourcing and management of the Kayamandi Economic and Tourism Corridor;</p> <p>(b) that Council gives reasonable consideration to all regulations and processes required by the Municipal Policy on the Management of Immovable Property, the Asset Transfer Regulations and prescriptions of the MFMA, and then to follow the process that best ensures the correct operational outcome for the</p>	2019-03-27	WIDMARKM	75.00	<p>Closing date for submissions of inputs closed on 30 June 2019. An item in this regard is being prepared for Council submission by September 2019.</p>

	ECONOMIC AND TOURISM CORRIDOR (KETC)	<p>Kayamandi Economic and Tourism Corridor;</p> <p>(c) that the local community be invited to submit representations; and</p> <p>(d) that the Municipal Manager be authorized to conclude the contract or agreement after (c) above is finalized in terms of the applicable Act/Regulation.</p> <p>The following Councillors requested that their votes of dissent be minuted: Cllrs RS Nalumango (Ms); N Sinkinya (Ms); P Sitshoti (Ms) and LL Stander.</p>				
632905	DRAFT STELLENBOSCH MUNICIPALITY INTEGRATED FIRE MANAGEMENT PLAN (JANUARY 2019)	<p>7.1.2 DRAFT STELLENBOSCH MUNICIPALITY INTEGRATED FIRE MANAGEMENT PLAN (JANUARY 2019)</p> <p>26TH COUNCIL MEETING: 2019-04-24: ITEM 7.1.2</p> <p>RESOLVED (majority vote with abstentions)</p> <p>(a) that Council approves the advertisement of the draft Stellenbosch Municipality Integrated Fire Management Plan (January 2019) for a period of 30 days for public input; and</p> <p>(b) that the inputs received during the above public participation process be worked into a final draft Stellenbosch Municipality Integrated Fire Management Plan to be presented to Council for approval.</p>	2019-04-24	SCHALKVDM	80.00	Document was advertised in the Eikestad News on 09 May 2019. An Item with the final plan has been prepared to serve before Council.
	POSSIBLE DISPOSAL OF A PORTION OF ERF 23, FRANSCHHOEK TO THE FRANSCHHOEK METHODIST CHURCH	<p>7.2.1 POSSIBLE DISPOSAL OF A PORTION OF ERF 23, FRANSCHHOEK TO THE FRANSCHHOEK METHODIST CHURCH</p> <p>26TH COUNCIL MEETING: 2019-04-24: ITEM 7.2.1</p> <p>RESOLVED (majority vote with abstentions)</p> <p>(a) that the portion of erf 23, excluding the parking area, Franschhoek, as land indicated in Fig 3, be identified as land not needed to provide the minimum level of basic municipal services;</p> <p>(b) that Council, in principle, approve the disposal of land to the Franschhoek Methodist Church without following a public tender process, and subject to the following conditions:</p> <p>i) that the purchase price be determined at 30% of market value, the market value to be determined by two (2) independent valuers;</p>	2019-04-24	PIETS	90.00	<p>A public notice was published on 20-06-2019, soliciting public input/objections/alternative proposal.</p> <p>No submission was received.</p> <p>Item ready will be submitted to Mayco during September 2019 for recommendation.</p>

		<p>ii) that a reversionary clause be inserted in the title deed of the property, should the property not be used for religious/social care purposes anymore;</p> <p>iii) that the church be responsible for the sub-division and rezoning of erf 23, Franschhoek, to allow for a separate unit to be transferred;</p> <p>iv) that a servitude be registered in favour of the Municipality regarding all municipal services crossing the property;</p> <p>v) that a right of access from Bagatelle Street be registered in favour of the church.</p> <p>(c) that Council's intention to dispose of the property under the provisions set out above, be advertised for public inputs/objections/alternative proposals as provided for in par 9.2.2.1 of the Property Management Policy; and</p> <p>(d) that, following the public participation process, the matter be submitted to Council to make a final decision on the disposal, or not.</p>				
	<p>PROPOSED DISPOSAL OF ERVEN 3192, 3019 AND 3111 IN MOOIWATER, FRANSCHHOEK: CONSIDERATION OF PUBLIC INPUTS</p>	<p>7.2.2 PROPOSED DISPOSAL OF ERVEN 3192, 3019 AND 3111 IN MOOIWATER, FRANSCHHOEK: CONSIDERATION OF PUBLIC INPUTS</p> <p>26TH COUNCIL MEETING: 2019-04-24: ITEM 7.2.2</p> <p>RESOLVED (majority vote)</p> <p>(a) that it be noted that no comment/inputs were received from the residents of wards 1 and 2 in regard to the future use of the properties;</p> <p>(b) that erven 3192, 3019 and 3111 be identified as land not needed to provide the minimum level of basic municipal services, i.e. that it can be, in principle, disposed of;</p> <p>(c) that Council resolves that the properties be put out on a Call for Proposals for multi-purpose institutional use to the benefit of the community. Proposals will be evaluated based on the type of institutional uses, how it will benefit the greater community, and how many institutions will be accommodated through the proposals;</p> <p>(d) that the matter be reported back to Mayco and Council after implementation of resolution (c) above; and</p>	2019-04-24	ANNALENEDB	80.00	<p>Council resolved to call for proposals before final decision is taken.</p> <p>Tender specifications for the sale of various institutional sites in Mooiwater, Franschhoek has been submitted to DCS.</p> <p>Awaiting approval of tender specifications.</p>

		<p>(e) that the conditional awarding of the tenders by the Bid Adjudication Committee, should in principle disposal be approved, be submitted to Council to make a final determination on the disposal of the properties.</p> <p><i>Councillor DA Hendrickse requested that his vote of dissent be minuted, on the grounds that, in his view, the item is not legally compliant.</i></p>				
635397	<p>ESTABLISHMENT OF 'FRIENDS GROUPS' FOR STELLENBOSCH NATURE RESERVES AND DESIGNATED NATURE AREAS</p>	<p>7.6.3 ESTABLISHMENT OF 'FRIENDS GROUPS' FOR STELLENBOSCH NATURE RESERVES AND DESIGNATED NATURE AREAS</p> <p>26TH COUNCIL MEETING: 2019-04-24: ITEM 7.6.3</p> <p>RESOLVED (majority vote)</p> <p>(a) that Council accepts the concept of "Friends Groups" as a way of creating community involvement in the management of nature areas;</p> <p>(b) that approval is granted for the establishment of "Friends Groups" for the declared nature reserves of Papegaaiberg, Mont Rochelle and Jan Marais Nature Reserve as well as informal nature areas as required;</p> <p>(c) that the Protected Areas Forum Terms of Reference be revised and brought in alignment with the Norms and Standard of the Department of Environment, Gazette Notice 382 of 31 March 2016, and its purpose as alluded to in this item; and</p> <p>(d) that a progress report on the establishment of "Friends Groups" be submitted within 30 days after implementation.</p> <p><i>The following Councillors requested that their votes of dissent be minuted:</i></p> <p><i>Councillors F Adams; FT Bangani-Menziwa (Ms); DA Hendrickse; N Mananga-Gugushe (Ms); RS Nalumango (Ms); N Sinkinya (Ms); P Sitshoti (Ms) and LL Stander.</i></p>	2019-04-24	ALBERTVDM	70.00	<p>An advertisement was placed in the local newspaper for interested parties for a period of 60 days. The due date for submission is 8 August 2019. After the date all the interested parties will be invited for a meeting to discuss a way forward.</p>
	<p>PROPOSED RENEWAL OF EXISTING MEMORANDUM OF UNDERSTANDING FOR THE MUNICIPAL COURT OF STELLENBOSCH</p>	<p>8.2.7 PROPOSED RENEWAL OF EXISTING MEMORANDUM OF UNDERSTANDING FOR THE MUNICIPAL COURT OF STELLENBOSCH</p> <p>26TH COUNCIL MEETING: 2019-04-24: ITEM 8.2.7</p> <p>RESOLVED (majority vote with abstentions)</p>	2019-04-24	ANNALENEDB	90.00	<p>Agreement sent to Department of Justice for signature.</p> <p>Enquiries made with department of Justice – still awaiting feedback</p>

		<p>(a) that the Memorandum of Agreement with the Department of Justice for the Municipal Court for the Stellenbosch District, be renewed for a 3-year term from 1 July 2019; and</p> <p>(b) that the Municipal Manager be delegated to sign all relevant documentation for the extension of the afore-said agreement.</p>				
	PROPOSED DISPOSAL OF ERF 347, LE ROUX (GROENDAL)	<p>7.2.2 PROPOSED DISPOSAL OF ERF 347, LE ROUX (GROENDAL) 27TH COUNCIL MEETING: 2019-05-29: ITEM 7.2.2</p> <p>RESOLVED (majority vote)</p> <p>(a) that Erf 347, Le Roux (Groendal) be identified as land not needed to provide the minimum level of basic municipal services, i.e. that it can be disposed of in principle;</p> <p>(b) that Council resolves to dispose of the property by going out on a Call for Proposal, soliciting proposals to develop the land for high density gap housing opportunities; ensuring optimal use of the land, and thereby creating more opportunities for residents of the area. This may include apartments, flats or town houses of different typologies;</p> <p>(c) that the market value of the property be determined by two independent valuers and be taken into consideration in the SCM determination and reported to Council when the item is tabled for final consideration as indicated in (d) below; and</p> <p>(d) that, following the supply chain process, the matter be brought back to Council for a final decision on whether to dispose of the property under the conditions set in the supply chain process.</p> <p><i>Cllrs DA Hendrickse and LK Horsband requested that their votes of dissent be minuted</i></p>	2019-05-29	PIETS	30.00	Compilation of tender document in progress.
	DRAFT LAND USE ENFORCEMENT POLICY FOR STELLENBOSCH MUNICIPALITY, MARCH 2019	<p>7.7.1_DRAFT LAND USE ENFORCEMENT POLICY FOR STELLENBOSCH MUNICIPALITY, MARCH 2019 27TH COUNCIL MEETING: 2019-05-29: ITEM 7.7.1</p> <p>RESOLVED (majority vote with abstentions)</p> <p>(a) that the draft Land Use Enforcement Policy for Stellenbosch Municipality, March 2019, be approved in principle; and</p> <p>(b) that the Land Use Enforcement Policy for Stellenbosch Municipality, March 2019, be advertised for public comment for a period of 60 days, whereafter same be submitted to Council for final consideration and</p>	2019-05-29	HEDRED	70.00	Advertising prepared for 29 August 2019.

		subsequent adoption in terms of the Local Government Municipal Systems Act No. 32 of 2000.				
	PROPOSED TRANSFER OF MANAGEMENT AND OWNERSHIP OF VAALDRAAI (EISENBURG) FROM PROVINCIAL GOVERNMENT OF THE WESTERN CAPE TO STELLENBOSCH MUNICIPALITY	<p>7.10.2 PROPOSED TRANSFER OF MANAGEMENT AND OWNERSHIP OF VAALDRAAI (EISENBURG) FROM PROVINCIAL GOVERNMENT OF THE WESTERN CAPE TO STELLENBOSCH MUNICIPALITY</p> <p>27TH COUNCIL MEETING: 2019-05-29: ITEM 7.10.2</p> <p>RESOLVED (nem con)</p> <p>(a) that Council, in principle, agrees to take over the Management of the Vaaldraai Settlement, as an interim arrangement;</p> <p>(b) that Council, in principle, agrees to attend to the township establishment of Vaaldraai, subject thereto that additional land be made available, the detail to be agreed upon;</p> <p>(c) that before any final decision in this regard is made (i.e. (a) and (b) above) the Department: Planning and Economic Development be requested to conduct a feasibility study, which study must also attend to the availability (or not) of bulk infrastructure as well as the identification of additional land to be transferred, taking into account the number of residents/backyard dwellers already on the property; and</p> <p>(d) that, following the feasibility study, a progress report be submitted to Council with the view of making a final determination on the matter.</p>	2019-05-29	PIETS/LESTERV S	10.00	<p>Provincial Government informed of outcome.</p> <p>During August 2019, a site inspection was done in order to prepare specification to appoint a service provider. The extend of the property in collaboration with Provincial Department of Public Works is paramount for an accurate feasibility study.</p>
	TABLING OF REPORT SEEKING AUTHORISATION FOR THE MUNICIPAL MANAGER TO ENTER INTO MULTI-STAKEHOLDER ENGAGEMENT TO EXPLORE POTENTIAL TO UNLOCK THE RE-GENERATION AND TRANSFORMATION POTENTIAL OF THE	<p>8.2.4 TABLING OF REPORT SEEKING AUTHORISATION FOR THE MUNICIPAL MANAGER TO ENTER INTO MULTI-STAKEHOLDER ENGAGEMENT TO EXPLORE POTENTIAL TO UNLOCK THE RE-GENERATION AND TRANSFORMATION POTENTIAL OF THE ADAM TAS CORRIDOR</p> <p>27TH COUNCIL MEETING: 2019-05-29: ITEM 8.2.4</p> <p>RESOLVED (majority vote)</p> <p>(a) that Council authorizes the Municipal Manager to enter into a multi-stakeholder engagement involving the key national departments, relevant local government institutions, the university, private stakeholders, and various landowners;</p>	2019-05-29	SHIREENV	50.00	<p>The item was tabled, and the recommendations were adopted by Council.</p> <p>Continuous discussions have taken place with various stakeholders including STIAS Stellenbosch University, private land owners and the Western Cape Dept. of Environmental Affairs and Planning.</p>

	ADAM TAS CORRIDOR	<p>(b) that Council authorizes the Municipal Manager to explore a public private partnership for the Adam Tas Re-generation Initiative;</p> <p>(c) that Council authorizes the Municipal Manager to undertake further work to explore the feasibility, dependencies, and associated risks, etc. in determining the appropriate path for unlocking the Adam Tas Corridor; and</p> <p>(d) that the Municipal Manager provides feedback to Council.</p> <p><i>Councillors F Adams; DA Hendrickse and LK Horsband (Ms) requested that their votes of dissent be minuted.</i></p>				
	INTEGRATED HUMAN SETTLEMENTS PLAN: STELLENBOSCH MUNICIPALITY	<p>8.2.6 INTEGRATED HUMAN SETTLEMENTS PLAN: STELLENBOSCH MUNICIPALITY</p> <p>27TH COUNCIL MEETING: 2019-05-29: ITEM 8.2.6</p> <p>RESOLVED (majority vote with abstentions)</p> <p>(a) that Council approves the Integrated Human Settlements Plan (IHSP) attached as ANNEXURE A, in principle;</p> <p>(b) that the Integrated Human Settlement Plan (IHSP) be advertised for public input in accordance with Council's policy; and</p> <p>(c) that, should any inputs be received, same be considered by Council before a final decision is made.</p> <p><i>Councillors DA Hendrickse and LK Horsband (Ms) requested that their abstentions be minuted.</i></p>	2019-05-29	TABISOM	70.00	An advert was placed in the local newspaper for public comments and the closing date was 12 July 2019. The department is in the process to finalise all inputs/comments received from the public and prepare an item to be serve before Council.
	STELLENBOSCH MUNICIPALITY: REVISION OF DRAFT MUNICIPAL SPATIAL DEVELOPMENT FRAMEWORK (MSDF) FOR WC024	<p>8.2.1 STELLENBOSCH MUNICIPALITY: REVISION OF DRAFT MUNICIPAL SPATIAL DEVELOPMENT FRAMEWORK (MSDF) FOR WC024</p> <p>28TH COUNCIL MEETING: 2019-06-12: ITEM 8.2.1</p> <p>(a) that Council notes input and comments received on the Draft Municipal Spatial Development Framework attached as ANNEXURE 1 of the agenda;</p>	2019-06-12	BERNABEDLB	50.00	<p>Project concluded.</p> <p>MSDF was approved at the Council meeting of 12 August 2019.</p>

		<p>(b) that Council gives consent that the public participation process as prescribed by the Spatial Planning and Land Use Management Act, Act 16 of 2013 and the Stellenbosch Municipality Land Use Planning By-Law, 2015 read together with the Municipal Systems Act proceed once the draft MSDF is amended for a period of 21 days;</p> <p>(c) that Council approves the advertisement of the Revised Draft mSDF for a period of 21 days for public comment; and</p> <p>(d) that the final draft Municipal Spatial Development Framework be submitted for consideration with the Integrated Development Plan Amendment.</p> <p><i>Councillors DA Hendrickse and LK Horsband (Ms) requested that their votes of dissent be minuted.</i></p>				
	<p>APPLICATION TO LEASE UNIT 1 OF BOSMANSHUIS (PART OF THE DORP STREET FLATS UNITS) TO THE IEC: CONSIDERATION OF WRITTEN INPUTS RECEIVED</p>	<p>7.2.1 APPLICATION TO LEASE UNIT 1 OF BOSMANSHUIS (PART OF THE DORP STREET FLATS UNITS) TO THE IEC: CONSIDERATION OF WRITTEN INPUTS RECEIVED</p> <p>29TH COUNCIL MEETING: 2019-07-24: ITEM 7.2.1</p> <p>RESOLVED (majority vote)</p> <p>(a) that Council takes note of the written submission received from Stellenbosch Interest Group; and</p> <p>(b) that approval be granted to enter into a 3-year lease agreement with the IEC at an initial monthly rental of R5940, being 30% of fair market value, subject to the following conditions:</p> <p>(i) IEC to take full responsibility for all internal maintenance as well as any functional upgrades needed for their own purposes;</p> <p>(ii) That no upgrades or changes may take place without approval of the Municipality and taking into account the heritage status of the building;</p> <p>(iii) That an early termination clause be inserted indicating that the contract can be terminated with a six (6) months written notice, should Council need the property for its own use, or should</p>	2019-07-24	PIETS	30.00	Applicant informed Draft agreement circulating for comment before submission for signature

		<p>Council decide to dispose of the property or for any other legal reason want to cancel the lease;</p> <p>(iv) An annual escalation on 1 July 2020 and 2021 of 7% apply;</p> <p>(v) That the Municipal Manager be authorised to conclude the Lease Agreement.</p> <p><i>Cllrs DA Hendrickse and LK Horsband (Ms) requested that their votes of dissent be minuted.</i></p>				
	<p>PROPOSED EXCHANGE OF LAND: DISPOSAL OF ERF 1523 TO THE SEVENTH DAY ADVENTIST CHURCH IN EXCHANGE FOR ERF 718, KAYAMANDI: CONSIDERATION OF INPUTS RECEIVED</p>	<p>7.2.2 PROPOSED EXCHANGE OF LAND: DISPOSAL OF ERF 1523 TO THE SEVENTH DAY ADVENTIST CHURCH IN EXCHANGE FOR ERF 718, KAYAMANDI: CONSIDERATION OF INPUTS RECEIVED</p> <p>29TH COUNCIL MEETING: 2019-07-24: ITEM 7.2.2</p> <p>RESOLVED (nem con)</p> <p>(a) that Council takes note of the written submission received and the concerns raised therein;</p> <p>(b) that Council approves the exchange of erf 718, Kayamandi for erf 1523 at equal value to the Seventh Day Adventist Church, subject to a fall-back clause, should the church not use the property for institutional use anymore; and</p> <p>(c) that the Municipal Manager be authorised to sign all documents necessary to attend to the transfer of erf 1523 to the Seventh Day Adventist Church.</p>	2019-07-24	PIETS	70.00	Owner to be informed and appointment of attorney to deal with transfer to follow.
	<p>PROPOSED CONCLUSION OF LEASE AGREEMENTS: LEASE FARMS 502 AX AND AY</p>	<p>7.2.3 PROPOSED CONCLUSION OF LEASE AGREEMENTS: LEASE FARMS 502 AX AND AY</p> <p>29TH COUNCIL MEETING: 2019-07-24: ITEM 7.2.3</p> <p>RESOLVED (majority vote)</p> <p>(a) that it be noted that no written submissions/input/objections were received, following the public notice;</p>	2019-07-24	Piet Smit	10.00	Drafting of lease agreement attended to.

		<p>(b) that Council approves the leasing of Lease Farms 502 AX and AY to Mr Jacques Olivier for a period of 9 years and 11 months at a rate of 20% of market value, (R438.85 ha/per annum), provided that the current farming continues and that the land only be used for bona fide farming purposes;</p> <p>(c) that the rental be increased by CPI (based on 12 months July to June) on a yearly basis. That it be noted that when a new evaluation (every 5 years) takes place the rental be 20% of that market value with the same escalation provision until the end of the contract;</p> <p>(d) that Mr Olivier ensures as far as is reasonably possible that the current people who farm on the land under his supervision continue to farm;</p> <p>(e) that Mr Olivier provides the Municipality with the list of people who currently form part of the farming on the property; and</p> <p>(f) that a separate report on the outstanding debt be provided to council by the Finance Department.</p> <p><i>The following Councillors requested that their votes of dissent be minuted:</i></p> <p><i>Clhrs FT Bangani-Menziwa (Ms); DA Hendrickse; LK Horsband (Ms); C Moses (Ms);</i> <i>RS Nalumango (Ms); N Mananga-Gugushe (Ms); MD Oliphant and N Sinkinya (Ms);</i></p>				
	PROPOSED DEVELOPMENT OF ERF 81/2 AND ERF 81/9, STELLENBOSCH, FOR BACKYARDERS OF STELLENBOSCH	<p>7.4.1 PROPOSED DEVELOPMENT OF ERF 81/2 AND ERF 81/9, STELLENBOSCH, FOR BACKYARDERS OF STELLENBOSCH</p> <p>29TH COUNCIL MEETING: 2019-07-24: ITEM 7.4.1</p> <p>RESOLVED (majority vote)</p> <p>(a) that a feasibility study as a matter of urgency must be concluded to determine the exact extent of the developable area;</p> <p>(b) that the appropriate land use rights as a matter of urgency be obtained;</p> <p>(c) that any development on the property be sensitive and complementary to enhancing the aesthetics of the entrance of Stellenbosch;</p>	2019-07-24	TABISOM	50.00	<p>a) that the specifications for the appointment of a service provider to undertake a feasibility study has been completed and SCM process to follow. Feasibility study will be submitted to Council for approval after completion;</p> <p>b) that the finalisation of the appropriate land use rights will be determined on completion of the feasibility study;</p> <p>c) noted;</p> <p>d) noted; and</p> <p>e) noted.</p>

		<p>(d) that the proposed development be earmarked for backyarders in Cloetesville, Ida's Valley and Kayamandi; and</p> <p>(e) that the report be brought to Council as soon as possible.</p> <p><i>Cllrs DA Hendrickse and LK Horsband (Ms) requested that their votes of dissent be minuted.</i></p>				
	CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS – MUNICIPAL VALUER	<p>8.2.7 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS – MUNICIPAL VALUER</p> <p>29TH COUNCIL MEETING: 2019-07-24: ITEM 8.2.7</p> <p>The Speaker RULED</p> <p>that this matter be referred back to the Administration for refinements.</p>	2019-07-24	ANDRET	80.00	SCM is busy arranging for the contract to be signed, the Valuer is ready to commence with his task immediately.
	VAN DER STEL SPORT FACILITY: REVIEW OF THE AGREEMENTS BETWEEN STELLENBOSCH MUNICIPALITY (WC024), STELLENBOSCH SPORT AND RECREATION ASSOCIATION (SSRA) AND VAN DER STEL SPORT COUNCIL	<p>12.2 VAN DER STEL SPORT FACILITY: REVIEW OF THE AGREEMENTS BETWEEN STELLENBOSCH MUNICIPALITY (WC024), STELLENBOSCH SPORT AND RECREATION ASSOCIATION (SSRA) AND VAN DER STEL SPORT COUNCIL</p> <p>29TH COUNCIL MEETING: 2019-07-24: ITEM 12.2</p> <p>RESOLVED (majority vote)</p> <p>(a) that the draft MOU between the Stellenbosch Municipality and the SSRA be approved for a six month period;</p> <p>(b) that, upon the dissolution of the lease agreement between the SSRA and Van Der Stel Sports Council, the Director: Community & Protection Services be mandated to conclude a lease agreement, in line with a rental amount in line with relevant tariffs for rental of municipal property, as amended, from time to time;</p> <p>(c) that Council agrees that the Community Services Department review the Sport Policy and Facilities Management Model (Plan) of the Stellenbosch Municipality, in consultation with the SSRA;</p> <p>(d) that Council notes that the Municipality will appoint a service provider to conduct a forensic audit of the financial (accounts), operational</p>	2019-07-24	ALBERTVDM	20.00	<p>The department is in the process of compiling the specifications to appoint a service provider to the do a forensic audit. This appointment will be via a tender process.</p> <p>The MOU has been communicated with the SSRA. This document will be signed shortly.</p> <p>The reviewed of the Sports facility Management Plan will be in line with the decision taken on the way forward regarding the management of Van der Stel Sports Facilities.</p>

		<p>systems and processes in operation at the Van Der Stel Sport Club; and that the Senior Manager Community Services report back to Council on the forensic investigation's outcome;</p> <p>(e) that Council notes that the Community Services Department will commence with the process to develop an alternative management model for the Van Der Stel Sport facility, in consultation with the SSRA;</p> <p>(f) that a separate report on the outstanding debt of Area Sport Councils be submitted to the next Council Meeting; and</p> <p>(g) that the period of the aforementioned lease agreement period not exceed six (6) months and that the draft Lease Agreement be updated to reflect same.</p> <p><i>The following Councillors requested that their votes of dissent be minuted:</i></p> <p><i>Cllrs FT Bangani-Menziwa (Ms); DA Hendrickse; LK Horsband (Ms); C Moses (Ms);</i></p> <p><i>RS Nalumango (Ms); N Mananga-Gugushe (Ms); MD Oliphant and N Sinkinya (Ms);</i></p> <p><i>Cllr J Hamilton requested that his vote of support be minuted.</i></p>				
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10.	ITEMS FOR NOTING
10.1	REPORT/S BY THE EXECUTIVE MAYOR
	NONE
10.2	REPORT/S BY THE SPEAKER
	NONE
10.3	REPORT/S BY THE MUNICIPAL MANAGER
10.3.1	QUARTERLY REPORT OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE OF STELLENBOSCH MUNICIPALITY FOR THE PERIOD 01 JANUARY 2019 TILL 31 MARCH 2019

Collaborator No: 656768
 File No:
 IDP KPA Ref No: Good Governance
 Meeting Date: 28 August 2019

1. SUBJECT: QUARTERLY REPORT OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE OF STELLENBOSCH MUNICIPALITY FOR THE PERIOD 01 JANUARY 2019 TILL 31 MAY 2019

2. PURPOSE

To inform Council of the activities of the Audit Committee for the period 01 January 2019 till 31 March 2019 (3rd Quarter). The Minutes of the meeting held for this period mentioned is herewith attached as **APPENDIX 1** which outlines the activities of the Audit and Performance Audit Committee.

3. DELEGATED AUTHORITY

Audit and Performance Audit Committee reports to Council periodically.

4. EXECUTIVE SUMMARY

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

The Audit Committee has executed its duties and responsibilities during the period under review in accordance with its terms of reference as they relate to Council's accounting, internal auditing, internal control and financial reporting practices.

5. FOR NOTING

the concerns and the report of the Audit Committee for the period 01 January 2019 till 31 May 2019.

6. DISCUSSION / CONTENTS**6.1 Background**

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

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

The Audit and Performance Audit Committee will also review the annual financial statements in order to advise Council whether its finances are being managed efficiently and effectively. Furthermore, the Audit and Performance Audit Committee may respond to Council on issues raised by the Auditor-General in the audit report and carry out investigations into the financial affairs of the municipality if requested to do so by Council.

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

6.2 Discussion

During this period the committee, amongst other matters, considered the following and would like to report the following in conjunction with the minutes of the meeting attached:

In respect of the external auditors and the external audit:

- Reviewed and interrogated the Auditor General's Report and the Management Report at length and noted the regression in the audit outcome. Management made certain commitments in order to ensure that repeat findings are minimised and progress will be reported quarterly to the A&PAC.
- Monitored the progress made with AG action plan and emphasised the importance of trained staff, prudent financial and consequence management.

In respect of financial statements:

- Audit Committee reviewed the quarterly section 52 report for the 2nd quarter;
- Advised management on the more regular compilation of AFS to reduce errors which would reduce this risk substantially;
- Recommended a comprehensive revenue enhancement strategy be looked into.

In respect of internal control and internal audit:

- Reviewed critical and significant issues raised by the internal audit processes and the adequacy of corrective action in response to such findings as detailed in reports and follow-up reports;
- Noted the progress made with mSCOA implementation and requested that management highlight any risks in the event any emerge;
- Reviewed the progress made by Internal Audit in the execution of its operational plan;

In respect of Pre-determined Objectives

- Noted the report in relation to Quarter 1 PDO's as reviewed by Internal Audit;
- Recommended to management that KPI formulation be reviewed to ensure ease of reporting in terms of accuracy and reliability.

In respect of risk management:

- Noted the verbal progress report by the Chief Risk Officer;
- An extensive report on Risk Management will serve at the June 2019 meeting.

In respect of Investigations:

- Noted the updated fraud incidents register;
- Noted the feedback by the Municipal Manager;
- Requested for a comparative analysis year on year for inclusion in the report.

6.3 Financial Implications

As per the approved budget.

6.4 Legal Implications

The recommendations comply with legislation.

6.5 Staff Implications

N/A.

6.6 Previous / Relevant Council Resolutions

N/A

6.7 Risk Implications

N/A

6.8 Comments from Senior Management

The Municipal Manager and Senior Managers are in support of this item.

APPENDICES

Appendix 1- Minutes of the Audit and Performance Audit Committee Meeting dated 07 February 2019

FOR FURTHER DETAILS CONTACT:

NAME	<i>Faiz Hoosain</i>
POSITION	<i>Chief Audit Executive</i>
DIRECTORATE	<i>Municipal Manager's Office</i>
CONTACT NUMBERS	<i>021-808 8555</i>
E-MAIL ADDRESS	Faiz.Hoosain@ Stellenbosch.gov.za
REPORT DATE	<i>09 April 2019</i>

APPENDIX 1

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2019-02-07

MINUTES

AUDIT AND PERFORMANCE AUDIT COMMITTEE MEETING [IN-COMMITTEE]

2019-02-07

[IN-COMMITTEE]

PRESENT: Dr NL Mortimer (as Interim Chairperson)
Mr VJ Botto
Mr J Fairbairn

Also Present: Deputy Executive Mayor, Cllr N Jindela
Councillor WF Pietersen (MPAC Chairperson)

Officials: Municipal Manager
Acting Chief Financial Officer
Director: Corporate Services
Director: Infrastructure Services
Acting Director: Community & Protection Services (A vd Merwe)
Chief Audit Executive
Chief Risk Officer
Senior Internal Auditor
Manager: Contracts & Compliance
Manager: Secretariat/Committee Services

1.	OPENING AND WELCOME
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The Interim Chairperson welcomed everyone present.

1.1	COMMUNICATION BY THE CHAIRPERSON
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Dr Mortimer reminded the Committee of the interim arrangement vis-à-vis the Chairperson, and that the formal appointment of the Chairperson will be done at the next Audit Committee meeting when the full complement of members (the 5th member) has also been appointed.

1.2	COMMUNICATION BY THE MUNICIPAL MANAGER
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None

[IN-COMMITTEE]

1.3	DISCLOSURE OF INTERESTS
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It was noted that the necessary documentation in respect of Declaration of Interest and Confidentiality was completed and signed by all Audit Committee members present.

2.	APPLICATIONS FOR LEAVE OF ABSENCE
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The following apologies were tendered:

Mr TW Lesihla

Executive Mayor

Office of the Auditor-General

3.	CONFIRMATION OF MINUTES AND MATTERS ARISING
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3.1	<p>Confirmation of minutes</p> <p>The minutes of the Audit & Audit Performance Committee held on 2018-12-07. (APPENDIX 1)</p> <p>FOR CONFIRMATION</p>
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The minutes of the Audit and Performance Audit Committee held on 2018-12-27 were **confirmed as correct.**

3.2	<p>MATTERS ARISING FROM PREVIOUS MINUTES / ACTION POINTS</p> <p>FOR CONSIDERATION</p>
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NOTED

that all previous action points have been actioned.

[IN-COMMITTEE]

4.	AUDITOR-GENERAL
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4.1	A-G REPORT: 2018/19 (APPENDIX 2) FOR CONSIDERATION
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AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2019-02-07: ITEM 4.1

It was noted that a draft of the Auditor-General's Report 2018/19 had been dealt with prior by the Audit Committee, where an issue regarding non-measurability of two KPI's and one other issue relating to material non-compliance with MFMA Sec 32.2 (relevant to consequence management), were discussed in great detail with the A-G. The attached report presents the final outcome on the A-G's findings.

RESOLVED

that the A-G REPORT: 2018/19, **be noted**.

4.2	A-G: Management Report: 2018/19 (APPENDIX 3) FOR CONSIDERATION
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AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2019-02-07: ITEM 4.2

(The Management Report was interrogated in conjunction with the A-G Report; refer comments on item 4.1 above).

RESOLVED

that the A-G: Management Report: 2018/19, **be noted**.

4.3	A-G Action Plan: 2018/19 (APPENDIX 4) FOR CONSIDERATION
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AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2019-02-07: ITEM 4.3

Management confirmed that all the findings of the Auditor-General (as well as the matters raised in the Management Report) have been extrapolated and consolidated into the A-G Action Plan, which will be addressed and reported on quarterly. The Audit Committee emphasised the importance of training of staff, diligent financial management, and the implementation of consequence management.

RESOLVED

that the A-G Action Plan: 2018/19, **is approved** for implementation.

[IN-COMMITTEE]

5.	FINANCIAL STATEMENTS
5.1	Section 52 QUARTERLY BUDGET MONITORING REPORT: 2 nd Quarter, 2018/19 (APPENDIX 5) FOR CONSIDERATION

AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2019-02-07: ITEM 5.1

The Chief Financial Officer highlighted the sectors where shortfalls in revenue collection occurred (e.g. water, traffic and parking), and he expressed the view that focused attention should be given toward devising a comprehensive revenue enhancement strategy. The Audit Committee suggested that research be done to assess consumer “*price resistance*” and the level of affordability of local consumers.

RESOLVED

that Section 52 Quarterly Budget Monitoring Report: 2nd Quarter, 2018/19, **be noted**.

6.	INTERNAL AUDIT AND INTERNAL CONTROL
6.1	Internal Audit Progress Report (APPENDIX 6) FOR CONSIDERATION

AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2019-02-07: ITEM 6.1

The Chief Audit Executive informed the Committee that, upon request of the Municipal Manager, Internal Audit will be assisting with the Directors’ performance reviews, particularly with the verification of the submitted Portfolios of Evidence.

RESOLVED

that the Internal Audit Progress Report, **be noted**.

6.2	Quarterly Key Control Review – Quarter 1 (APPENDIX 7) FOR CONSIDERATION
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AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2019-02-07: ITEM 6.2**RESOLVED**

that the item stands over till the next meeting.

[IN-COMMITTEE]

6.3	PDO's – Quarter 1, 2018/19 (APPENDIX 8) FOR CONSIDERATION
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AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2019-02-07: ITEM 6.3

Management expanded on the cause/s of misalignment between targets and sources of evidence as is indicated in the Quarterly PDO Report. Further, Management agreed with the Audit Committee's observation that care ought to be exercised when initially composing KPI's so that there is a direct correlation between "outcomes" and "standards", i.e. the juxtaposition of performance versus targets.

The Audit Committee also recommended that a parallel system of reporting on KPI's be implemented whereby only the required KPI's that are subject to auditing be reported on, and that the outcomes against all other additional KPI's be monitored separately.

RESOLVED

that the Report on PDO's – Quarter 1, 2018/19, **be noted**.

7.	QUALITY ASSURANCE AND IMPROVEMENT
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NONE

8.	RISK MANAGEMENT AND ICT
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NONE

[IN-COMMITTEE]

9.	FRAUD RESPONSE COMMITTEE: INVESTIGATIONS AND FRAUD
9.1	Fraud Management Report: as at 31 January 2019 (APPENDIX 9) FOR CONSIDERATION

AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2019-02-07: ITEM 9.1

A comparative analysis against the previous year's number of incidents will be useful.

The Municipal Manager lamented the spate of frivolous and baseless allegations against Senior Management, particularly when such allegations emanate from Councillors. This matter has been taken up with the Speaker's Office.

RESOLVED

that the Fraud Management Report: January 2019, **be noted.**

10.	DATE OF NEXT MEETING
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RESOLVED

that the date and time of the next meeting is 07 May 2019 at 15:00.

The meeting adjourned at 15:55.

CHAIRPERSON:

DATE:

Confirmed on **with/without amendments.**

10.3.2	QUARTERLY REPORT OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE OF STELLENBOSCH MUNICIPALITY FOR THE PERIOD 01 APRIL 2019 TILL 30 JUNE 2019
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Collaborator No:

File No:

IDP KPA Ref No:

Good Governance

Meeting Date:

28 August 2019

1. SUBJECT: QUARTERLY REPORT OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE OF STELLENBOSCH MUNICIPALITY FOR THE PERIOD 01 APRIL 2019 TILL 30 JUNE 2019

2. PURPOSE

To inform Council of the activities of the Audit Committee for the period 01 April 2019 till 30 June 2019 (4th Quarter). The Minutes of the meetings held for this period mentioned is herewith attached as **APPENDIX 1 AND APPENDIX 2** respectively which outlines the activities of the Audit and Performance Audit Committee.

3. DELEGATED AUTHORITY

Audit and Performance Audit Committee reports to Council periodically.

4. EXECUTIVE SUMMARY

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

The Audit Committee has executed its duties and responsibilities during the period under review in accordance with its terms of reference as they relate to Council's accounting, internal auditing, internal control and financial reporting practices.

5. FOR NOTING

- (a) the reports of the Audit Committee for the period 01 April 2019 till 30 June 2019; and
- (b) that Dr NL Mortimer has been elected as the newly appointed Chairperson of the Audit and Performance Audit Committee for the balance of his term.

6. DISCUSSION / CONTENTS

6.1 Background

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

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

The Audit and Performance Audit Committee will also review the annual financial statements in order to advise Council whether its finances are being managed efficiently and effectively. Furthermore, the Audit and Performance Audit Committee

may respond to Council on issues raised by the Auditor-General in the audit report and carry out investigations into the financial affairs of the municipality if requested to do so by Council.

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

6.2 **Discussion**

During this period the committee, amongst other matters, considered the following and would like to report the following in conjunction with the minutes of the meetings attached:

In respect of the external auditors and the external audit:

- Monitored the progress made with AG action plan and noted the presentation of the CFO in relation to the progress made to resolve findings and the development of SOP's to strengthen the internal controls and control environment as a whole;

In respect of financial statements:

- Audit Committee reviewed the quarterly section 52 report for the 2nd quarter;
- Advised management on the importance of submitting a realistic achievable SDBIP to Council;
- Reviewed the 8 months interim financial statements and progress reported by the MM to ensure that material errors and adjustments are reduced.

In respect of internal control and internal audit:

- Reviewed critical and significant issues raised by the internal audit processes and the adequacy of corrective action in response to such findings as detailed in reports and follow-up reports;
- Reviewed the SORR (State of Records Review) conducted by Internal Audit on behalf of the Auditor General which highlights the risks for the upcoming audit and the commitments from management to ensure audit readiness;
- Noted the delay with completion of Internal Audit review on Supply Chain Management and the reasons for the delay from the MM and CFO;
- Reviewed the progress made by Internal Audit in the execution of its operational plan;
- Approved the Operational Plan of Internal Audit for the 2019-2020 financial year;
- Reviewed significant differences of opinion between the internal audit function and management and noted that all issues raised was addressed and resolved.

In respect of Pre-determined Objectives

- Noted the reports in relation to Quarter 2 PDO's and Quarter 3 PDO's as reviewed by Internal Audit;
- Noted Internal Audit's report on the Performance Management System and review done by Internal Audit on the POE's of the Municipal Manager and Directors for the mid-year and annual performance reviews.

In respect of risk management:

- Reviewed progress reports on Risk Management;
- Reviewed minutes of the Risk management Committee;
- Reviewed the updated and revised strategic and operation risk registers;

In respect of Fraud, Investigations and Consequence management:

- Noted the risk and fraud management project plan;
- Noted the updated fraud allegations register and closure of resolved matters;
- Noted the comparative analysis year on year but requested only a summary of this for 1 year.
- Provided input into the draft Consequence Management Policy and suggested that it also be circulated to MPAC for inputs and then be recommended to Council.

In respect of the election of a new Chairperson:

- Nominations were received and duly seconded for Dr NL Mortimer and Mr J Fairbairn;
- Dr NL Mortimer was duly elected by the Audit and Performance Audit
- Committee members as Chairperson for the remainder of his term.

6.3 Financial Implications

As per the approved budget.

6.4 Legal Implications

The recommendations comply with legislation.

6.5 Staff Implications

N/A.

6.6 Previous / Relevant Council Resolutions

N/A

6.7 Risk Implications

N/A

6.8 Comments from Senior Management

The Municipal Manager and Senior Managers are in support of this item.

APPENDICES

Appendix 1 Minutes of the Audit and Performance Audit Committee Meeting dated 07 May 2019

Appendix 2 Minutes of the Audit and Performance Audit Committee Meeting dated 27 June 2019

FOR FURTHER DETAILS CONTACT:

NAME	<i>Faiz Hoosain</i>
POSITION	<i>Chief Audit Executive</i>
DIRECTORATE	<i>Municipal Manager's Office</i>
CONTACT NUMBERS	<i>021-808 8555</i>
E-MAIL ADDRESS	Faiz.Hoosain@ Stellenbosch.gov.za
REPORT DATE	<i>24 July 2019</i>

APPENDIX 1

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2019-05-10

MINUTES

AUDIT AND PERFORMANCE AUDIT COMMITTEE MEETING [IN-COMMITTEE]

2019-05-07

PRESENT: Dr NL Mortimer (as Interim Chairperson)
Mr J Fairbairn
Ms J Williams

Also Present: Councillor WF Pietersen (MPAC Chairperson)

Office of the A-G: Mr Y Alexander

Officials: Municipal Manager
Chief Financial Officer
Director: Corporate Services
Director: Infrastructure Services
Director: Community & Protection Services
Director: Planning & Economic Development
Chief Audit Executive
Senior Manager: Governance
Chief Risk Officer
Senior Internal Auditor
Manager: Contracts & Compliance
Manager: Secretariat/Committee Services

1.	OPENING AND WELCOME
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The Interim Chairperson welcomed everyone present. Ms June Williams was cordially welcomed as a new member of the Audit Committee.

1.1	COMMUNICATION BY THE CHAIRPERSON
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The need to elect a Chairperson for the Audit & Audit Performance Committee will be dealt with at the close of the meeting.

1.2	COMMUNICATION BY THE MUNICIPAL MANAGER
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The Municipal Manager announced that Mr Kevin Carolus has been appointed by Council as the new Chief Financial Officer.

1.3	DISCLOSURE OF INTERESTS
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It was noted that the necessary documentation in respect of Declaration of Interest and Confidentiality was completed and signed by all Audit Committee members present.

2.	APPLICATIONS FOR LEAVE OF ABSENCE
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The following apologies were tendered:

Mr VJ Botto

Mr TW Lesihla

3.	CONFIRMATION OF MINUTES AND MATTERS ARISING
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3.1	Confirmation of minutes The minutes of the Audit & Audit Performance Committee held on 2019-02-07. (APPENDIX 1) FOR CONFIRMATION
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The minutes of the Audit and Performance Audit Committee held on 2019-02-07 were **confirmed as correct.**

3.2	MATTERS ARISING FROM PREVIOUS MINUTES / ACTION POINTS FOR CONSIDERATION
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AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2019-05-07: ITEM 3.2

[NB: Item 6.2 which stood over from the meeting of 2019-02-07, was duly considered and noted].

The Office of the Auditor-General informed the Audit Committee of a proposed new methodology for doing the Status of Records Review (SORR), i.e. as a combined effort between The Municipality and the A-G's Office. The Chief Audit Executive requested that the Auditor-General's Office provide guidance in terms of the timelines to ensure that the combined SORR takes place in good time (and ideally on a quarterly basis) so that any remedial actions can be instituted promptly.

NOTED

that all previous action points have been actioned.

4.	AUDITOR-GENERAL
4.1	A-G ACTION PLAN: 2017/18 (APPENDIX 2) FOR CONSIDERATION

AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2019-05-07: ITEM 4.1

The Chief Financial Officer provided a synopsis of the actions taken and the status of the findings as alluded to in the Action Plan. Some findings will be addressed through Budget Policies (for adoption at the May Council meeting); other outstanding matters will be resolved at the time of submission of the Interim Annual Financial Statements. Additionally, Standard Operating Procedures have since been developed or up-dated to deal with identified deficiencies in controls and processes.

RESOLVED

that the A-G ACTION PLAN: 2017/18, **be noted.**

5.	FINANCIAL STATEMENTS
5.1	Section 52 QUARTERLY BUDGET MONITORING REPORT: 3 rd Quarter, 2018/19 (APPENDIX 3) FOR CONSIDERATION

AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2019-05-07: ITEM 5.1

Management highlighted the following key factors that contributed to the under-performance on both the operational and capital budget respectively, namely: the water situation (and water tariffs), and the unintended consequence of provincial departments' grant funding at their year-end (*"fiscal dumping"*, which cannot be properly planned for or timeously spent by the municipality).

The Audit Committee urged Management to ensure that a realistic, achievable SDBIP is tabled to Council. Concern was also expressed in terms of the maintenance of existing infrastructure as opposed to new infrastructure.

RESOLVED

that Section 52 Quarterly Budget Monitoring Report: 3rd Quarter, 2018/19, **be noted.**

6.	INTERNAL AUDIT AND INTERNAL CONTROL
-----------	--

6.1	Internal Audit Progress Report (APPENDIX 4) FOR CONSIDERATION
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AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2019-05-07: ITEM 6.1

The Audit Committee took note that a full Cobit Assessment of Information Technology will be undertaken during the new financial year by an external service provider.

RESOLVED

that the Internal Audit Progress Report, **be noted**.

6.2	PDO's – Quarter 2, 2018/19 (APPENDIX 5) FOR CONSIDERATION
------------	--

AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2019-05-07: ITEM 6.2

RESOLVED

that the Report on PDO's – Quarter 2, 2018/19, **be noted**.

6.3	Internal Audit Report -- Performance (APPENDIX 6) FOR CONSIDERATION
------------	--

AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2019-05-07: ITEM 6.3

The Municipal Manager is of the view that, in terms of verification, the evidence that is already captured on the Ignite electronic system should be regarded as complementary to the hard-copy Portfolio of Evidence being submitted, particularly in view of the municipality's gearing toward "paperless" reporting.

RESOLVED

that the Internal Audit Report -- Performance, **be noted**.

7.	QUALITY ASSURANCE AND IMPROVEMENT
----	--

NONE

8.	RISK MANAGEMENT AND ICT
----	--------------------------------

8.1	Minutes of Risk Management Meeting: 26 February 2019. (APPENDIX 7) FOR CONSIDERATION
-----	---

AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2019-05-07: ITEM 8.1

It was noted that the Minutes of the Risk Management Meeting: 26 February 2019, will only be submitted for approval at the next Risk Management Committee meeting.

RESOLVED

that the draft Minutes of Risk Management Meeting: 26 February 2019, **be noted.**

8.2	Risk Assessment and Progress Report. (APPENDIX 8) FOR CONSIDERATION
-----	--

AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2019-05-07: ITEM 8.2

RESOLVED

that the Risk Assessment and Progress Report, **be noted.**

8.3	Revised Strategic and Operational Risk Register 2019/20. (APPENDIX 9) FOR CONSIDERATION
-----	--

AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2019-05-07: ITEM 8.3

RESOLVED

that the Revised Strategic and Operational Risk Register 2019/20, **be noted.**

8.4	Risk Action Plan: Revised Strategic Risks 2019/20. (APPENDIX 10) FOR CONSIDERATION
-----	---

AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2019-05-07: ITEM 8.4

The Chief Financial Officer informed the Audit Committee that a longer term sustainability projection (i.e. 5-10 year time-span) is currently being compiled.

RESOLVED

that Risk Action Plan: Revised Strategic Risks 2019/20, **be noted**.

9.	FRAUD RESPONSE COMMITTEE: INVESTIGATIONS AND FRAUD
-----------	---

9.1	Risk & Fraud Management Project Plan. (APPENDIX 11) FOR CONSIDERATION
-----	--

AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2019-05-07: ITEM 9.1

RESOLVED

that the Risk & Fraud Management Project Plan, **be noted**.

9.2	Fraud and Corruption Allegations Register. (APPENDIX 12) FOR CONSIDERATION
-----	---

AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2019-05-07: ITEM 9.2

The Chief Risk Officer informed the Audit Committee that a considerable number of cases has since been resolved, and that at present there are only six cases pending.

The Municipal Manager reported that a number of baseless allegations which were brought against Senior Management by Councillors, have formally been dismissed by Council. The Audit Committee is of the view that consideration ought to be given to developing a policy to deal with this type of frivolous, vexatious and malicious allegations brought by Councillors, as well as the appropriate action to be taken against such Councillors.

RESOLVED

that the Fraud and Corruption Allegations Register, **be noted**.

9.3	Additional Matter: Appointment of a Chairperson for the Audit & Audit Performance Committee
-----	--

AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2019-05-07: ITEM 9.3

RESOLVED

that the matter of electing a Chairperson for the Audit & Audit Performance Committee be deferred to a next meeting when the full complement of members are present.

10.	DATE OF NEXT MEETING
-----	-----------------------------

RESOLVED

that the date and time of the next meeting is 27 June 2019 at 15:00.

The meeting adjourned at 16:40.

CHAIRPERSON:

DATE:

Confirmed on **with/without amendments.**

APPENDIX 2

CONFIDENTIAL



STELLENBOSCH
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MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

2019-07-05

MINUTES

AUDIT AND PERFORMANCE AUDIT COMMITTEE MEETING [IN-COMMITTEE]

2019-06-27

1**MINUTES****AUDIT AND PERFORMANCE AUDIT
COMMITTEE MEETING****2019-06-27****[IN-COMMITTEE]**

PRESENT: Dr NL Mortimer (as Interim Chairperson)
 Mr V Botto
 Mr J Fairbairn
 Mr T Lesihla
 Ms J Williams

Also Present: Councillor WF Pietersen (MPAC Chairperson)

Office of the A-G: Ms L Klue-Knipe

Officials: Municipal Manager
 Chief Financial Officer
 Director: Corporate Services
 Director: Community & Protection Services
 S Haider deputizing for Director: Infrastructure Services
 W Moses deputizing for Director: Planning & Economic Development
 Chief Audit Executive
 S Grobbelaar deputizing for Senior Manager: Governance
 Chief Risk Officer
 Senior Internal Auditor
 Manager: Contracts & Compliance
 Manager: IDP/PMS
 Manager: Financial Statements (Ms M Steyl)
 Manager: Secretariat/Committee Services

1.	OPENING AND WELCOME
-----------	----------------------------

The Interim Chairperson welcomed everyone present.

1.1	COMMUNICATION BY THE CHAIRPERSON
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The election of a Chairperson for the Audit & Audit Performance Committee will be dealt with under item 10 as indicated on the agenda.

2

MINUTES

AUDIT AND PERFORMANCE AUDIT
COMMITTEE MEETING

2019-06-27

[IN-COMMITTEE]

1.2	COMMUNICATION BY THE MUNICIPAL MANAGER
-----	--

NONE

1.3	DISCLOSURE OF INTERESTS
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It was noted that the necessary documentation in respect of Declaration of Interest and Confidentiality was completed and signed by all Audit Committee members present.

2.	APPLICATIONS FOR LEAVE OF ABSENCE
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The following apologies were tendered:

Executive Mayor, Ald G van Deventer

(Directors Louw and Mfeya and Ms de Visser are on leave).

3.	CONFIRMATION OF MINUTES AND MATTERS ARISING
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3.1	<p>Confirmation of minutes</p> <p>The minutes of the Audit & Audit Performance Committee held on 2019-05-07. (APPENDIX 1)</p> <p>FOR CONFIRMATION</p>
-----	---

The minutes of the Audit and Performance Audit Committee held on 2019-05-07 were **confirmed as correct.**

3.2	<p>MATTERS ARISING FROM PREVIOUS MINUTES / ACTION POINTS</p> <p>FOR CONSIDERATION & DISCUSSION</p>
-----	--

AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2019-06-27: ITEM 3.2
NOTED

that all previous action points have been actioned.

[IN-COMMITTEE]

4.	AUDITOR-GENERAL
4.1	A-G Action Plan: 2017/18 as at 2019-06-19 (APPENDIX 2) FOR CONSIDERATION

AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2019-06-27: ITEM 4.1

The Chief Financial Officer confirmed that competent in-house capacity does exist for managing all VAT reconciliations internally, without the need for an external service provider. A draft Consequence Management Policy will be tabled at the July 2019 Council meeting for adoption; this policy (and a SOP that will be developed, based on the policy) will serve as a useful tool in handling instances of irregular, unauthorised, fruitless and wasteful expenditure.

NB: It was noted that a number of findings where the status is indicated as “ongoing”, have since been attended to through the implementation of corrective measures, and that, after a final review, these will be indicated as “resolved” in the next status report.

RESOLVED

that the report on the A-G ACTION PLAN: 2017/18, **be noted.**

4.2	State of Records Review (SORR) (APPENDIX 3) FOR CONSIDERATION
-----	--

AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2019-06-27: ITEM 4.2

The Chief Audit Executive explained that the State of Records Review (SORR) replaces the Key Control Reviews, which Internal Audit performs on behalf of the Auditor-General. A recent engagement with the A-G’s Office had clarified the processes and procedures that Internal Audit has to follow in order to satisfy the requirements of the A-G in this regard. The working papers, process maps and testing procedures on Supply Chain Management had been submitted to the A-G’s Office. An assessment of the key risks was done and has been brought to the attention of the Municipal Manager and the Chief Financial Officer.

Ms Klue-Knipe of the A-G’s Office complimented Internal Audit on the fine work done in relation to the SORR; she indicated that the A-G’s Office would in future want to be part of the Management meeting when the SORR is discussed.

The Municipal Manager reported that the establishment of the Project Management Unit should improve the implementation and monitoring of the infrastructure program.

RESOLVED

that the State of Records Review (SORR), **be noted.**

4

MINUTES

AUDIT AND PERFORMANCE AUDIT
COMMITTEE MEETING

2019-06-27

[IN-COMMITTEE]

5.	FINANCIAL STATEMENTS
5.1	8 Months Interim Financial Statements (APPENDIX 4) FOR CONSIDERATION

AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2019-06-27: ITEM 5.1

The Chief Financial Officer presented an overview of the good progress made to-date in addressing the findings of the Auditor-General. The Audit Committee reiterated the importance of accurate planning and for SDBIP targets to be realistic and achievable.

RESOLVED

that the 8 months Interim Financial Statements, **be noted**.

6.	INTERNAL AUDIT AND INTERNAL CONTROL
6.1	Internal Audit Progress Report (APPENDIX 5) FOR CONSIDERATION

AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2019-06-27: ITEM 6.1

The Audit Committee took note of the roll-over to the 2019/20 financial year of the audit on Building Plans and Applications for Re-zoning.

RESOLVED

that the Internal Audit Progress Report, **be noted**.

6.2	PDO's – Quarter 3, 2018/19 (APPENDIX 6) FOR CONSIDERATION
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AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2019-06-27: ITEM 6.2**RESOLVED**

that the Report on PDO's – Quarter 3, 2018/19, **be noted**.

6.3	Internal Audit Report – Performance Management System (APPENDIX 7) FOR CONSIDERATION
-----	---

AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2019-06-27: ITEM 6.3**RESOLVED**

that the Internal Audit Report – Performance Management System, **be noted**.

6.4	Internal Audit Report – Supply Chain Management (SCM) (APPENDIX 8) FOR CONSIDERATION
-----	---

AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2019-06-27: ITEM 6.4**RESOLVED**

That the item stands over until the next Audit Committee meeting.

6.5	Internal Audit Follow-up Report (ICT and Risk Management). (APPENDIX 9 & 10) FOR CONSIDERATION
-----	---

AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2019-06-27: ITEM 6.5

With reference to the ICT Cobit Gap Analysis, the Audit Committee is of the view that the ICT management framework is mainly focused on the operational level and is not clearly linked to the strategic objective toward technological advancement. The absence of an approved ICT Charter was also flagged as a matter for attention.

RESOLVED

that the Internal Audit Follow-up Report (ICT and Risk Management), **be noted.**

6.6	Internal Audit Operational Plan 2019/2020 (APPENDIX 11) FOR CONSIDERATION
-----	--

AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2019-06-27: ITEM 6.6

The Municipal Manager highlighted the fact that thorough and on-going training is provided in terms of Supply Chain Management and MFMA compliance in general.

The Audit Committee shares the concern of the Municipal Manager that the allocation of only 120 audit hours for MFMA Compliance seems to be on the low side, and should be reviewed.

Sports facilities/stadiums have to be SASRIA-compliant; Internal Audit to flag this as an additional review matter, to ensure that the annual applications/certificates are on file.

The Audit Committee recommends that the quarterly reports should indicate the actual audit hours that were spent against the planned hour allocations per business process. Consideration should also be given toward balancing the time spent on routine reviews (e.g. A-G follow up reviews; Quarterly Key Control reviews etc.) as opposed to doing actual new audit work.

RESOLVED

that the Internal Audit Operational Plan 2019/2020, with suggestions, **be approved.**

[IN-COMMITTEE]

7.	QUALITY ASSURANCE AND IMPROVEMENT
----	--

NONE

8.	RISK MANAGEMENT AND ICT
----	--------------------------------

NONE

9.	FRAUD, INVESTIGATIONS AND CONSEQUENCE MANAGEMENT
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9.1	Risk & Fraud Management Project Plan. (APPENDIX 12) FOR CONSIDERATION
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AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2019-06-27: ITEM 9.1**RESOLVED**that the Risk & Fraud Management Project Plan, **be noted**.

9.2	Fraud and Corruption Allegations Register. (APPENDIX 13) FOR CONSIDERATION
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AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2019-06-27: ITEM 9.2**RESOLVED**that the Fraud and Corruption Allegations Register, **be noted**.

9.3	Draft Consequence Management Policy (APPENDIX 14) FOR CONSIDERATION
-----	--

AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2019-06-27: ITEM 9.3

The Audit Committee suggested that the Draft Consequence Management Policy be tabled at MPAC for its' input.

RESOLVED

that the Draft Consequence Management Policy be recommended to Council for adoption.

MINUTES

AUDIT AND PERFORMANCE AUDIT
COMMITTEE MEETING

2019-06-27

[IN-COMMITTEE]

10.	Election of Chairperson of the Audit and Performance Audit Committee FOR CONSIDERATION
------------	--

AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2019-06-27: ITEM 10**RESOLVED**

that Dr NL Mortimer is duly elected as the Chairperson of the Audit & Performance Audit Committee.

11.	DATE OF NEXT MEETING
------------	-----------------------------

AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2019-06-27: ITEM 11**RESOLVED**

that the date and time of the next meeting is 27 August 2019 at 15:00.

The meeting adjourned at 16:30.

CHAIRPERSON:

DATE:

Confirmed on **with/without amendments.**

10.3.3	SIGNED PERFORMANCE AGREEMENTS 2019/20 OF THE MUNICIPAL MANAGER AND MANAGERS DIRECTLY ACCOUNTABLE TO THE MUNICIPAL MANAGER
--------	--

Collaborator No: 656150
 IDP KPA Ref No: *Good Governance and Compliance*
 Meeting Date: 14 August 2019

1. SUBJECT: SIGNED PERFORMANCE AGREEMENTS 2019/20 OF THE MUNICIPAL MANAGER AND MANAGERS DIRECTLY ACCOUNTABLE TO THE MUNICIPAL MANAGER

2. PURPOSE

To submit to Council, for notification, the following:

(a) Signed Performance Agreements 2019/20 of the Municipal Manager and Managers Directly Accountable to the Municipal Manager.

3. DELEGATED AUTHORITY

In terms of Section 53(3)(b) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) the Executive Mayor must ensure that the performance agreements "...be submitted to the council and the MEC for local government in the province."

4. EXECUTIVE SUMMARY

According to Section 57(2) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) the performance agreement must be concluded annually:

"(a) ...within one month after the beginning of each financial year of the municipality."

5. FOR NOTING

the signed Performance Agreements 2019/20 of the Municipal Manager and Managers Directly Accountable to the Municipal Manager.

6. DISCUSSION

6.1 Background

Regulation 4(4)(a) of the Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006, requires that a separate performance agreement be signed within ninety (90) calendar days after the assumption of duty and annually within one month after the commencement of the new financial year.

The performance agreements 2019/20 of the Municipal Manager and Directors was concluded on 30 July 2019. Hence the Municipality complied with Regulation (4)(4)(a) of the Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006.

6.2 Financial Implications

There are no financial implications beyond that which has been provided for in the 2019/20 MTREF Budget.

6.3 Legal Implications

According to Section 23 of the Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 805 of 2006, the purpose of the agreement is to:

"(1) comply with the provisions of Section 57(1)(b),(4A), (4B), (46) and (5) of the Act as well as the employment contract entered into between the parties;

- (2) specify objectives and targets defined and agreed with the employee and to communicate to the employee the employer's expectations of the employee's performance and accountabilities in alignment with the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the municipality;
- (3) specify accountabilities as set out in a performance plan, which forms an annexure to the performance agreement;
- (4) monitor and measure performance against set targeted outputs;
- (5) use the performance agreement as the basis for assessing whether the employee has met the performance expectations applicable to his or her job;
- (6) in the event of outstanding performance, to appropriately reward the employee; and
- (7) give effect to the employer's commitment to a performance-orientated relationship with its employee in attaining equitable and improved service delivery".

6.4 **Staff Implications**

This report has no staff implications for the Municipality.

6.5 **Risk Implications**

None

7. **Comments from Senior Management**

Item supported by the Municipal Manager and Directors.

RECOMMENDATION FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2019-08-14: ITEM 7.10.2

FOR NOTING

the signed Performance Agreements 2019/20 of the Municipal Manager and Managers Directly Accountable to the Municipal Manager.

ANNEXURES

Performance Agreements for:

- Geraldine Mettler- Municipal Manager (Annexure 1);
- Kevin Carolus – Chief Financial Officer (Annexure 2);
- Annalene De Beer- Director: Corporate Services (Annexure 3);
- Tabiso Mfeya- Director: Planning and Economic Development (Annexure 4);
- Deon Louw- Director: Infrastructure Services (Annexure 5); and
- Gary Boshoff – Director: Community and Protection Services (Annexure 6).

FOR FURTHER DETAILS CONTACT:

NAME	Shireen De Visser
POSITION	Senior Manager: Governance
DIRECTORATE	Municipal Manager
CONTACT NUMBERS	021 808 8035
E-MAIL ADDRESS	shireen.devisser@ Stellenbosch.gov.za
REPORT DATE	06 August 2019

ANNEXURE 1



STELLENBOSCH

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MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

Performance Agreement

2019 - 2020

Municipal Manager

Handwritten signature

PERFORMANCE AGREEMENT

MADE AND ENTERED INTO BY AND BETWEEN
STELLENBOSCH MUNICIPALITY HEREBY REPRESENTED BY:

THE EXECUTIVE MAYOR
Cllr Adv Gesie Van Deventer
(herein and after referred as Employer)

AND

Municipal Manager
Ms Geraldine Mettler
(herein and after referred as Employee)

FOR THE FINANCIAL YEAR:

01 JULY 2019 - 30 JUNE 2020



.....
Municipal Manager
Ms Geraldine Mettler



.....
Executive Mayor
Cllr Adv Gesie Van Deventer

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.....
Municipal Manager
Ms Geraldine Mettler



.....
Executive Mayor
Cllr Adv Gesie Van Deventer

1. INTRODUCTION

- 1.1 The Employer, duly represented by **Cllr Adv Gesie Van Deventer**, in her capacity as the Executive Mayor has entered into a contract of employment with the Employee, **Ms Geraldine Mettler**, in terms of section 57(1)(a) of the Local Government: Municipal Systems Act 32 of 2000 ("the Systems Act"). The Employer and the Employee are hereinafter referred as "the Parties";
- 1.2 Section 57(1)(b) of the Systems Act, read with the Contract of Employment concluded between the parties, requires the Parties to conclude an annual performance agreement;
- 1.3 The Parties wish to ensure that they are clear about the goals to be achieved, and secure the commitment of the Employee to a set of outcomes that will promote local government policy goals;
- 1.4 The Parties wish to ensure that there is compliance with Sections 57(4B) and 57(5) of the Systems Act;
- 1.5 In this Agreement, the followings terms will have the meaning ascribed thereto:
 - 1.5.1 "this Agreement" – means the performance agreement between the Employer and the employee and the Annexures thereto;
 - 1.5.2 "the Executive Mayor" – means the **EXECUTIVE MAYOR** elected in terms of Section 55 of the Local Government: Municipal Structures Act 117 of 1998 ("the Structures Act") as represented by its chairperson, the Executive Mayor;
 - 1.5.3 "the Employee" means the **MUNICIPAL MANAGER** appointed in terms of Section 54 (A) and 56 of the Systems Act;
 - 1.5.4 "the Employer" means **STELLENBOSCH MUNICIPALITY**; and
 - 1.5.5 "the Parties" means the Employer and Employee.

2. PURPOSE OF THIS AGREEMENT

- 2.1 To comply with the provisions of Section 57(1)(b), (4B) and (5) of the Systems Act as well as the Contract of Employment entered into between the Parties;
- 2.2 To specify objectives and targets established for the Employee and to communicate to the Employee the Employer's expectations of the Employee's performance targets and accountabilities;
- 2.3 To specify accountabilities as set out in the Performance Plan (Annexure A);
- 2.4 To monitor and measure performance against set targeted outputs and outcomes;
- 2.5 To establish a transparent and accountable working relationship;



.....
Municipal Manager
Ms Geraldine Mettler



.....
Executive Mayor
Cllr Adv Gesie Van Deventer

- 2.6 To appropriately reward the employee in accordance with section 11 of this agreement; and
- 2.7 To give effect to the Employer's commitment to a performance-orientated relationship with the Employee in attaining improved service delivery.

3. COMMENCEMENT AND DURATION

- 3.1 This Agreement will commence on **01 July 2019** and will remain in force until **30 June 2020** where-after a new Performance Agreement shall be concluded between the parties for the next financial year or any portion thereof;
- 3.2 The Parties will conclude a new Performance Agreement that replaces this Agreement at least once a year by not later than 31st of July of the succeeding financial year;
- 3.3 This Agreement will terminate on the termination of the Employee's contract of employment for any reason; and
- 3.4 The content of this Agreement may be revised at any time during the abovementioned period to determine the current applicability of the matters previously agreed upon.

4. PERFORMANCE OBJECTIVES

- 4.1 The Performance Plan (Annexure A) sets out –
 - 4.1.1 The performance objectives and targets that must be met by the Employee;
 - 4.1.2 The time frames within which those performance objectives and targets must be met; and
 - 4.1.3 The core competency requirements (Annexure B – definitions) as the management skills regarded as critical to the position held by the Employee.
- 4.2 The performance objectives and targets reflected in Annexure A are set by the Employer in consultation with the Employee and based on the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the Employer, and shall include:
 - 4.2.1 Key objectives that describe the main tasks that need to be done;
 - 4.2.2 Key performance indicators (KPIs) that provide the details of the evidence that must be provided to show that a key objective has been achieved;



.....
Municipal Manager
Ms Geraldine Mettler



.....
Executive Mayor
Cllr Adv Gesie Van Deventer

- 4.2.3 Target dates that describe the timeframe in which the targets must be achieved; and
- 4.2.4 Weightings showing the relative importance of the key objectives to each other.
- 4.3 The Personal Development Plan (Annexure C) sets out the Employee's personal development requirements in line with the objectives and targets of the Employer; and
- 4.4 The Employee's performance will, in addition, be measured in terms of contributions to the goals and strategies set out in the Employer's Integrated Development Plan.

5. PERFORMANCE MANAGEMENT SYSTEM

- 5.1 The Employee agrees to participate in the performance management system that the Employer adopted for the employees of the Employer;
- 5.2 The Employee accepts that the purpose of the performance management system will be to provide a comprehensive system with specific performance standards to assist the employees and service providers to perform to the standards required;
- 5.3 The Employer will consult the Employee about the specific performance standards and targets that will be included in the performance management system applicable to the Employee;
- 5.4 The Employee undertakes to actively focus on the promotion and implementation of the Strategic Focus Areas (SFAs) (including special projects relevant to the employee's responsibilities) within the local government framework;
- 5.5 The criteria upon which the performance of the Employee shall be assessed shall consist of two components, SFAs and Competency Framework requirements as per the Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers, both of which shall be contained in the Performance Agreement;
- 5.6 The Employee's assessment will be based on his performance in terms of the outputs / outcomes (KPIs) identified as per attached Performance Plan (Annexure A), which are linked to the SFAs applicable to the Employee, and will constitute 80% of the overall assessment result as per the weightings agreed to between the Employer and Employee.

Strategic Focus Areas
SFA 1 – Valley of Possibility
SFA 2 – Green and Sustainable Valley



Municipal Manager
Ms Geraldine Mettler



Executive Mayor
Cllr Adv Gesie Van Deventer

Strategic Focus Areas
SFA 3 - Safe Valley
SFA 4 - Dignified Living
SFA 5 - Good Governance and Compliance

- 5.7 The competency requirements for senior managers as per Regulation 9 of Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers will make up the other 20% of the Employee's assessment score. The competencies will be assessed every six (6) months (January and July).

Leading and Core Competencies		
1.	Strategic direction and leadership	<ul style="list-style-type: none"> • Impact and influence • Institutional performance management • Strategic planning and management • Organisational awareness
2.	People management	<ul style="list-style-type: none"> • Human capital planning and development • Diversity management • Employee relations management • Negotiation and dispute management
3.	Programme and project management	<ul style="list-style-type: none"> • Programme and project planning and implementation • Service delivery management • Program and project monitoring and evaluation
4.	Financial management	<ul style="list-style-type: none"> • Budget planning and execution • Financial strategy and delivery • Financial reporting and delivery
5.	Change leadership	<ul style="list-style-type: none"> • Change vision and strategy • Process design and improvement • Change impact monitoring and evaluation
6.	Governance leadership	<ul style="list-style-type: none"> • Policy formulation • Risk and compliance management • Cooperative governance
7.	Moral competence	<ul style="list-style-type: none"> • Core Competency
8.	Planning and organising	<ul style="list-style-type: none"> • Core Competency
9.	Analysis and innovation	<ul style="list-style-type: none"> • Core Competency
10.	Knowledge and information management	<ul style="list-style-type: none"> • Core Competency
11.	Communication	<ul style="list-style-type: none"> • Core Competency
12.	Results and quality focus	<ul style="list-style-type: none"> • Core Competency

6. PERFORMANCE ASSESSMENT

- 6.1 The Performance Plan (Annexure A) to this Agreement sets out –
- 6.1.1 The standards and procedures for evaluating the Employee's performance; and
- 6.1.2 The intervals for the evaluation of the Employee's performance.
- 6.2 Despite the establishment of agreed intervals for evaluation, the Employer may in addition review the Employee's performance at any stage while the contract of employment remains in force;

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- 6.3 Personal growth and development needs identified during any performance review discussion must be documented in a Personal Development Plan as well as the actions agreed to and implementation must take place within set time frames;
- 6.4 The Employee's performance will be measured in terms of contributions to the goals and strategies set out in the Employer's Integrated Development Plan (IDP) as described in 6.6 – 6.12 below;
- 6.5 The Employee will submit quarterly performance reports (SDBIP) and a comprehensive annual performance report at least one week prior to the performance assessment meetings to the Evaluation Panel Chairperson for distribution to the panel members for preparation purposes;
- 6.6 Assessment of the achievement of results as outlined in the performance plan:
- 6.6.1 Each KPI or group of KPIs shall be assessed according to the extent to which the specified standards or performance targets have been met and with due regard to ad-hoc tasks that had to be performed under the KPI;
- 6.6.2 A rating on the five-point scale shall be provided for each KPI or group of KPIs which will then be multiplied by the weighting to calculate the final score;
- 6.6.3 The Employee will submit his self-evaluation to the Employer prior to the formal assessment;
- 6.6.4 In the instance where the employee could not perform due to reasons outside the control of the employer and employee, the KPI will not be considered during the evaluation. The employee should provide sufficient evidence in such instances; and
- 6.6.5 An overall score will be calculated based on the total of the scores calculated above.
- 6.7 Assessment of the Competencies:
- 6.7.1 Each Competency shall be assessed in terms of the description provided in (Annexure B);
- 6.7.2 A rating shall be provided for each Competency which will then be multiplied by the weighting to calculate the final score; and
- 6.7.3 An overall score will be calculated based on the total of the scores calculated above.



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6.8 Overall rating

6.8.1 An overall rating is calculated by adding the overall scores as calculated in 6.6.5 and 6.7.3 above; and

6.8.2 Such overall rating represents the outcome of the performance appraisal.

6.9 The assessment of the performance of the Employee will be based on the following rating scales for SFAs and Competencies respectively:

6.9.1 Rating scale for SFAs - as mentioned in paragraph 5.6:

Level	Terminology	Description
5	Outstanding performance	Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the Employee has achieved above fully effective results against all performance criteria and indicators as specified in the PA and Performance plan and maintained this in all areas of responsibility throughout the year.
4	Performance significantly above expectations	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the Employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.
3	Fully effective	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the Employee has fully achieved effective results against all significant performance criteria and indicators as specified in the PA and Performance Plan.
2	Not fully effective	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the PA and Performance Plan.
1	Unacceptable performance	Performance does not meet the standard expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against almost all the performance criteria and indicators as specified in the PA and Performance Plan. The employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement.

6.9.2 Rating scale for Competencies -as mentioned in paragraph 5.7:

Level	Achievement Levels	Description
5	Superior	Has a comprehensive understanding of local government operations, critical in shaping strategic direction and change, develops, and applies comprehensive concepts and methods
4	Advanced	Develops and applies complex concepts, methods and understanding.

Level	Achievement Levels	Description
		Effectively directs and leads a group and executes in-depth analyses
3	Competent	Develops and applies more progressive concepts, methods and understanding. Plans and guides the work of others and executes progressive analyses
2	Basic	Applies basic concepts, methods, and understanding of local government operations, but requires supervision and development intervention
1	Sub Standard	Applies little to no basic concepts, methods, and understanding of local government operations.

6.10 For purposes of evaluating the performance of the Employee for the year-end reviews, an evaluation panel constituted of the following persons will be established–

6.10.1 Executive Mayor;

6.10.2 Mayor from another municipality;

6.10.3 Chairperson of the Performance Audit Committee or in his/her absence thereof, the Chairperson of the Audit Committee; and

6.10.4 The Member of the Mayoral Committee (Portfolio Chairperson).

6.10.5 A Member of a ward committee as nominated by the Executive Mayor.

6.11 The Executive Mayor will evaluate the performance of the Employee as at the end of the 1st, and 3rd quarters; and

6.12 The Executive Mayor will give performance feedback to the Employee within five (5) working days after each quarterly and annual assessment meeting.

7. SCHEDULE FOR PERFORMANCE REVIEWS

7.1 The performance of the Employee in relation to his performance agreement shall be reviewed on the following dates.

Quarter	Review Period	Review to be completed by
1	July - September	October / November 2019 (Informal)
2	October – December	January / February 2020 (Formal)
3	January – March	April / May 2020 (Informal)
4	April - June	After the receipt of the AG's Management Report

7.2 The Employer shall keep a record of the mid-year and year-end assessment meetings;

7.3 Performance feedback shall be based on the Employer's assessment of the Employee's performance;


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7.4 The Employer will be entitled to review and make reasonable changes to the provisions of Annexure A from time to time for operational reasons. The Employee will be fully consulted before any such change is made; and

7.5 The Employer may amend the provisions of Annexure A whenever the performance management system is adopted, implemented, and/or amended as the case may be. In that case, the Employee will be fully consulted before any such change is made.

8. DEVELOPMENTAL REQUIREMENTS

8.1 The Personal Development Plan (PDP) for addressing developmental gaps is attached as Annexure C. Such Plan may be implemented and/or amended as the case may be after each assessment. In that case, the Employee will be fully consulted before any such change or plan is made.

9. OBLIGATIONS OF THE EMPLOYER

9.1 The Employer shall-

9.1.1 Create an enabling environment to facilitate effective performance by the employee;

9.1.2 Provide access to skills development and capacity building opportunities;

9.1.3 Work collaboratively with the Employee to solve problems and generate solutions to common problems that may impact on the performance of the Employee;

9.1.4 On the request of the Employee delegate such powers reasonably required by the Employee to enable him to meet the performance objectives and targets established in terms of this Agreement; and

9.1.5 Make available to the Employee such resources as the Employee may reasonably require from time to time assisting him to meet the performance objectives and targets established in terms of this Agreement.

10. CONSULTATION

10.1 The Employer agrees to consult the Employee timeously where the exercising of its powers will have amongst others-

10.1.1 A direct effect on the performance of any of the Employee's functions;

10.1.2 Commit the Employee to implement or to give effect to a decision made by the Employer; and



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10.1.3 A substantial financial effect on the Employer.

10.2 The Employer agrees to inform the Employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated in clause 12.1 as soon as is practicable to enable the Employee to take any necessary action with delay.

11. REWARD

11.1 The evaluation of the Employee's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance;

11.2 The payment of the performance bonus is determined by the performance score obtained during the 4th quarter and as informed by the quarterly performance assessments;

11.3 A performance bonus of between 5% to 14% of the all- inclusive annual remuneration package may be paid to the Employee in recognition of outstanding performance to be constituted as follows:

Performance Rating		Bonus Calculation
0% - 64%	Poor Performance	0% of total package
65% - 69%	Average Performance	5% of total package
70% - 74%	Fair Performance	9% of total package
75% - 79%	Good Performance	11% of total package
80% - 100%	Excellent Performance	14% of total package

11.4 In the event of the Employee terminating his services during the validity period of this Agreement, the Employee's performance will be evaluated for the portion during which he was employed and he will be entitled to a pro-rata performance bonus based on his evaluated performance for the period of actual service; and

11.5 The Employer will submit the total score of the annual assessment and of the Employee, to full Council for purposes of recommending the bonus allocation.

12. MANAGEMENT OF EVALUATION OUTCOMES

12.1 Where the Employer is, any time during the Employee's employment, not satisfied with the Employee's performance with respect to any matter dealt with in this Agreement, the Employer will give notice to the Employee to attend a meeting;

12.2 The Employee will have the opportunity at the meeting to satisfy the Employer of the measures being taken to ensure that his performance becomes satisfactory and any programme, including any dates, for implementing these measures;

12.3 Where there is a dispute or difference as to the performance of the Employee under this Agreement, the Parties will confer with a view to resolving the dispute or difference; and



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12.4 In the case of unacceptable performance, the Employer shall –

12.4.1 Provide systematic remedial or developmental support to assist the Employee to improve his performance; and

12.4.2 After appropriate performance counselling and having provided the necessary guidance and/or support as well as reasonable time for improvement in performance, the Employer may consider steps to terminate the contract of employment of the Employee on grounds of unfitness or incapacity to carry out his or her duties.

13. DISPUTE RESOLUTION

13.1 In the event that the Employee is dissatisfied with any decision or action of the Employer in terms of this Agreement, or where a dispute or difference arises as to the extent to which the Employee has achieved the performance objectives and targets established in terms of this Agreement, the Employee may within 3 (three) business days, meet with the Employer with a view to resolving the issue. The Employer will record the outcome of the meeting in writing;

13.2 If the Parties cannot resolve the issues within 10 (ten) business days, an independent arbitrator, acceptable to both parties, shall be appointed to resolve the matter within 30 (thirty) business days; and

13.3 In the event that the mediation process contemplated above fails, the relevant clause of the Contract of Employment together with the relevant laws and regulations shall apply.

14. GENERAL

14.1 The contents of this agreement and the outcome of any review conducted in terms of Annexure A may be made available to the public by the Employer; and

14.2 Nothing in this agreement diminishes the obligations, duties, or accountabilities of the Employee in terms of his contract of employment, or the effects of existing or new regulations, circulars, policies, directives, or other instruments.



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Thus, done and signed at Stellenbosch on the 30th day of 2019.


MUNICIPAL MANAGER

AS WITNESSES:

1. 
2. 

Thus, done and signed at Stellenbosch on the 30th day of 2019.


EXECUTIVE MAYOR

AS WITNESSES:

1. 
2. 



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Executive Mayor
Cllr Adv Gesie Van Deventer



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Annexure A Performance Plan

MUNICIPAL MANAGER

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The Performance Plan sets out:

- Key Performance Areas that the employee should focus on, performance objectives, key performance indicators and targets that must be met within a specific timeframe; and
- The Competencies required from employees prescribed in the Regulations on the appointment and conditions of employment of senior managers, R21 of 2014.

KEY PERFORMANCE INDICATORS

The key performance areas, the performance objectives, key performance indicators and targets that must be met within the agreed timeframe are described below. The assessment of these performance indicators will account for 80% (**eighty percent**) of the total employee assessment score.

Part 1: Implementation of Service Delivery and Budget Implementation Plan (80%)

MUNICIPAL MANAGER														
IDP/ Ref No.	Strategic Focus Area (SFA)	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator type	Baseline (Actual 2017/2018)	5 Year Target	2019/20	Portfolio of evidence (POE)	Funding Source	Service Delivery and Budget Implementation Plan (SDBIP 2019/20)				Weight
										Q1	Q2	Q3	Q4	
TBC	Good governance and Compliance	Effective Management and Functional Supervision of the Director: Corporate Services	Percentage of indicators of the Director: Corporate Services achieved, measured quarterly	Outcome	New indicator	90% per annum	90%	Ignite dashboard report	SM	90%	90%	90%	90%	6
TBC	Good governance and Compliance	Effective Management and Functional Supervision of the Chief Financial Officer	Percentage of indicators of the Chief Financial Officer achieved, measured quarterly	Outcome	New indicator	90% per annum	90%	Ignite dashboard report	SM	90%	90%	90%	90%	6

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IDP/ Ref No.	Strategic Focus Area (SFA)	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator type	Baseline (Actual 2017/2018)	5 Year Target	2019/20	Portfolio of evidence (POE)	Funding Source	Service Delivery and Budget Implementation Plan (SDBIP 2019/20)				weight
										Q1	Q2	Q3	Q4	
TBC	Good governance and Compliance	Effective Management and Functional Supervision of the Director: Planning and Economic Development	Percentage of indicators of the Director: Planning and Economic Development achieved, measured quarterly	Outcome	New indicator	90% per annum	90%	Ignite dashboard report	SM	90%	90%	90%	90%	6
TBC	Good governance and Compliance	Effective Management and Functional Supervision of the Director: Infrastructure Services	Percentage of indicators of the Director: Infrastructure Services achieved, measured quarterly	Outcome	New indicator	90% per annum	90%	Ignite dashboard report	SM	90%	90%	90%	90%	6
TBC	Good governance and Compliance	Effective Management and Functional Supervision of the Director: Community and Protection Services	Percentage of indicators of the Director: Community and Protection Services achieved, measured quarterly	Outcome	New indicator	90% per annum	90%	Ignite dashboard report	SM	90%	90%	90%	90%	6
TBC	Good governance and Compliance	Effective Management and Functional Supervision of the Chief Audit Executive	Percentage of indicators of the Chief Audit Executive achieved, measured quarterly	Outcome	New indicator	90% per annum	90%	Ignite dashboard report	SM	90%	90%	90%	90%	3
TBC	Good governance and Compliance	Effective Management and Functional Supervision of the Senior Manager: Governance	Percentage of indicators of the Senior Manager: Governance achieved, measured quarterly	Outcome	New indicator	90% per annum	90%	Ignite dashboard report	SM	90%	90%	90%	90%	3

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IDP/ Ref No.	Strategic Focus Area (SFA)	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator type	Baseline (Actual 2017/2018)	5 Year Target	2019/20	Portfolio of evidence (POE)	Funding Source	Service Delivery and Budget Implementation Plan (SDBIP 2019/20)				weight
										Q1	Q2	Q3	Q4	
KPI058	Good governance and Compliance	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	Outcome	50%	75% per annum	75%	Employment Equity Report	SM	N/A	N/A	N/A	75%	2
KPI062	Good governance and Compliance	Revised Risk-Based Audit Plan (RBAP) submitted to the Audit Committee	Number of Revised RBAPs submitted to the Audit Committee by 30 June	Output	1	1 per annum	1	Proof of submission of the RBAP to the Audit Committee	SM	N/A	N/A	N/A	1	4
KPI063	Good governance and Compliance	Audit Action Plan (AAP) submitted to the Audit Committee	Number of Audit Action Plans submitted to the Audit Committee by 28 February	Output	1	1 per annum	1	Proof of submission of the AAP to the Audit Committee	SM	N/A	N/A	1	N/A	4
KPI064	Good governance and Compliance	Revised Risk Register (RR) submitted to the Risk Management Committee	Number of Revised Risk Registers submitted to the Risk Management Committee by 30 June	Output	1	1 per annum	1	Proof of submission of the RR to the Risk Management Committee	SM	N/A	N/A	N/A	1	4
KPI067	Good governance and Compliance	Draft Integrated Development Plan (IDP) submitted to Council	Number of Draft IDPs submitted to Council by 31 March	Output	1	1 per annum	1	Proof of submission of the Draft IDP to Council	SM	N/A	N/A	1	N/A	4



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IDP/ Ref No.	Strategic Focus Area (SFA)	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator type	Baseline (Actual 2017/2018)	5 Year Target	2019/20	Portfolio of evidence (POE)	Funding Source	Service Delivery and Budget Implementation Plan (SDBIP 2019/20)				weight
										Q1	Q2	Q3	Q4	
KPI070	Good governance and Compliance	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	Output	1	1 per annum	1	Proof of submission of the IDP / Budget / SDF time schedule (process plan) to Council	SM	1	N/A	N/A	N/A	4
TBC	Good governance and Compliance	Performance agreements signed with all identified personnel	Number of performance agreements signed by 31 August	Output	100%	7 per annum	7	Signed performance agreements submitted to the PMS Unit	SM	7	N/A	N/A	N/A	4
TBC	Good governance and Compliance	Conduct formal performance evaluations with all identified personnel	Number of formal performance evaluations conducted with all identified personnel by 30 June	Output	100%	14 per annum	14	Ignite performance evaluations reports	SM	N/A	7 (7)	N/A	7 (14)	3
TBC	Good governance and Compliance	Facilitation of strategic management meetings	Number of Strategic Management Meetings facilitated per month	Output	New Indicator	20 per annum	20	Minutes of Strategic Meetings	SM	5	5	5	5	2
TBC	Good governance and Compliance	Develop Annual Departmental Risk Register	Number of Annual Risk Registers developed by 31 July	Output	New indicator	1 per annum	1	Annual Departmental Risk Register submitted to the Risk Management Unit	SM	1	N/A	N/A	N/A	4
TBC	Good governance and Compliance	Evaluation of the Departmental Risk Register	Number of Departmental Risk Registers evaluated by 31 May	Output	New indicator	2 per annum	2	Proof of risk evaluations submitted to the Risk Management Unit	SM	N/A	1 (1)	N/A	1 (2)	4


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IDP/ Ref No.	Strategic Focus Area (SFA)	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator type	Baseline (Actual 2017/2018)	5 Year Target	2019/20	Portfolio of evidence (POE)	Funding Source	Service Delivery and Budget Implementation Plan (SDBIP 2019/20)				Weight
										Q1	Q2	Q3	Q4	
TBC	Good governance and Compliance	Implementation of Council resolutions	Percentage of resolutions implemented measured quarterly	Output	70%	70% per annum	100%	Council Resolution Register	SM	70%	70%	70%	70%	3
TBC	Good governance and Compliance	Attendance of quarterly Occupation Health and Safety (OHS) meetings	Number of quarterly OHS meetings attended by the Director or secondee	Output	New indicator	4 per annum	4	OHS attendance registers	SM	1 (1)	1 (2)	1 (3)	1 (4)	2



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Part 2: Competency Requirements (20%)

Ref	Leading and Core Competencies	(January) 1 st Assessment	(July) Final Assessment	Weights	Comments
2.1	Strategic direction and leadership			1.66%	
2.2	People management			1.66%	
2.3	Programme and project management			1.66%	
2.4	Financial management			1.66%	
2.5	Change leadership			1.67%	
2.6	Governance leadership			1.67%	
2.7	Moral competence			1.67%	
2.8	Planning and organising			1.67%	
2.9	Analysis and innovation			1.67%	
2.10	Knowledge and information management			1.67%	
2.11	Communication			1.67%	
2.12	Results and quality focus			1.67%	
Total				20%	



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Annexure B Competency Framework

MUNICIPAL MANAGER


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CLUSTER :	LEADING COMPETENCIES		
COMPETENCY NAME :	Strategic Direction and Leadership		
COMPETENCY DEFINITION :	Provide and direct a vision for the institution, and inspire and deploy others to deliver on the strategic institutional mandate.		
ACHIEVEMENT LEVELS			
BASIC	COMPETENT	ADVANCED	SUPERIOR
<ul style="list-style-type: none">Understand Institutional and departmental strategic objectives, but lacks the ability to inspire others to achieve set mandate.	<ul style="list-style-type: none">Give direction to a team in realising the institution's strategic mandate and set objectives.	<ul style="list-style-type: none">Evaluate all activities to determine value and alignment to strategic intent.	<ul style="list-style-type: none">Structure and position the institution to local government priorities.
<ul style="list-style-type: none">Describe how specific tasks link to institutional strategies but has limited influence in directing a strategy.	<ul style="list-style-type: none">Has a positive impact and influence on the morale, engagement and participation of team members.	<ul style="list-style-type: none">Display in-depth knowledge and understanding of strategic planning.	<ul style="list-style-type: none">Actively use in-depth knowledge and understanding to develop and implement a comprehensive institutional framework.
<ul style="list-style-type: none">Has a basic understanding of institutional performance management, but lacks the ability to integrate systems into a collective whole.	<ul style="list-style-type: none">Develop action plans to execute and guide strategy.	<ul style="list-style-type: none">Align strategy and goals across all functional areas.	<ul style="list-style-type: none">Hold self-accountable for strategy execution and results.
<ul style="list-style-type: none">Demonstrate basic understanding of key decision makers.	<ul style="list-style-type: none">Assist in defining performance measures to monitor the progress and effectiveness of the institution.	<ul style="list-style-type: none">Actively define performance measures to monitor the progress and effectiveness of the institution.	<ul style="list-style-type: none">Provide impact and influence through building and maintaining strategic relationships.
	<ul style="list-style-type: none">Displays an awareness of institutional structures and political factors.	<ul style="list-style-type: none">Consistently challenge strategic plans to ensure relevance.	<ul style="list-style-type: none">Create an environment that facilitates loyalty and innovation. Display a superior level of self-discipline and integrity in actions.
	<ul style="list-style-type: none">Effectively communicate barriers to execution to relevant parties.	<ul style="list-style-type: none">Understand institutional structures and political factors, and the consequences of actions.	<ul style="list-style-type: none">Integrate various systems into a collective whole to optimise institutional performance management.
	<ul style="list-style-type: none">Provide guidance to all stakeholders in the achievement of the strategic mandate.	<ul style="list-style-type: none">Empower others to follow the strategic direction and deal with complex situations.	<ul style="list-style-type: none">Uses understanding of competing interests to maneuver successfully to a win/win outcome.
	<ul style="list-style-type: none">Understand the aim and objectives of the institution and relate it to own work.	<ul style="list-style-type: none">Guide the institution through complex and ambiguous concern.Use understanding of power relationships and dynamic tensions among key players to frame communications and develop strategies, positions and alliances.	

CLUSTER :	LEADING COMPETENCIES		
COMPETENCY NAME :	People Management		
COMPETENCY DEFINITION :	Effectively manage, inspire and encourage people, respect diversity, optimise talent and build and nurture relationships in order to achieve institutional objectives.		
ACHIEVEMENT LEVELS			
BASIC	COMPETENT	ADVANCED	SUPERIOR
<ul style="list-style-type: none">Participate in team goalsetting and problem solving.	<ul style="list-style-type: none">Seek opportunities to increase team contribution and responsibility.	<ul style="list-style-type: none">Identify ineffective team and work processes and recommend remedial interventions.	<ul style="list-style-type: none">Develop and incorporate best practice people management processes, approaches and tools across the institution.
<ul style="list-style-type: none">Interact and collaborate with people of diverse backgrounds.	<ul style="list-style-type: none">Respect and support the diverse nature of others and be aware of the benefits of a diverse approach.	<ul style="list-style-type: none">Recognise and reward effective and desired behavior.	<ul style="list-style-type: none">Foster a culture of discipline, responsibility and accountability.
<ul style="list-style-type: none">Aware of guidelines for employee development, but requires support in implementing development initiatives.	<ul style="list-style-type: none">Effectively delegate tasks and empower others to increase contribution and execute functions optimally.	<ul style="list-style-type: none">Provide mentoring and guidance to others in order to increase personal effectiveness.	<ul style="list-style-type: none">Understand the impact of diversity in performance and actively incorporate a diversity strategy in the institution.
	<ul style="list-style-type: none">Apply relevant employee legislation fairly and consistently.	<ul style="list-style-type: none">Identify development and learning needs within the team.	<ul style="list-style-type: none">Develop comprehensive integrated strategies and approaches to human capital development and management.
	<ul style="list-style-type: none">Effectively identify capacity requirements to fulfill the strategic mandate.	<ul style="list-style-type: none">Inspire a culture of performance excellence by giving positive and constructive feedback to the team.Achieve agreement or consensus in adversarial environments.Lead and unite diverse teams across divisions to achieve institutional objectives.	<ul style="list-style-type: none">Actively identify trends and predict capacity requirements to facilitate unified transition and performance management.

CLUSTER :	LEADING COMPETENCIES			
COMPETENCY NAME :	Program and Project Management			
COMPETENCY DEFINITION :	Able to understand program and project management methodology; plan, manage, monitor and evaluate specific activities in order to deliver on set objectives.			
ACHIEVEMENT LEVELS				
BASIC	COMPETENT	ADVANCED	SUPERIOR	
<ul style="list-style-type: none">Initiate projects after approval from higher authorities.	<ul style="list-style-type: none">Establish broad stakeholder involvement and communicate the project status and key milestones.	<ul style="list-style-type: none">Manage multiple programs and balance priorities and conflicts according to institutional goals.	<ul style="list-style-type: none">Understand and conceptualize the long-term implications of desired project outcomes.	
<ul style="list-style-type: none">Understand procedures of program and project management methodology, implications and stakeholder involvement.	<ul style="list-style-type: none">Define the roles and responsibilities of the project team and create clarity around expectations.	<ul style="list-style-type: none">Apply effective risk management strategies through impact assessment and resource requirements.	<ul style="list-style-type: none">Direct a comprehensive strategic macro and micro analysis and scope projects accordingly to realize institutional objectives.	
<ul style="list-style-type: none">Understand the rational of projects in relation to the institution's strategic objectives.	<ul style="list-style-type: none">Find a balance between project deadline and the quality of deliverables.	<ul style="list-style-type: none">Modify project scope and budget when required without compromising the quality and objectives of the project.	<ul style="list-style-type: none">Influence people in positions of authority to implement outcomes of projects	
<ul style="list-style-type: none">Document and communicate factors and risk associated with own work.	<ul style="list-style-type: none">Identify appropriate project resources to facilitate the effective completion of the deliverables.	<ul style="list-style-type: none">Involve top-level authorities and relevant stakeholders in seeking project buy-in.	<ul style="list-style-type: none">Lead and direct translation of policy into workable action plans	
<ul style="list-style-type: none">Use results and approaches of successful project implementation as guide.	<ul style="list-style-type: none">Comply with statutory requirements and apply policies in a consistent manner.Monitor progress and use of resources and make needed adjustments to timelines, steps and resource allocation.	<ul style="list-style-type: none">Identify and apply contemporary project management methodologyInfluence and motivate project team to deliver exceptional results.Monitor policy implementation and apply procedures to manage risks.	<ul style="list-style-type: none">Ensures that programs are monitored to track progress and optimal resource utilization, and that adjustments are made as needed.	

CLUSTER :	LEADING COMPETENCIES			
COMPETENCY NAME :	Financial Management			
COMPETENCY DEFINITION :	Able to compile, plan and manage budgets, control cash flow, institute financial risk management and administer procurement processes in accordance with recognized financial practices. Further to ensure that all financial transactions are managed in an ethical manner			
ACHIEVEMENT LEVELS				
BASIC	COMPETENT	ADVANCED	SUPERIOR	
<ul style="list-style-type: none">Understand basic financial concepts and methods as they relate to institutional processes and activities	<ul style="list-style-type: none">Exhibit knowledge of general financial concepts, planning, budgeting and forecasting and how they interrelate	<ul style="list-style-type: none">Take active ownership of planning, budgeting and forecasting processes and provides credible answers to queries within own responsibility.	<ul style="list-style-type: none">Develop planning tools to assist in evaluating and monitoring future expenditure trends.	
<ul style="list-style-type: none">Display awareness into the various sources of financial data, reporting mechanisms, financial governance, processes and systems	<ul style="list-style-type: none">Assess, identify and manage financial risks.	<ul style="list-style-type: none">Prepare budgets that are aligned to the strategic objectives of the institution.	<ul style="list-style-type: none">Set budget frameworks for the institution.	
<ul style="list-style-type: none">Understand the importance of financial accountability	<ul style="list-style-type: none">Assume a cost-saving approach to financial management.	<ul style="list-style-type: none">Address complex budgeting and financial management concerns.	<ul style="list-style-type: none">Set strategic direction for the institution on expenditure and other financial processes.	
<ul style="list-style-type: none">Understand the importance of asset control.	<ul style="list-style-type: none">Prepare financial reports based on specified formats.	<ul style="list-style-type: none">Put systems and processes in place to enhance the quality and integrity of financial management practices.	<ul style="list-style-type: none">Build and nurture partnerships to improve financial management and achieve financial savings.	
	<ul style="list-style-type: none">Consider and understand the financial implications of decisions and suggestions.	<ul style="list-style-type: none">Advise on policies and procedures regarding asset control.	<ul style="list-style-type: none">Actively identify and implement new methods to improve asset control.	
	<ul style="list-style-type: none">Ensure that delegation and instructions as required by National Treasury guidelines are reviewed and updated.Identify and implement proper monitoring and evaluation practices to ensure appropriate spending against budget.	<ul style="list-style-type: none">Promote National Treasury's regulatory framework for Financial Management.	<ul style="list-style-type: none">Display professionalism in dealing with financial data and processes.	

CLUSTER :	LEADING COMPETENCIES		
COMPETENCY NAME :	Change Leadership		
COMPETENCY DEFINITION :	Able to direct and initiate institutional transformation on all levels in order to successfully drive and implement new initiatives and deliver professional and quality services to the community.		
ACHIEVEMENT LEVELS			
BASIC	COMPETENT	ADVANCED	SUPERIOR
<ul style="list-style-type: none">• Display an awareness of change interventions and the benefits of transformation initiatives.	<ul style="list-style-type: none">• Perform an analysis of the change impact on the social, political and economic environment.	<ul style="list-style-type: none">• Actively monitor change impact and results and convey progress to relevant stakeholders.	<ul style="list-style-type: none">• Sponsor change agents and create a network of change leaders who support the interventions.
<ul style="list-style-type: none">• Able to identify basic needs for change.	<ul style="list-style-type: none">• Maintain calm and focus during change.	<ul style="list-style-type: none">• Secure buy-in and sponsorship for change initiatives.	<ul style="list-style-type: none">• Actively adapt current structures and processes to incorporate the change interventions.
<ul style="list-style-type: none">• Identify gaps between the current and desired state.	<ul style="list-style-type: none">• Able to assist team members during change and keep them focused on the deliverables.	<ul style="list-style-type: none">• Continuously evaluate change strategy and design and introduce new approaches to enhance the institution's effectiveness.	<ul style="list-style-type: none">• Mentor and guide team members on the effects of change, resistance factors and how to integrate change.
<ul style="list-style-type: none">• Identify potential risk and challenges to transformation, including resistance to change factors.	<ul style="list-style-type: none">• Volunteer to lead change efforts outside of own work team.	<ul style="list-style-type: none">• Build and nurture relationships with various stakeholders to establish strategic alliance in facilitating change.	<ul style="list-style-type: none">• Motivate and inspire others around change initiatives.
<ul style="list-style-type: none">• Participate in change programs and piloting change interventions.	<ul style="list-style-type: none">• Able to gain buy-in and approval for change from relevant stakeholders.	<ul style="list-style-type: none">• Take the lead in impactful change programs.	
<ul style="list-style-type: none">• Understand the impact of change interventions on the institution within the broader scope of local government.	<ul style="list-style-type: none">• Identify change readiness levels and assist in resolving resistance to change factors.	<ul style="list-style-type: none">• Benchmark change interventions against best change practices.	
	<ul style="list-style-type: none">• Design change interventions that are aligned with the institution's strategic objectives and goals.	<ul style="list-style-type: none">• Understand the impact and psychology of change and put remedial interventions in place to facilitate effective transformation.• Take calculated risk and seek new ideas from best practice scenarios and identify the potential for implementation.	

CLUSTER :	LEADING COMPETENCIES			
COMPETENCY NAME :	Governance Leadership			
COMPETENCY DEFINITION:	Able to promote, direct and apply professionalism in managing risk and compliance requirements and apply a thorough understanding of governance practices and obligations. Further, able to direct the conceptualization of relevant policies and enhance cooperative governance relationships.			
ACHIEVEMENT LEVELS				
BASIC	COMPETENT	ADVANCED	SUPERIOR	
<ul style="list-style-type: none">• Display a basic awareness of risk, compliance and governance factors but require guidance and development in implementing such requirements.	<ul style="list-style-type: none">• Display a thorough understanding of governance and risk and compliance factors and implement plans to address these.	<ul style="list-style-type: none">• Able to link risk initiatives into key institutional objectives and drivers.	<ul style="list-style-type: none">• Demonstrate a high level of commitment in complying with governance requirements.	
<ul style="list-style-type: none">• Understand the structure of cooperative government but requires guidance on fostering workable relationships between stakeholders.	<ul style="list-style-type: none">• Demonstrate understanding of the techniques and processes for optimising risk taking decisions within the institution.	<ul style="list-style-type: none">• Identify, analyse and measure risk, create valid risk forecasts and map risk profiles.	<ul style="list-style-type: none">• Implement governance and compliance strategy to ensure achievement of institutional objectives within the legislative framework.	
<ul style="list-style-type: none">• Provide input into policy formulation.	<ul style="list-style-type: none">• Actively drive policy formulation within the institution to ensure the achievement of objectives.	<ul style="list-style-type: none">• Apply risk control methodology and approaches to prevent and reduce risk that impede on the achievement of institutional objectives.	<ul style="list-style-type: none">• Able to advise local government on risk management, best practice intervention and compliance management.	
		<ul style="list-style-type: none">• Demonstrate a thorough understanding of risk retention plans.	<ul style="list-style-type: none">• Able to forge positive relationships on cooperative governance level to enhance the effectiveness of local government.t	
		<ul style="list-style-type: none">• Identify and implement comprehensive risk management systems and processes.• Implement and monitor the formulation of policies, identify and analyse constraints and challenges with implementation and provide recommendations for improvement.	<ul style="list-style-type: none">• Able to shape, direct and drive the formulation of policies on a macro level.	

CLUSTER :	CORE COMPETENCIES			
COMPETENCY NAME :	Moral Competence			
COMPETENCY DEFINITION :	Able to identify moral triggers, apply reasoning that promotes honesty and integrity and consistently display behavior that reflects moral competence			
ACHIEVEMENT LEVELS				
BASIC	COMPETENT	ADVANCED	SUPERIOR	
<ul style="list-style-type: none">Realise the impact of acting with integrity, but requires guidance and development in implementing principles.	<ul style="list-style-type: none">Conduct self in alignment with the values of local government and the institution.	<ul style="list-style-type: none">Identify, develop and apply measures of self-correction.	<ul style="list-style-type: none">Create an environment conducive of moral practices.	
<ul style="list-style-type: none">Follow basic rules and regulations of the institution.	<ul style="list-style-type: none">Able to openly admit own mistakes and weaknesses and seek assistance from others when unable to deliver.	<ul style="list-style-type: none">Able to gain trust and respect through aligning actions with commitments.	<ul style="list-style-type: none">Actively develop and implement measures to combat fraud and corruption.	
<ul style="list-style-type: none">Able to identify basic moral situations, but requires guidance and development in understanding and reasoning with moral intent.	<ul style="list-style-type: none">Actively report fraudulent activity and corruption with local government.	<ul style="list-style-type: none">Make proposals and recommendations that are transparent and gain the approval of relevant stakeholders.	<ul style="list-style-type: none">Set integrity standards and shared accountability measures across the institution to support the objectives of local government.	
	<ul style="list-style-type: none">Understand and honor the confidential nature of matters without seeking personal gain.	<ul style="list-style-type: none">Present values, beliefs and ideas that are congruent with the institution's rules and regulations.	<ul style="list-style-type: none">Take responsibility for own actions and decisions, even if the consequences are unfavorable.	
	<ul style="list-style-type: none">Able to deal with situations of conflict of interest promptly and in the best interest of local government.	<ul style="list-style-type: none">Takes an active stance against corruption and dishonesty when noted.Actively promote the value of the institution to internal and external stakeholders.Able to work in unity with a team and not seek personal gain.Apply universal moral principles consistently to achieve moral decisions.		

CLUSTER :	CORE COMPETENCIES			
COMPETENCY NAME :	Planning and Organising			
COMPETENCY DEFINITION :	Able to plan, prioritise and organise information and resources effectively to ensure the quality of service delivery and build efficient contingency plans to manage risk.			
ACHIEVEMENT LEVELS				
BASIC	COMPETENT	ADVANCED	SUPERIOR	
<ul style="list-style-type: none">• Able to follow basic plans and organise tasks around set objectives.	<ul style="list-style-type: none">• Actively and appropriately organise information and resources required for a task.	<ul style="list-style-type: none">• Able to define institutional objectives, develop comprehensive plans, integrate and coordinate activities and assign appropriate resources for successful implementation.	<ul style="list-style-type: none">• Focus on broad strategies and initiatives when developing plans and actions.	
<ul style="list-style-type: none">• Understand the process of planning and organising but requires guidance and development in providing detailed and comprehensive plans.	<ul style="list-style-type: none">• Recognise the urgency and importance of tasks.	<ul style="list-style-type: none">• Identify in advance required stages and actions to complete tasks.	<ul style="list-style-type: none">• Able to protect and forecast short, medium and long term requirements of the institution and local government.	
<ul style="list-style-type: none">• Able to follow existing plans and ensure that objectives are met.	<ul style="list-style-type: none">• Balance short and long-term plans and goals and incorporate into the team's performance objectives.	<ul style="list-style-type: none">• Schedule realistic timelines, objectives and milestones for tasks and projects.	<ul style="list-style-type: none">• Translate policy into relevant projects to facilitate the achievement of institutional objectives.	
<ul style="list-style-type: none">• Focus on short-term objectives in developing plans and actions.	<ul style="list-style-type: none">• Schedule tasks to ensure they are performed within budget and with efficient use of time and resources.	<ul style="list-style-type: none">• Produce clear, detailed and comprehensive plans to achieve institutional objectives.		
<ul style="list-style-type: none">• Arrange information and resources required for a task, but require further structure and organization.	<ul style="list-style-type: none">• Measures progress and monitor performance results.	<ul style="list-style-type: none">• Identify possible risk factors and design and implement appropriate contingency plans.• Adapt plans in light of changing circumstances.• Prioritise tasks and projects according to their relevant urgency and importance.		



Municipal Manager
Ms Geraldine Mettler



Executive Mayor
Cllr Adv Gesie Van Deventer

CLUSTER :	CORE COMPETENCIES		
COMPETENCY NAME :	Analysis and Innovation		
COMPETENCY DEFINITION :	Able to critically analyse information, challenges and trends to establish and implement fact-based solutions that are innovative to improve institutional processes in order to achieve key strategic objectives		
ACHIEVEMENT LEVELS			
BASIC	COMPETENT	ADVANCED	SUPERIOR
<ul style="list-style-type: none">Understand the basic operation of analysis, but lack detail and thoroughness.	<ul style="list-style-type: none">Demonstrate logical problem solving techniques and approaches and provide rationale for recommendations.	<ul style="list-style-type: none">Coaches team members on analytical and innovative approaches and techniques.	<ul style="list-style-type: none">Demonstrate complex analytical and problem solving approaches and techniques.
<ul style="list-style-type: none">Able to balance independent analysis with requesting assistance from others.	<ul style="list-style-type: none">Demonstrate objectivity, insight and thoroughness when analysing problems.	<ul style="list-style-type: none">Engage with appropriate individuals in analysing and resolving complex problems.	<ul style="list-style-type: none">Create an environment conducive to analytical and fact-based problem solving.
<ul style="list-style-type: none">Recommend new ways to perform tasks within own function.	<ul style="list-style-type: none">Able to break down complex problems into manageable parts and identify solutions.	<ul style="list-style-type: none">Identify solutions on various areas in the institution.	<ul style="list-style-type: none">Analyse, recommend solutions and monitor trends in key challenges to prevent and manage occurrence.
<ul style="list-style-type: none">Propose simple remedial interventions that marginally challenges the status quo.	<ul style="list-style-type: none">Consult internal and external stakeholders on opportunities to improve processes and service delivery.	<ul style="list-style-type: none">Formulate and implement new ideas throughout the institution.	<ul style="list-style-type: none">Create an environment that fosters innovative thinking and follows a learning organisation approach.
<ul style="list-style-type: none">Listen to the ideas and perspectives of others and explore opportunities to enhance such innovative thinking.	<ul style="list-style-type: none">Clearly communicate the benefits of new opportunities and innovative solutions and stakeholders.	<ul style="list-style-type: none">Able to gain approval and buy-in for proposed interventions from relevant stakeholders.	<ul style="list-style-type: none">Be a thought leader on innovative customer service delivery and process optimization.
	<ul style="list-style-type: none">Continuously identify opportunities to enhance internal processes.	<ul style="list-style-type: none">Identify trends and best practices in process and service delivery and propose institutional application.	<ul style="list-style-type: none">Play an active role in sharing best practice solutions and engage in national and international local government seminars and conferences.
	<ul style="list-style-type: none">Identify and analyse opportunities conducive to innovative approaches and propose remedial intervention.	<ul style="list-style-type: none">Continuously engage in research to identify client needs.	

CLUSTER :	CORE COMPETENCIES			
COMPETENCY NAME :	Knowledge and Information Management			
COMPETENCY DEFINITION :	Able to promote the generation and sharing of knowledge and information through various processes and media, in order to enhance the collective knowledge base of local government			
ACHIEVEMENT LEVELS				
BASIC	COMPETENT	ADVANCED	SUPERIOR	
<ul style="list-style-type: none">Collect, categorise and track relevant information required for specific tasks and projects.	<ul style="list-style-type: none">Use appropriate information systems and technology to manage institutional knowledge and information sharing.	<ul style="list-style-type: none">Effectively predict future information and knowledge management requirements and systems.	<ul style="list-style-type: none">Create and support a vision and culture where team members are empowered to seek, gain and share knowledge and information.	
<ul style="list-style-type: none">Analyse and interpret information to draw conclusions.	<ul style="list-style-type: none">Evaluate data from various sources and use information effectively to influence decisions and provide solutions.	<ul style="list-style-type: none">Develop standards and processes to meet future knowledge management needs.	<ul style="list-style-type: none">Establish partnerships across local government to facilitate knowledge management.	
<ul style="list-style-type: none">Seek new sources of information to increase the knowledge base.	<ul style="list-style-type: none">Actively create mechanisms and structures for sharing information.	<ul style="list-style-type: none">Share and promote best-practice knowledge management across various institutions.	<ul style="list-style-type: none">Demonstrate a mature approach.	
<ul style="list-style-type: none">Regularly share information and knowledge with internal stakeholders and team members.	<ul style="list-style-type: none">Use external and internal resources to research and provide relevant and cutting-edge knowledge to enhance institutional effectiveness and efficiency.	<ul style="list-style-type: none">Establish accurate measures and monitoring systems for knowledge and information management.Create a culture conducive of learning and knowledge sharing.Hold regular knowledge and information sharing sessions to elicit new ideas and share best practice approaches.	<ul style="list-style-type: none">Recognise and exploit knowledge points in interactions with internal and external stakeholders.	

CLUSTER :	CORE COMPETENCIES			
COMPETENCY NAME :	Communication			
COMPETENCY DEFINITION :	Able to share information, knowledge and ideas in a clear, focused and concise manner appropriate for the audience in order to effectively convey, persuade and influence stakeholders to achieve the desired outcome.			
ACHIEVEMENT LEVELS				
BASIC	COMPETENT	ADVANCED	SUPERIOR	
<ul style="list-style-type: none">• Demonstrate an understanding for communication levers and tools appropriate for the audience, but requires guidance in utilising such tools.	<ul style="list-style-type: none">• Express ideas to individuals and groups in formal and informal settings in a manner that is interesting and motivating.	<ul style="list-style-type: none">• Effectively communicate high-risk and sensitive matters to relevant stakeholders.	<ul style="list-style-type: none">• Regarded as a specialist in negotiations and representing the institution.	
<ul style="list-style-type: none">• Express ideas in a clear and focused manner, but does not always take the audience into consideration.	<ul style="list-style-type: none">• Able to understand, tolerate and appreciate diverse perspectives, attitudes and beliefs.	<ul style="list-style-type: none">• Develop a well-defined communication strategy.	<ul style="list-style-type: none">• Able to inspire and motivate others through positive communication that is impactful and relevant.	
<ul style="list-style-type: none">• Disseminate and convey information and knowledge adequately.	<ul style="list-style-type: none">• Adapt communication content and style to suit the audience and facilitate optimal information transfer.	<ul style="list-style-type: none">• Balance political perspectives with institutional needs when communicating viewpoints on complex issues.	<ul style="list-style-type: none">• Creates an environment conducive to transparent and productive communication and critical appreciate conversations.	
	<ul style="list-style-type: none">• Deliver content in a manner that gains support, commitment and agreement from relevant stakeholders.	<ul style="list-style-type: none">• Able to effectively direct negotiations around complex.	<ul style="list-style-type: none">• Able to coordinate negotiations at different levels within local government and externally.	
	<ul style="list-style-type: none">• Compile clear, focused, concise and well-structured written documents.	<ul style="list-style-type: none">• Market and promote the institution to external stakeholders and seek to enhance a positive image of the institution.• Able to communicate with the media with high levels of moral competence and discipline.		

CLUSTER :	CORE COMPETENCIES			
COMPETENCY NAME :	Results and Quality Focus			
COMPETENCY DEFINITION :	Able to maintain high quality standards, focus on achieving results and objectives while consistently striving to exceed expectations and encourage others to meet quality standards. Further, to actively monitor and measure results and quality against identified objectives.			
ACHIEVEMENT LEVELS				
BASIC	COMPETENT	ADVANCED	SUPERIOR	
<ul style="list-style-type: none">Understand quality of work but requires guidance in attending to important matters.	<ul style="list-style-type: none">Focus on high-priority actions and does not become distracted by lower-priority activities.	<ul style="list-style-type: none">Consistently verify own standards and outcomes to ensure quality output.	<ul style="list-style-type: none">Coach and guide others to exceed quality standards and results.	
<ul style="list-style-type: none">Show a basic commitment to achieving the correct results.	<ul style="list-style-type: none">Display firm commitment and pride in achieving the correct results.	<ul style="list-style-type: none">Focus on the end result and avoids being distracted	<ul style="list-style-type: none">Develop challenging, client-focused goals and sets high standards for personal performance.	
<ul style="list-style-type: none">Produce the minimum level of results required in the role.	<ul style="list-style-type: none">Set quality standards and design processes and tasks around achieving set standards.	<ul style="list-style-type: none">Demonstrate a determined and committed approach to achieving results and quality standards.	<ul style="list-style-type: none">Commit to exceed the results and quality standards, monitor own performance and implement remedial interventions when required.	
<ul style="list-style-type: none">Produce outcomes that is of a good standard.	<ul style="list-style-type: none">Produce output of high quality.	<ul style="list-style-type: none">Follow task and projects through to completion.	<ul style="list-style-type: none">Work with team to set ambitious and challenging team goals, communicating long- and short term expectations.	
<ul style="list-style-type: none">Focus on the quantity of output but requires development in incorporating the quality of work.	<ul style="list-style-type: none">Able to balance the quantity and quality and quality of results in order to achieve objectives.	<ul style="list-style-type: none">Set challenging goals and objectives to self and team and display commitment to achieving expectations.	<ul style="list-style-type: none">Take appropriate risks to accomplish goals.	
<ul style="list-style-type: none">Produce quality work in general circumstances, but fails to meet expectation when under pressure.	<ul style="list-style-type: none">Monitors progress, quality of work and use of resources; provide status updates and make adjustments as needed.	<ul style="list-style-type: none">Maintain a focus on quality outputs when placed under pressure.	<ul style="list-style-type: none">Overcome setbacks and adjust action plans to realise goals.	
		<ul style="list-style-type: none">Establishing institutional systems for managing and assigning work, defining responsibilities, tracking, monitoring and measuring success, evaluating and valuing the work of the institution.	<ul style="list-style-type: none">Focus people on critical activities that yield a high impact.	



Municipal Manager
Ms Geraldine Mettler



Executive Mayor
Cllr Adv Gesie Van Deventer



STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

Annexure C

Personal Development Plan

MUNICIPAL MANAGER

.....
Municipal Manager
Ms Geraldine Mettler

.....
Executive Mayor
Cllr Adv Gesie Van Deventer

Skills Performance Gap	Outcomes Expected	Suggested training and /or development activity	Suggested mode of delivery	Suggested Time Frames	Work opportunity created to practice skill/development area	Support Person
1.						
2.						
3.						

Signed and accepted by the Employee



Date: 30/07/2017

Signed by the Executive Mayor on behalf of the Municipality



Date: 30/07/2017.

Skills Performance Gap	Outcomes Expected	Suggested training and /or development activity	Suggested mode of delivery	Suggested Time Frames	Work opportunity created to practice skill/development area	Support Person
1.						
2.						
3.						

Signed and accepted by the Employee



Date: _____

Signed by the Municipal Manager on behalf of the Municipality

Date: _____

ANNEXURE 2



STELLENBOSCH
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Performance Agreement 2019 - 2020

Chief Financial Officer

GM

PERFORMANCE AGREEMENT

MADE AND ENTERED INTO BY AND BETWEEN
STELLENBOSCH MUNICIPALITY HEREBY REPRESENTED BY:

THE MUNICIPAL MANAGER

Ms Geraldine Mettler

(herein and after referred as Employer)

AND

CHIEF FINANCIAL OFFICER

Mr Kevin Carolus

(herein and after referred as Employee)

FOR THE FINANCIAL YEAR:

01 JULY 2019 - 30 JUNE 2020


.....
Chief Financial Officer
Mr Kevin Carolus


.....
Municipal Manager:
Ms Geraldine Mettler

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.....
Chief Financial Officer
Mr Kevin Carolus



.....
Municipal Manager:
Ms Geraldine Mettler

1. INTRODUCTION

- 1.1 The Employer, duly represented by **Ms Geraldine Mettler**, in her capacity as the Municipal Manager has entered into a contract of employment with the Employee, **Mr Kevin Carolus**, in terms of section 57(1)(a) of the Local Government: Municipal Systems Act 32 of 2000 ("the Systems Act"). The Employer and the Employee are hereinafter referred as "the Parties";
- 1.2 Section 57(1)(b) of the Systems Act, read with the Contract of Employment concluded between the parties, requires the Parties to conclude an annual performance agreement;
- 1.3 The Parties wish to ensure that they are clear about the goals to be achieved, and secure the commitment of the Employee to a set of outcomes that will promote local government policy goals;
- 1.4 The Parties wish to ensure that there is compliance with Sections 57(4B) and 57(5) of the Systems Act;
- 1.5 In this Agreement, the followings terms will have the meaning ascribed thereto:
- 1.5.1 "this Agreement" – means the performance agreement between the Employer and the employee and the Annexures thereto;
- 1.5.2 "the **Municipal Manager**" – means the Municipal Manager of the Municipality appointed in terms of Section 54(A) of the Systems Act;
- 1.5.3 "the Employee" means the **Chief Financial Officer** appointed in terms of Section 56 of the Systems Act;
- 1.5.4 "the Employer" means **Stellenbosch Municipality**; and
- 1.5.5 "the Parties" means the Employer and Employee.

2. PURPOSE OF THIS AGREEMENT

- 2.1 To comply with the provisions of Section 57(1)(b), (4B) and (5) of the Systems Act as well as the Contract of Employment entered into between the Parties;
- 2.2 To specify objectives and targets established for the Employee and to communicate to the Employee the Employer's expectations of the Employee's performance targets and accountabilities;
- 2.3 To specify accountabilities as set out in the Performance Plan (Annexure A);
- 2.4 To monitor and measure performance against set targeted outputs and outcomes;
- 2.5 To establish a transparent and accountable working relationship;


.....
Chief Financial Officer
Mr Kevin Carolus


.....
Municipal Manager:
Ms Geraldine Mettler

- 2.6 To appropriately reward the employee in accordance with section 11 of this agreement; and
- 2.7 To give effect to the Employer's commitment to a performance-orientated relationship with the Employee in attaining improved service delivery.

3. COMMENCEMENT AND DURATION

- 3.1 This Agreement will commence on **01 July 2019** and will remain in force until **30 June 2020** where-after a new Performance Agreement shall be concluded between the parties for the next financial year or any portion thereof;
- 3.2 The Parties will conclude a new Performance Agreement that replaces this Agreement at least once a year by not later than 31st of July of the succeeding financial year;
- 3.3 This Agreement will terminate on the termination of the Employee's contract of employment for any reason; and
- 3.4 The content of this Agreement may be revised at any time during the abovementioned period to determine the current applicability of the matters previously agreed upon.

4. PERFORMANCE OBJECTIVES

- 4.1 The Performance Plan (Annexure A) sets out –
 - 4.1.1 The performance objectives and targets that must be met by the Employee;
 - 4.1.2 The time frames within which those performance objectives and targets must be met; and
 - 4.1.3 The core competency requirements (Annexure B – definitions) as the management skills regarded as critical to the position held by the Employee.
- 4.2 The performance objectives and targets reflected in Annexure A are set by the Employer in consultation with the Employee and based on the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the Employer, and shall include:
 - 4.2.1 Key objectives that describe the main tasks that need to be done;
 - 4.2.2 Key performance indicators (KPIs) that provide the details of the evidence that must be provided to show that a key objective has been achieved;



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- 4.2.3 Target dates that describe the timeframe in which the targets must be achieved; and
- 4.2.4 Weightings showing the relative importance of the key objectives to each other.
- 4.3 The Personal Development Plan (Annexure C) sets out the Employee's personal development requirements in line with the objectives and targets of the Employer; and
- 4.4 The Employee's performance will, in addition, be measured in terms of contributions to the goals and strategies set out in the Employer's Integrated Development Plan.

5. PERFORMANCE MANAGEMENT SYSTEM

- 5.1 The Employee agrees to participate in the performance management system that the Employer adopted for the employees of the Employer;
- 5.2 The Employee accepts that the purpose of the performance management system will be to provide a comprehensive system with specific performance standards to assist the employees and service providers to perform to the standards required;
- 5.3 The Employer will consult the Employee about the specific performance standards and targets that will be included in the performance management system applicable to the Employee;
- 5.4 The Employee undertakes to actively focus on the promotion and implementation of the Strategic Focus Areas (SFAs) (including special projects relevant to the employee's responsibilities) within the local government framework;
- 5.5 The criteria upon which the performance of the Employee shall be assessed shall consist of two components, SFAs and Competency Framework requirements as per the Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers, both of which shall be contained in the Performance Agreement;
- 5.6 The Employee's assessment will be based on his performance in terms of the outputs / outcomes (KPIs) identified as per attached Performance Plan (Annexure A), which are linked to the SFAs applicable to the Employee, and will constitute 80% of the overall assessment result as per the weightings agreed to between the Employer and Employee.

Strategic Focus Areas
SFA 1 – Valley of Possibility
SFA 2 – Green and Sustainable Valley


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Strategic Focus Areas
SFA 3 - Safe Valley
SFA 4 - Dignified Living
SFA 5 - Good Governance and Compliance

- 5.7 The competency requirements for senior managers as per Regulation 9 of Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers will make up the other 20% of the Employee's assessment score. The competencies will be assessed every six (6) months (January and July).

Leading and Core Competencies		
1.	Strategic direction and leadership	<ul style="list-style-type: none"> Impact and influence Institutional performance management Strategic planning and management Organisational awareness
2.	People management	<ul style="list-style-type: none"> Human capital planning and development Diversity management Employee relations management Negotiation and dispute management
3.	Programme and project management	<ul style="list-style-type: none"> Programme and project planning and implementation Service delivery management Program and project monitoring and evaluation
4.	Financial management	<ul style="list-style-type: none"> Budget planning and execution Financial strategy and delivery Financial reporting and delivery
5.	Change leadership	<ul style="list-style-type: none"> Change vision and strategy Process design and improvement Change impact monitoring and evaluation
6.	Governance leadership	<ul style="list-style-type: none"> Policy formulation Risk and compliance management Cooperative governance
7.	Moral competence	<ul style="list-style-type: none"> Core Competency
8.	Planning and organising	<ul style="list-style-type: none"> Core Competency
9.	Analysis and innovation	<ul style="list-style-type: none"> Core Competency
10.	Knowledge and information management	<ul style="list-style-type: none"> Core Competency
11.	Communication	<ul style="list-style-type: none"> Core Competency
12.	Results and quality focus	<ul style="list-style-type: none"> Core Competency

6. PERFORMANCE ASSESSMENT

- 6.1 The Performance Plan (Annexure A) to this Agreement sets out –

- 6.1.1 The standards and procedures for evaluating the Employee's performance; and
- 6.1.2 The intervals for the evaluation of the Employee's performance.

- 6.2 Despite the establishment of agreed intervals for evaluation, the Employer may in addition review the Employee's performance at any stage while the contract of employment remains in force;


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- 6.3 Personal growth and development needs identified during any performance review discussion must be documented in a Personal Development Plan as well as the actions agreed to and implementation must take place within set time frames;
- 6.4 The Employee's performance will be measured in terms of contributions to the goals and strategies set out in the Employer's Integrated Development Plan (IDP) as described in 6.6 – 6.12 below;
- 6.5 The Employee will submit quarterly performance reports (SDBIP) and a comprehensive annual performance report at least one week prior to the performance assessment meetings to the Evaluation Panel Chairperson for distribution to the panel members for preparation purposes;
- 6.6 Assessment of the achievement of results as outlined in the performance plan:
- 6.6.1 Each KPI or group of KPIs shall be assessed according to the extent to which the specified standards or performance targets have been met and with due regard to ad-hoc tasks that had to be performed under the KPI;
- 6.6.2 A rating on the five-point scale shall be provided for each KPI or group of KPIs which will then be multiplied by the weighting to calculate the final score;
- 6.6.3 The Employee will submit his self-evaluation to the Employer prior to the formal assessment;
- 6.6.4 In the instance where the employee could not perform due to reasons outside the control of the employer and employee, the KPI will not be considered during the evaluation. The employee should provide sufficient evidence in such instances; and
- 6.6.5 An overall score will be calculated based on the total of the scores calculated above.
- 6.7 Assessment of the Competencies:
- 6.7.1 Each Competency shall be assessed in terms of the description provided in (Annexure B);
- 6.7.2 A rating shall be provided for each Competency which will then be multiplied by the weighting to calculate the final score; and
- 6.7.3 An overall score will be calculated based on the total of the scores calculated above.



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6.8 Overall rating

6.8.1 An overall rating is calculated by adding the overall scores as calculated in 6.6.5 and 6.7.3 above; and

6.8.2 Such overall rating represents the outcome of the performance appraisal.

6.9 The assessment of the performance of the Employee will be based on the following rating scales for SFAs and Competencies respectively:

6.9.1 Rating scale for SFAs - as mentioned in paragraph 5.6:

Level	Terminology	Description
5	Outstanding performance	Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the Employee has achieved above fully effective results against all performance criteria and indicators as specified in the PA and Performance plan and maintained this in all areas of responsibility throughout the year.
4	Performance significantly above expectations	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the Employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.
3	Fully effective	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the Employee has fully achieved effective results against all significant performance criteria and indicators as specified in the PA and Performance Plan.
2	Not fully effective	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the PA and Performance Plan.
1	Unacceptable performance	Performance does not meet the standard expected for the job. The review/assessment indicates that they employee has achieved below fully effective results against almost all the performance criteria and indicators as specified in the PA and Performance Plan. The employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement.

6.9.2 Rating scale for Competencies -as mentioned in paragraph 5.7:

Level	Achievement Levels	Description
5	Superior	Has a comprehensive understanding of local government operations, critical in shaping strategic direction and change, develops, and applies comprehensive concepts and methods
4	Advanced	Develops and applies complex concepts, methods and understanding. Effectively directs and leads a group and executes in-depth analyses


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Level	Achievement Levels	Description
3	Competent	Develops and applies more progressive concepts, methods and understanding. Plans and guides the work of others and executes progressive analyses
2	Basic	Applies basic concepts, methods, and understanding of local government operations, but requires supervision and development intervention
1	Sub Standard	Applies little to no basic concepts, methods, and understanding of local government operations.

6.10 For purposes of evaluating the performance of the Employee for the year-end reviews, an evaluation panel constituted of the following persons will be established–

6.10.1 Municipal Manager;

6.10.2 Municipal Manager from another municipality;

6.10.3 Chairperson of the Performance Audit Committee or in his/her absence thereof, the Chairperson of the Audit Committee; and

6.10.4 The Member of the Mayoral Committee (Portfolio Chairperson).

6.11 The Municipal Manager will evaluate the performance of the Employee as at the end of the 1st, and 3rd quarters; and

6.12 The Municipal Manager will give performance feedback to the Employee within five (5) working days after each quarterly and annual assessment meeting.

7. SCHEDULE FOR PERFORMANCE REVIEWS

7.1 The performance of the Employee in relation to his performance agreement shall be reviewed on the following dates.

Quarter	Review Period	Review to be completed by
1	July - September	October / November 2019 (Informal)
2	October – December	January / February 2020 (Formal)
3	January – March	April / May 2020 (Informal)
4	April - June	After the receipt of the AG's Management Report

7.2 The Employer shall keep a record of the mid-year and year-end assessment meetings;

7.3 Performance feedback shall be based on the Employer's assessment of the Employee's performance;

7.4 The Employer will be entitled to review and make reasonable changes to the provisions of Annexure A from time to time for operational reasons. The Employee will be fully consulted before any such change is made; and


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- 7.5 The Employer may amend the provisions of Annexure A whenever the performance management system is adopted, implemented, and/or amended as the case may be. In that case, the Employee will be fully consulted before any such change is made.

8. DEVELOPMENTAL REQUIREMENTS

- 8.1 The Personal Development Plan (PDP) for addressing developmental gaps is attached as Annexure C. Such Plan may be implemented and/or amended as the case may be after each assessment. In that case, the Employee will be fully consulted before any such change or plan is made.

9. OBLIGATIONS OF THE EMPLOYER

- 9.1 The Employer shall-

- 9.1.1 Create an enabling environment to facilitate effective performance by the employee;
- 9.1.2 Provide access to skills development and capacity building opportunities;
- 9.1.3 Work collaboratively with the Employee to solve problems and generate solutions to common problems that may impact on the performance of the Employee;
- 9.1.4 On the request of the Employee delegate such powers reasonably required by the Employee to enable him to meet the performance objectives and targets established in terms of this Agreement; and
- 9.1.5 Make available to the Employee such resources as the Employee may reasonably require from time to time assisting him to meet the performance objectives and targets established in terms of this Agreement.

10. CONSULTATION

- 10.1 The Employer agrees to consult the Employee timeously where the exercising of its powers will have amongst others-
- 10.1.1 A direct effect on the performance of any of the Employee's functions;
 - 10.1.2 Commit the Employee to implement or to give effect to a decision made by the Employer; and
 - 10.1.3 A substantial financial effect on the Employer.



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- 10.2 The Employer agrees to inform the Employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated in clause 12.1 as soon as is practicable to enable the Employee to take any necessary action with delay.

11. REWARD

- 11.1 The evaluation of the Employee's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance;
- 11.2 The payment of the performance bonus is determined by the performance score obtained during the 4th quarter and as informed by the quarterly performance assessments;
- 11.3 A performance bonus of between 5% to 14% of the all- inclusive annual remuneration package may be paid to the Employee in recognition of outstanding performance to be constituted as follows:

Performance Rating		Bonus Calculation
0% - 64%	Poor Performance	0% of total package
65% - 69%	Average Performance	5% of total package
70% - 74%	Fair Performance	9% of total package
75% - 79%	Good Performance	11% of total package
80% - 100%	Excellent Performance	14% of total package

- 11.4 In the event of the Employee terminating his services during the validity period of this Agreement, the Employee's performance will be evaluated for the portion during which he was employed and he will be entitled to a pro-rata performance bonus based on his evaluated performance for the period of actual service; and
- 11.5 The Employer will submit the total score of the annual assessment and of the Employee, to full Council for purposes of recommending the bonus allocation.

12. MANAGEMENT OF EVALUATION OUTCOMES

- 12.1 Where the Employer is, any time during the Employee's employment, not satisfied with the Employee's performance with respect to any matter dealt with in this Agreement, the Employer will give notice to the Employee to attend a meeting;
- 12.2 The Employee will have the opportunity at the meeting to satisfy the Employer of the measures being taken to ensure that his performance becomes satisfactory and any programme, including any dates, for implementing these measures;
- 12.3 Where there is a dispute or difference as to the performance of the Employee under this Agreement, the Parties will confer with a view to resolving the dispute or difference; and



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- 12.4 In the case of unacceptable performance, the Employer shall –
- 12.4.1 Provide systematic remedial or developmental support to assist the Employee to improve his performance; and
- 12.4.2 After appropriate performance counselling and having provided the necessary guidance and/or support as well as reasonable time for improvement in performance, the Employer may consider steps to terminate the contract of employment of the Employee on grounds of unfitness or incapacity to carry out his or her duties.

13. DISPUTE RESOLUTION

- 13.1 In the event that the Employee is dissatisfied with any decision or action of the Employer in terms of this Agreement, or where a dispute or difference arises as to the extent to which the Employee has achieved the performance objectives and targets established in terms of this Agreement, the Employee may within 3 (three) business days, meet with the Employer with a view to resolving the issue. The Employer will record the outcome of the meeting in writing;
- 13.2 If the Parties cannot resolve the issues within 10 (ten) business days, an independent arbitrator, acceptable to both parties, shall be appointed to resolve the matter within 30 (thirty) business days; and
- 13.3 In the event that the mediation process contemplated above fails, the relevant clause of the Contract of Employment together with the relevant laws and regulations shall apply.

14. GENERAL

- 14.1 The contents of this agreement and the outcome of any review conducted in terms of Annexure A may be made available to the public by the Employer; and
- 14.2 Nothing in this agreement diminishes the obligations, duties, or accountabilities of the Employee in terms of his contract of employment, or the effects of existing or new regulations, circulars, policies, directives, or other instruments.



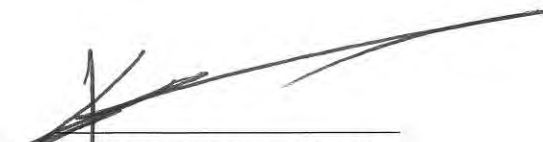
Chief Financial Officer
Mr Kevin Carolus



Municipal Manager:
Ms Geraldine Mettler

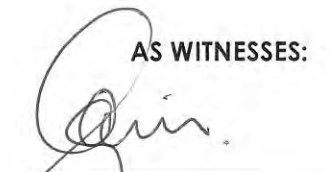


Thus, done and signed at Stellenbosch on the 30th day of July 2019.


CHIEF FINANCIAL OFFICER

AS WITNESSES:

1.



2.

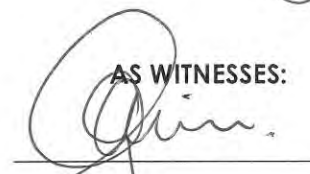


Thus, done and signed at Stellenbosch on the 30th day of July 2019.


MUNICIPAL MANAGER

AS WITNESSES:

1.



2.





MEMBER OF MAYORAL COMMITTEE
(Portfolio: Financial Services)
Cllr P Crawley



Chief Financial Officer
Mr Kevin Carolus



Municipal Manager:
Ms Geraldine Mettler



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Annexure A Performance Plan

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Chief Financial Officer
Mr Kevin Carolus

- 1 -

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Municipal Manager:
Ms Geraldine Mettler

The Performance Plan sets out:

- Key Performance Areas that the employee should focus on, performance objectives, key performance indicators and targets that must be met within a specific timeframe; and
- The Competencies required from employees prescribed in the Regulations on the appointment and conditions of employment of senior managers, R21 of 2014.

KEY PERFORMANCE INDICATORS

The key performance areas, the performance objectives, key performance indicators and targets that must be met within the agreed timeframe are described below. The assessment of these performance indicators will account for 80% (**eighty percent**) of the total employee assessment score.

Part 1: Implementation of Service Delivery and Budget Implementation Plan (80%)

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IDP/ Ref No.	Strategic Focus Area (SFA)	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator type	Baseline (Actual 2017/2018)	5 Year Target	2019/20	Portfolio of evidence (POE)	Funding Source	Service Delivery and Budget Implementation Plan (SDBIP 2019/20)				Weight
										Q1	Q2	Q3	Q4	
TBC	Good governance and Compliance	Effective Management and Functional Supervision of the Department: Financial Management Services	Percentage of indicators of the Department: Financial Management Services achieved, measured quarterly	Outcome	New indicator	90% per annum	90%	Ignite dashboard report per Department/ Section	SM	90%	90%	90%	90%	4
TBC	Good governance and Compliance	Effective Management and Functional Supervision of the Department: Revenue and Expenditure	Percentage of indicators of the Department: Revenue and Expenditure achieved, measured quarterly	Outcome	New indicator	90% per annum	90%	Ignite dashboard report per Department/ Section	SM	90%	90%	90%	90%	4

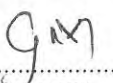
KC
Chief Financial Officer
Mr Kevin Carolus

Gm
Municipal Manager:
Ms Geraldine Mettler

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IDP/ Ref No.	Strategic Focus Area (SFA)	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator type	Baseline (Actual 2017/2018)	5 Year Target	2019/20	Portfolio of evidence (POE)	Funding Source	Service Delivery and Budget Implementation Plan (SDBIP 2019/20)				weight
										Q1	Q2	Q3	Q4	
TBC	Good governance and Compliance	Effective Management and Functional Supervision of the Department: Supply Chain Management (SCM)	Percentage of indicators of the Department: Supply Chain Management (SCM) achieved, measured quarterly	Outcome	New indicator	90% per annum	90%	Ignite dashboard report per Department/ Section	SM	90%	90%	90%	90%	4
KPI039	Dignified Living	Provision of free basic water to registered indigent households (NKPI Proxy - MSA, Reg. S10(a), (b))	Percentage of registered indigent households receiving free basic water, measured quarterly	Outcome	New indicator	100% per annum	100%	Indigent Register	SM	100%	100%	100%	100%	1
KPI043	Dignified Living	Provision of free basic electricity to registered indigent households (NKPI Proxy - MSA, Reg. S10(a), (b))	Percentage of registered indigent households receiving free basic electricity, measured quarterly	Output	New indicator	100% per annum	100%	Indigent Register	SM	100%	100%	100%	100%	1
KPI044	Dignified Living	Provision of free basic refuse removal to registered indigent households (NKPI Proxy - MSA, Reg. S10(a), (b))	Percentage of registered indigent households receiving free basic refuse removal, measured quarterly	Output	New indicator	100% per annum	100%	Indigent Register	SM	100%	100%	100%	100%	1
KPI045	Dignified Living	Provision of free basic sanitation to registered indigent households (NKPI Proxy - MSA, Reg. S10(a), (b))	Percentage of registered indigent households receiving free basic sanitation, measured quarterly	Output	New indicator	100% per annum	100%	Indigent Register	SM	100%	100%	100%	100%	1
KPI074	Dignified Living	Formal households provided with access to water	Number of formal households provided with access to water, measured quarterly	Output	New indicator	26 000 per annum	26 000	ValuProp report	SM	26 000	26 000	26 000	26 000	2


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IDP/ Ref No.	Strategic Focus Area (SFA)	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator type	Baseline (Actual 2017/2018)	5 Year Target	2019/20	Portfolio of evidence (POE)	Funding Source	Service Delivery and Budget Implementation Plan (SDBIP 2019/20)				Weight
										Q1	Q2	Q3	Q4	
KPI075	Dignified Living	Formal households provided with access to electricity	Number of formal households provided with access to electricity, measured quarterly	Output	New indicator	24 000 per annum	24 000	Iron management report	SM	24 000	24 000	24 000	24 000	2
KPI076	Dignified Living	Formal households provided with access to refuse removal	Number of formal households provided with access to refuse removal, measured quarterly	Output	New indicator	26 000 per annum	26 000	ValuProp report	SM	26 000	26 000	26 000	26 000	2
KPI077	Dignified Living	Formal households provided with access to sanitation	Number of formal households provided with access to sanitation, measured quarterly	Output	New indicator	26 000 per annum	26 000	ValuProp report	SM	26 000	26 000	26 000	26 000	2
KPI055	Good governance and Compliance	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)	Outcome	New indicator	4 per annum	4 (months)	Financial Statements	SM	N/A	N/A	N/A	4 (months)	2
KPI056	Good governance and Compliance	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	Outcome	New indicator	96% per annum	96%	Debtors transaction summary: BS-Q909E extract generated from the Samras Financial System	SM	N/A	N/A	N/A	96%	2


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IDP/ Ref No.	Strategic Focus Area (SFA)	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator type	Baseline (Actual 2017/2018)	5 Year Target	2019/20	Portfolio of evidence (POE)	Funding Source	Service Delivery and Budget Implementation Plan (SDBIP 2019/20)				weight
										Q1	Q2	Q3	Q4	
KPI057	Good governance and Compliance	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	Input	86.50%	90% per annum	90%	Report from the financial system	SM	10%	30%	60%	90%	4
KPI060	Good governance and Compliance	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	Outcome	14%	15% per annum	15%	Annual Financial Statements, supported by figures as per the SAMRAS financial system	SM	N/A	N/A	N/A	15%	2
KPI061	Good governance and Compliance	Financial viability measured in terms of the outstanding service debtors (NKPI Proxy - MSA, Reg. S10(g)(ii))	Service debtors to revenue ratio - (Total outstanding service debtors / revenue received for services) measured by 30 June	Outcome	10.90%	27% per annum	27%	Annual Financial Statements, supported by figures as per the SAMRAS financial system	SM	N/A	N/A	N/A	27%	1
KPI068	Good governance and Compliance	Submission of the Revised Asset Management Policy Council	Number of Revised Asset Management Policies submitted to Council by 30 June	Output	New Indicator	1 per annum	1	Proof of submission of the Revised Asset Management Policy to Council	SM	N/A	N/A	N/A	1	1
TBC	Good governance and Compliance	Spend the Directorate: Financial Services approved Capital Budget	Percentage of approved Capital Budget of the Directorate: Financial Services actually spent by 30 June	Input	New indicator	90% per annum	90%	Report from the financial system	SM	10%	30%	60%	90%	20

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IDP/ Ref No.	Strategic Focus Area (SFA)	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator type	Baseline (Actual 2017/2018)	5 Year Target	2019/20	Portfolio of evidence (POE)	Funding Source	Service Delivery and Budget Implementation Plan (SDBIP 2019/20)				Weight
										Q1	Q2	Q3	Q4	
TBC	Good governance and Compliance	Capital spending committed on the financial management system	Percentage the approved Capital Budget committed by on the financial system by 31 March (30% by September, 60% by December and 90% by March)	Input	New indicator	90% per annum	90%	Report from the financial system	SM	30%	60%	90%	N/A	2
TBC	Good governance and Compliance	Submission of final bid specifications for all capital projects to the Bid Specification Committee (BSC) (2019/20)	Percentage of final bid specifications for all capital projects submitted to the BSC by 30 September (50% by 31 July and 100% by 30 September)	Output	New indicator	100% per annum	100%	Reconciliation report from SCM	SM	100%	N/A	N/A	N/A	5
TBC	Good governance and Compliance	Submission of final bid specifications for all capital projects to the Bid Specification Committee (BSC) (2020/21)	Percentage of final bid specifications for all capital projects submitted to the BSC by 30 June (50% by 31 March 2020 and 100% by 30 June 2020. For the 2020/21 financial year)	Output	New indicator	100% per annum	100%	Reconciliation report from SCM	SM	N/A	N/A	50%	100%	5
TBC	Good governance and Compliance	Submission of detailed procurement needs for all operational projects to the Supply Chain Management (SCM) Department	Number of quarterly detailed procurement needs submitted to SCM 10 days before start of the quarter	Output	New indicator	4 per annum	4	Proof of submission to SCM	SM	1 (1)	1 (2)	1 (3)	1 (4)	4


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IDP/ Ref No.	Strategic Focus Area (SFA)	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator type	Baseline (Actual 2017/2018)	5 Year Target	2019/20	Portfolio of evidence (POE)	Funding Source	Service Delivery and Budget Implementation Plan (SDBIP 2019/20)				Weight
										Q1	Q2	Q3	Q4	
TBC	Good governance and Compliance	Performance agreements signed with all identified personnel	Number of performance agreements signed by 31 August	Output	100%	3 per annum	3	Signed performance agreements submitted to the PMS Unit	SM	3	N/A	N/A	N/A	1
TBC	Good governance and Compliance	Conduct formal performance evaluations with all identified personnel	Number of formal performance evaluations conducted with all identified personnel by 30 June	Output	100%	6 per annum	6	Ignite performance evaluations reports	SM	N/A	3 (3)	N/A	3 (6)	1
TBC	Good governance and Compliance	Develop Annual Departmental Risk Register	Number of Annual Risk Registers developed by 31 July	Output	New indicator	1 per annum	1	Annual Departmental Risk Register submitted to the Risk Management Unit	SM	N/A	N/A	N/A	1	2
TBC	Good governance and Compliance	Evaluation of the Departmental Risk Register	Number of Departmental Risk Registers evaluated by 31 May	Output	New indicator	2 per annum	2	Proof of risk evaluations submitted to the Risk Management Unit	SM	N/A	1 (1)	N/A	1 (2)	1
TBC	Good governance and Compliance	Implementation of Council resolutions	Percentage of resolutions implemented measured quarterly	Output	100%	70% per annum	100%	Council Resolution Register	SM	70%	70%	70%	70%	2
TBC	Good governance and Compliance	Attendance of quarterly Occupation Health and Safety (OHS) meetings	Number of quarterly OHS meetings attended by the Director or seconded	Output	New indicator	4 per annum	4	OHS attendance registers	SM	1 (1)	1 (2)	1 (3)	1 (4)	1

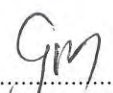
Part 2: Competency Requirements (20%)

Ref	Leading and Core Competencies	(January) 1 st Assessment	(July) Final Assessment	Weights	Comments
2.1	Strategic direction and leadership			1.66%	
2.2	People management			1.66%	
2.3	Programme and project management			1.66%	
2.4	Financial management			1.66%	
2.5	Change leadership			1.67%	
2.6	Governance leadership			1.67%	
2.7	Moral competence			1.67%	
2.8	Planning and organising			1.67%	
2.9	Analysis and innovation			1.67%	
2.10	Knowledge and information management			1.67%	
2.11	Communication			1.67%	
2.12	Results and quality focus			1.67%	
Total				20%	



 Chief Financial Officer
 Mr Kevin Carolus

- 8 -



 Municipal Manager:
 Ms Geraldine Mettler

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Annexure B

Competency Framework

CHIEF FINANCIAL OFFICER

Chief Financial Officer
Mr Kevin Carolus

1

Municipal Manager:
Ms Geraldine Mettler

CLUSTER :	LEADING COMPETENCIES		
COMPETENCY NAME :	Strategic Direction and Leadership		
COMPETENCY DEFINITION :	Provide and direct a vision for the institution, and inspire and deploy others to deliver on the strategic institutional mandate.		
ACHIEVEMENT LEVELS			
BASIC	COMPETENT	ADVANCED	SUPERIOR
<ul style="list-style-type: none">Understand Institutional and departmental strategic objectives, but lacks the ability to inspire others to achieve set mandate.	<ul style="list-style-type: none">Give direction to a team in realising the institution's strategic mandate and set objectives.	<ul style="list-style-type: none">Evaluate all activities to determine value and alignment to strategic intent.	<ul style="list-style-type: none">Structure and position the institution to local government priorities.
<ul style="list-style-type: none">Describe how specific tasks link to institutional strategies but has limited influence in directing a strategy.	<ul style="list-style-type: none">Has a positive impact and influence on the morale, engagement and participation of team members.	<ul style="list-style-type: none">Display in-depth knowledge and understanding of strategic planning.	<ul style="list-style-type: none">Actively use in-depth knowledge and understanding to develop and implement a comprehensive institutional framework.
<ul style="list-style-type: none">Has a basic understanding of institutional performance management, but lacks the ability to integrate systems into a collective whole.	<ul style="list-style-type: none">Develop action plans to execute and guide strategy.	<ul style="list-style-type: none">Align strategy and goals across all functional areas.	<ul style="list-style-type: none">Hold self-accountable for strategy execution and results.
<ul style="list-style-type: none">Demonstrate basic understanding of key decision makers.	<ul style="list-style-type: none">Assist in defining performance measures to monitor the progress and effectiveness of the institution.	<ul style="list-style-type: none">Actively define performance measures to monitor the progress and effectiveness of the institution.	<ul style="list-style-type: none">Provide impact and influence through building and maintaining strategic relationships.
	<ul style="list-style-type: none">Displays an awareness of institutional structures and political factors.	<ul style="list-style-type: none">Consistently challenge strategic plans to ensure relevance.	<ul style="list-style-type: none">Create an environment that facilitates loyalty and innovation. Display a superior level of self-discipline and integrity in actions.
	<ul style="list-style-type: none">Effectively communicate barriers to execution to relevant parties.	<ul style="list-style-type: none">Understand institutional structures and political factors, and the consequences of actions.	<ul style="list-style-type: none">Integrate various systems into a collective whole to optimise institutional performance management.
	<ul style="list-style-type: none">Provide guidance to all stakeholders in the achievement of the strategic mandate.	<ul style="list-style-type: none">Empower others to follow the strategic direction and deal with complex situations.	<ul style="list-style-type: none">Uses understanding of competing interests to maneuver successfully to a win/win outcome.
	<ul style="list-style-type: none">Understand the aim and objectives of the institution and relate it to own work.	<ul style="list-style-type: none">Guide the institution through complex and ambiguous concern.Use understanding of power relationships and dynamic tensions among key players to frame communications and develop strategies, positions and alliances.	

CLUSTER :	LEADING COMPETENCIES		
COMPETENCY NAME :	People Management		
COMPETENCY DEFINITION :	Effectively manage, inspire and encourage people, respect diversity, optimise talent and build and nurture relationships in order to achieve institutional objectives.		
ACHIEVEMENT LEVELS			
BASIC	COMPETENT	ADVANCED	SUPERIOR
<ul style="list-style-type: none">Participate in team goalsetting and problem solving.	<ul style="list-style-type: none">Seek opportunities to increase team contribution and responsibility.	<ul style="list-style-type: none">Identify ineffective team and work processes and recommend remedial interventions.	<ul style="list-style-type: none">Develop and incorporate best practice people management processes, approaches and tools across the institution.
<ul style="list-style-type: none">Interact and collaborate with people of diverse backgrounds.	<ul style="list-style-type: none">Respect and support the diverse nature of others and be aware of the benefits of a diverse approach.	<ul style="list-style-type: none">Recognise and reward effective and desired behavior.	<ul style="list-style-type: none">Foster a culture of discipline, responsibility and accountability.
<ul style="list-style-type: none">Aware of guidelines for employee development, but requires support in implementing development initiatives.	<ul style="list-style-type: none">Effectively delegate tasks and empower others to increase contribution and execute functions optimally.	<ul style="list-style-type: none">Provide mentoring and guidance to others in order to increase personal effectiveness.	<ul style="list-style-type: none">Understand the impact of diversity in performance and actively incorporate a diversity strategy in the institution.
	<ul style="list-style-type: none">Apply relevant employee legislation fairly and consistently.	<ul style="list-style-type: none">Identify development and learning needs within the team.	<ul style="list-style-type: none">Develop comprehensive integrated strategies and approaches to human capital development and management.
	<ul style="list-style-type: none">Effectively identify capacity requirements to fulfill the strategic mandate.	<ul style="list-style-type: none">Inspire a culture of performance excellence by giving positive and constructive feedback to the team.Achieve agreement or consensus in adversarial environments.Lead and unite diverse teams across divisions to achieve institutional objectives.	<ul style="list-style-type: none">Actively identify trends and predict capacity requirements to facilitate unified transition and performance management.

CLUSTER :	LEADING COMPETENCIES			
COMPETENCY NAME :	Program and Project Management			
COMPETENCY DEFINITION :	Able to understand program and project management methodology; plan, manage, monitor and evaluate specific activities in order to deliver on set objectives.			
ACHIEVEMENT LEVELS				
BASIC	COMPETENT	ADVANCED	SUPERIOR	
<ul style="list-style-type: none">Initiate projects after approval from higher authorities.	<ul style="list-style-type: none">Establish broad stakeholder involvement and communicate the project status and key milestones.	<ul style="list-style-type: none">Manage multiple programs and balance priorities and conflicts according to institutional goals.	<ul style="list-style-type: none">Understand and conceptualize the long-term implications of desired project outcomes.	
<ul style="list-style-type: none">Understand procedures of program and project management methodology, implications and stakeholder involvement.	<ul style="list-style-type: none">Define the roles and responsibilities of the project team and create clarity around expectations.	<ul style="list-style-type: none">Apply effective risk management strategies through impact assessment and resource requirements.	<ul style="list-style-type: none">Direct a comprehensive strategic macro and micro analysis and scope projects accordingly to realize institutional objectives.	
<ul style="list-style-type: none">Understand the rational of projects in relation to the institution's strategic objectives.	<ul style="list-style-type: none">Find a balance between project deadline and the quality of deliverables.	<ul style="list-style-type: none">Modify project scope and budget when required without compromising the quality and objectives of the project.	<ul style="list-style-type: none">Influence people in positions of authority to implement outcomes of projects	
<ul style="list-style-type: none">Document and communicate factors and risk associated with own work.	<ul style="list-style-type: none">Identify appropriate project resources to facilitate the effective completion of the deliverables.	<ul style="list-style-type: none">Involve top-level authorities and relevant stakeholders in seeking project buy-in.	<ul style="list-style-type: none">Lead and direct translation of policy into workable action plans	
<ul style="list-style-type: none">Use results and approaches of successful project implementation as guide.	<ul style="list-style-type: none">Comply with statutory requirements and apply policies in a consistent manner.Monitor progress and use of resources and make needed adjustments to timelines, steps and resource allocation.	<ul style="list-style-type: none">Identify and apply contemporary project management methodologyInfluence and motivate project team to deliver exceptional results.Monitor policy implementation and apply procedures to manage risks.	<ul style="list-style-type: none">Ensures that programs are monitored to track progress and optimal resource utilization, and that adjustments are made as needed.	


 Chief Financial Officer
 Mr Kevin Carolus


 Municipal Manager:
 Ms Geraldine Mettler

CLUSTER :	LEADING COMPETENCIES			
COMPETENCY NAME :	Financial Management			
COMPETENCY DEFINITION :	Able to compile, plan and manage budgets, control cash flow, institute financial risk management and administer procurement processes in accordance with recognized financial practices. Further to ensure that all financial transactions are managed in an ethical manner			
ACHIEVEMENT LEVELS				
BASIC	COMPETENT	ADVANCED	SUPERIOR	
<ul style="list-style-type: none">Understand basic financial concepts and methods as they relate to institutional processes and activities	<ul style="list-style-type: none">Exhibit knowledge of general financial concepts, planning, budgeting and forecasting and how they interrelate	<ul style="list-style-type: none">Take active ownership of planning, budgeting and forecasting processes and provides credible answers to queries within own responsibility.	<ul style="list-style-type: none">Develop planning tools to assist in evaluating and monitoring future expenditure trends.	
<ul style="list-style-type: none">Display awareness into the various sources of financial data, reporting mechanisms, financial governance, processes and systems	<ul style="list-style-type: none">Assess, identify and manage financial risks.	<ul style="list-style-type: none">Prepare budgets that are aligned to the strategic objectives of the institution.	<ul style="list-style-type: none">Set budget frameworks for the institution.	
<ul style="list-style-type: none">Understand the importance of financial accountability	<ul style="list-style-type: none">Assume a cost-saving approach to financial management.	<ul style="list-style-type: none">Address complex budgeting and financial management concerns.	<ul style="list-style-type: none">Set strategic direction for the institution on expenditure and other financial processes.	
<ul style="list-style-type: none">Understand the importance of asset control.	<ul style="list-style-type: none">Prepare financial reports based on specified formats.	<ul style="list-style-type: none">Put systems and processes in place to enhance the quality and integrity of financial management practices.	<ul style="list-style-type: none">Build and nurture partnerships to improve financial management and achieve financial savings.	
	<ul style="list-style-type: none">Consider and understand the financial implications of decisions and suggestions.	<ul style="list-style-type: none">Advise on policies and procedures regarding asset control.	<ul style="list-style-type: none">Actively identify and implement new methods to improve asset control.	
	<ul style="list-style-type: none">Ensure that delegation and instructions as required by National Treasury guidelines are reviewed and updated.Identify and implement proper monitoring and evaluation practices to ensure appropriate spending against budget.	<ul style="list-style-type: none">Promote National Treasury's regulatory framework for Financial Management.	<ul style="list-style-type: none">Display professionalism in dealing with financial data and processes.	



Chief Financial Officer
Mr Kevin Carolus



Municipal Manager:
Ms Geraldine Mettler

CLUSTER :	LEADING COMPETENCIES		
COMPETENCY NAME :	Change Leadership		
COMPETENCY DEFINITION :	Able to direct and initiate institutional transformation on all levels in order to successfully drive and implement new initiatives and deliver professional and quality services to the community.		
ACHIEVEMENT LEVELS			
BASIC	COMPETENT	ADVANCED	SUPERIOR
<ul style="list-style-type: none">• Display an awareness of change interventions and the benefits of transformation initiatives.	<ul style="list-style-type: none">• Perform an analysis of the change impact on the social, political and economic environment.	<ul style="list-style-type: none">• Actively monitor change impact and results and convey progress to relevant stakeholders.	<ul style="list-style-type: none">• Sponsor change agents and create a network of change leaders who support the interventions.
<ul style="list-style-type: none">• Able to identify basic needs for change.	<ul style="list-style-type: none">• Maintain calm and focus during change.	<ul style="list-style-type: none">• Secure buy-in and sponsorship for change initiatives.	<ul style="list-style-type: none">• Actively adapt current structures and processes to incorporate the change interventions.
<ul style="list-style-type: none">• Identify gaps between the current and desired state.	<ul style="list-style-type: none">• Able to assist team members during change and keep them focused on the deliverables.	<ul style="list-style-type: none">• Continuously evaluate change strategy and design and introduce new approaches to enhance the institution's effectiveness.	<ul style="list-style-type: none">• Mentor and guide team members on the effects of change, resistance factors and how to integrate change.
<ul style="list-style-type: none">• Identify potential risk and challenges to transformation, including resistance to change factors.	<ul style="list-style-type: none">• Volunteer to lead change efforts outside of own work team.	<ul style="list-style-type: none">• Build and nurture relationships with various stakeholders to establish strategic alliance in facilitating change.	<ul style="list-style-type: none">• Motivate and inspire others around change initiatives.
<ul style="list-style-type: none">• Participate in change programs and piloting change interventions.	<ul style="list-style-type: none">• Able to gain buy-in and approval for change from relevant stakeholders.	<ul style="list-style-type: none">• Take the lead in impactful change programs.	
<ul style="list-style-type: none">• Understand the impact of change interventions on the institution within the broader scope of local government.	<ul style="list-style-type: none">• Identify change readiness levels and assist in resolving resistance to change factors.	<ul style="list-style-type: none">• Benchmark change interventions against best change practices.	
	<ul style="list-style-type: none">• Design change interventions that are aligned with the institution's strategic objectives and goals.	<ul style="list-style-type: none">• Understand the impact and psychology of change and put remedial interventions in place to facilitate effective transformation.• Take calculated risk and seek new ideas from best practice scenarios and identify the potential for implementation.	

CLUSTER :	LEADING COMPETENCIES			
COMPETENCY NAME :	Governance Leadership			
COMPETENCY DEFINITION:	Able to promote, direct and apply professionalism in managing risk and compliance requirements and apply a thorough understanding of governance practices and obligations. Further, able to direct the conceptualization of relevant policies and enhance cooperative governance relationships.			
ACHIEVEMENT LEVELS				
BASIC	COMPETENT	ADVANCED	SUPERIOR	
<ul style="list-style-type: none">• Display a basic awareness of risk, compliance and governance factors but require guidance and development in implementing such requirements.	<ul style="list-style-type: none">• Display a thorough understanding of governance and risk and compliance factors and implement plans to address these.	<ul style="list-style-type: none">• Able to link risk initiatives into key institutional objectives and drivers.	<ul style="list-style-type: none">• Demonstrate a high level of commitment in complying with governance requirements.	
<ul style="list-style-type: none">• Understand the structure of cooperative government but requires guidance on fostering workable relationships between stakeholders.	<ul style="list-style-type: none">• Demonstrate understanding of the techniques and processes for optimising risk taking decisions within the institution.	<ul style="list-style-type: none">• Identify, analyse and measure risk, create valid risk forecasts and map risk profiles.	<ul style="list-style-type: none">• Implement governance and compliance strategy to ensure achievement of institutional objectives within the legislative framework.	
<ul style="list-style-type: none">• Provide input into policy formulation.	<ul style="list-style-type: none">• Actively drive policy formulation within the institution to ensure the achievement of objectives.	<ul style="list-style-type: none">• Apply risk control methodology and approaches to prevent and reduce risk that impede on the achievement of institutional objectives.	<ul style="list-style-type: none">• Able to advise local government on risk management, best practice intervention and compliance management.	
		<ul style="list-style-type: none">• Demonstrate a thorough understanding of risk retention plans.	<ul style="list-style-type: none">• Able to forge positive relationships on cooperative governance level to enhance the effectiveness of local government.t	
		<ul style="list-style-type: none">• Identify and implement comprehensive risk management systems and processes.• Implement and monitor the formulation of policies, identify and analyse constraints and challenges with implementation and provide recommendations for improvement.	<ul style="list-style-type: none">• Able to shape, direct and drive the formulation of policies on a macro level.	


 Chief Financial Officer
 Mr Kevin Carolus


 Municipal Manager:
 Ms Geraldine Mettler

CLUSTER :	CORE COMPETENCIES			
COMPETENCY NAME :	Moral Competence			
COMPETENCY DEFINITION :	Able to identify moral triggers, apply reasoning that promotes honesty and integrity and consistently display behavior that reflects moral competence			
ACHIEVEMENT LEVELS				
BASIC	COMPETENT	ADVANCED	SUPERIOR	
<ul style="list-style-type: none">Realise the impact of acting with integrity, but requires guidance and development in implementing principles.	<ul style="list-style-type: none">Conduct self in alignment with the values of local government and the institution.	<ul style="list-style-type: none">Identify, develop and apply measures of self-correction.	<ul style="list-style-type: none">Create an environment conducive of moral practices.	
<ul style="list-style-type: none">Follow basic rules and regulations of the institution.	<ul style="list-style-type: none">Able to openly admit own mistakes and weaknesses and seek assistance from others when unable to deliver.	<ul style="list-style-type: none">Able to gain trust and respect through aligning actions with commitments.	<ul style="list-style-type: none">Actively develop and implement measures to combat fraud and corruption.	
<ul style="list-style-type: none">Able to identify basic moral situations, but requires guidance and development in understanding and reasoning with moral intent.	<ul style="list-style-type: none">Actively report fraudulent activity and corruption with local government.	<ul style="list-style-type: none">Make proposals and recommendations that are transparent and gain the approval of relevant stakeholders.	<ul style="list-style-type: none">Set integrity standards and shared accountability measures across the institution to support the objectives of local government.	
	<ul style="list-style-type: none">Understand and honor the confidential nature of matters without seeking personal gain.	<ul style="list-style-type: none">Present values, beliefs and ideas that are congruent with the institution's rules and regulations.	<ul style="list-style-type: none">Take responsibility for own actions and decisions, even if the consequences are unfavorable.	
	<ul style="list-style-type: none">Able to deal with situations of conflict of interest promptly and in the best interest of local government.	<ul style="list-style-type: none">Takes an active stance against corruption and dishonesty when noted.Actively promote the value of the institution to internal and external stakeholders.Able to work in unity with a team and not seek personal gain.Apply universal moral principles consistently to achieve moral decisions.		

CLUSTER :	CORE COMPETENCIES		
COMPETENCY NAME :	Planning and Organising		
COMPETENCY DEFINITION :	Able to plan, prioritise and organise information and resources effectively to ensure the quality of service delivery and build efficient contingency plans to manage risk.		
ACHIEVEMENT LEVELS			
BASIC	COMPETENT	ADVANCED	SUPERIOR
<ul style="list-style-type: none">• Able to follow basic plans and organise tasks around set objectives.	<ul style="list-style-type: none">• Actively and appropriately organise information and resources required for a task.	<ul style="list-style-type: none">• Able to define institutional objectives, develop comprehensive plans, integrate and coordinate activities and assign appropriate resources for successful implementation.	<ul style="list-style-type: none">• Focus on broad strategies and initiatives when developing plans and actions.
<ul style="list-style-type: none">• Understand the process of planning and organising but requires guidance and development in providing detailed and comprehensive plans.	<ul style="list-style-type: none">• Recognise the urgency and importance of tasks.	<ul style="list-style-type: none">• Identify in advance required stages and actions to complete tasks.	<ul style="list-style-type: none">• Able to protect and forecast short, medium and long term requirements of the institution and local government.
<ul style="list-style-type: none">• Able to follow existing plans and ensure that objectives are met.	<ul style="list-style-type: none">• Balance short and long-term plans and goals and incorporate into the team's performance objectives.	<ul style="list-style-type: none">• Schedule realistic timelines, objectives and milestones for tasks and projects.	<ul style="list-style-type: none">• Translate policy into relevant projects to facilitate the achievement of institutional objectives.
<ul style="list-style-type: none">• Focus on short-term objectives in developing plans and actions.	<ul style="list-style-type: none">• Schedule tasks to ensure they are performed within budget and with efficient use of time and resources.	<ul style="list-style-type: none">• Produce clear, detailed and comprehensive plans to achieve institutional objectives.	
<ul style="list-style-type: none">• Arrange information and resources required for a task, but require further structure and organization.	<ul style="list-style-type: none">• Measures progress and monitor performance results.	<ul style="list-style-type: none">• Identify possible risk factors and design and implement appropriate contingency plans.• Adapt plans in light of changing circumstances.• Prioritise tasks and projects according to their relevant urgency and importance.	



 Chief Financial Officer
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 Municipal Manager:
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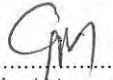
CLUSTER :	CORE COMPETENCIES			
COMPETENCY NAME :	Analysis and Innovation			
COMPETENCY DEFINITION :	Able to critically analyse information, challenges and trends to establish and implement fact-based solutions that are innovative to improve institutional processes in order to achieve key strategic objectives			
ACHIEVEMENT LEVELS				
BASIC	COMPETENT	ADVANCED	SUPERIOR	
<ul style="list-style-type: none">Understand the basic operation of analysis, but lack detail and thoroughness.	<ul style="list-style-type: none">Demonstrate logical problem solving techniques and approaches and provide rationale for recommendations.	<ul style="list-style-type: none">Coaches team members on analytical and innovative approaches and techniques.	<ul style="list-style-type: none">Demonstrate complex analytical and problem solving approaches and techniques.	
<ul style="list-style-type: none">Able to balance independent analysis with requesting assistance from others.	<ul style="list-style-type: none">Demonstrate objectivity, insight and thoroughness when analysing problems.	<ul style="list-style-type: none">Engage with appropriate individuals in analysing and resolving complex problems.	<ul style="list-style-type: none">Create an environment conducive to analytical and fact-based problem solving.	
<ul style="list-style-type: none">Recommend new ways to perform tasks within own function.	<ul style="list-style-type: none">Able to break down complex problems into manageable parts and identify solutions.	<ul style="list-style-type: none">Identify solutions on various areas in the institution.	<ul style="list-style-type: none">Analyse, recommend solutions and monitor trends in key challenges to prevent and manage occurrence.	
<ul style="list-style-type: none">Propose simple remedial interventions that marginally challenges the status quo.	<ul style="list-style-type: none">Consult internal and external stakeholders on opportunities to improve processes and service delivery.	<ul style="list-style-type: none">Formulate and implement new ideas throughout the institution.	<ul style="list-style-type: none">Create an environment that fosters innovative thinking and follows a learning organisation approach.	
<ul style="list-style-type: none">Listen to the ideas and perspectives of others and explore opportunities to enhance such innovative thinking.	<ul style="list-style-type: none">Clearly communicate the benefits of new opportunities and innovative solutions and stakeholders.	<ul style="list-style-type: none">Able to gain approval and buy-in for proposed interventions from relevant stakeholders.	<ul style="list-style-type: none">Be a thought leader on innovative customer service delivery and process optimization.	
	<ul style="list-style-type: none">Continuously identify opportunities to enhance internal processes.	<ul style="list-style-type: none">Identify trends and best practices in process and service delivery and propose institutional application.	<ul style="list-style-type: none">Play an active role in sharing best practice solutions and engage in national and international local government seminars and conferences.	
	<ul style="list-style-type: none">Identify and analyse opportunities conducive to innovative approaches and propose remedial intervention.	<ul style="list-style-type: none">Continuously engage in research to identify client needs.		


 Chief Financial Officer
 Mr Kevin Carolus


 Municipal Manager:
 Ms Geraldine Mettler

CLUSTER :	CORE COMPETENCIES			
COMPETENCY NAME :	Knowledge and Information Management			
COMPETENCY DEFINITION :	Able to promote the generation and sharing of knowledge and information through various processes and media, in order to enhance the collective knowledge base of local government			
ACHIEVEMENT LEVELS				
BASIC	COMPETENT	ADVANCED	SUPERIOR	
<ul style="list-style-type: none">Collect, categorise and track relevant information required for specific tasks and projects.	<ul style="list-style-type: none">Use appropriate information systems and technology to manage institutional knowledge and information sharing.	<ul style="list-style-type: none">Effectively predict future information and knowledge management requirements and systems.	<ul style="list-style-type: none">Create and support a vision and culture where team members are empowered to seek, gain and share knowledge and information.	
<ul style="list-style-type: none">Analyse and interpret information to draw conclusions.	<ul style="list-style-type: none">Evaluate data from various sources and use information effectively to influence decisions and provide solutions.	<ul style="list-style-type: none">Develop standards and processes to meet future knowledge management needs.	<ul style="list-style-type: none">Establish partnerships across local government to facilitate knowledge management.	
<ul style="list-style-type: none">Seek new sources of information to increase the knowledge base.	<ul style="list-style-type: none">Actively create mechanisms and structures for sharing information.	<ul style="list-style-type: none">Share and promote best-practice knowledge management across various institutions.	<ul style="list-style-type: none">Demonstrate a mature approach.	
<ul style="list-style-type: none">Regularly share information and knowledge with internal stakeholders and team members.	<ul style="list-style-type: none">Use external and internal resources to research and provide relevant and cutting-edge knowledge to enhance institutional effectiveness and efficiency.	<ul style="list-style-type: none">Establish accurate measures and monitoring systems for knowledge and information management.Create a culture conducive of learning and knowledge sharing.Hold regular knowledge and information sharing sessions to elicit new ideas and share best practice approaches.	<ul style="list-style-type: none">Recognise and exploit knowledge points in interactions with internal and external stakeholders.	


 Chief Financial Officer
 Mr Kevin Carolus


 Municipal Manager:
 Ms Geraldine Mettler

CLUSTER :	CORE COMPETENCIES			
COMPETENCY NAME :	Communication			
COMPETENCY DEFINITION :	Able to share information, knowledge and ideas in a clear, focused and concise manner appropriate for the audience in order to effectively convey, persuade and influence stakeholders to achieve the desired outcome.			
ACHIEVEMENT LEVELS				
BASIC	COMPETENT	ADVANCED	SUPERIOR	
<ul style="list-style-type: none">• Demonstrate an understanding for communication levers and tools appropriate for the audience, but requires guidance in utilising such tools.	<ul style="list-style-type: none">• Express ideas to individuals and groups in formal and informal settings in a manner that is interesting and motivating.	<ul style="list-style-type: none">• Effectively communicate high-risk and sensitive matters to relevant stakeholders.	<ul style="list-style-type: none">• Regarded as a specialist in negotiations and representing the institution.	
<ul style="list-style-type: none">• Express ideas in a clear and focused manner, but does not always take the audience into consideration.	<ul style="list-style-type: none">• Able to understand, tolerate and appreciate diverse perspectives, attitudes and beliefs.	<ul style="list-style-type: none">• Develop a well-defined communication strategy.	<ul style="list-style-type: none">• Able to inspire and motivate others through positive communication that is impactful and relevant.	
<ul style="list-style-type: none">• Disseminate and convey information and knowledge adequately.	<ul style="list-style-type: none">• Adapt communication content and style to suit the audience and facilitate optimal information transfer.	<ul style="list-style-type: none">• Balance political perspectives with institutional needs when communicating viewpoints on complex issues.	<ul style="list-style-type: none">• Creates an environment conducive to transparent and productive communication and critical appreciate conversations.	
	<ul style="list-style-type: none">• Deliver content in a manner that gains support, commitment and agreement from relevant stakeholders.	<ul style="list-style-type: none">• Able to effectively direct negotiations around complex.	<ul style="list-style-type: none">• Able to coordinate negotiations at different levels within local government and externally.	
	<ul style="list-style-type: none">• Compile clear, focused, concise and well-structured written documents.	<ul style="list-style-type: none">• Market and promote the institution to external stakeholders and seek to enhance a positive image of the institution.• Able to communicate with the media with high levels of moral competence and discipline.		


 Chief Financial Officer
 Mr Kevin Carolus


 Municipal Manager:
 Ms Geraldine Mettler

CLUSTER :	CORE COMPETENCIES			
COMPETENCY NAME :	Results and Quality Focus			
COMPETENCY DEFINITION :	Able to maintain high quality standards, focus on achieving results and objectives while consistently striving to exceed expectations and encourage others to meet quality standards. Further, to actively monitor and measure results and quality against identified objectives.			
ACHIEVEMENT LEVELS				
BASIC	COMPETENT	ADVANCED	SUPERIOR	
<ul style="list-style-type: none">Understand quality of work but requires guidance in attending to important matters.	<ul style="list-style-type: none">Focus on high-priority actions and does not become distracted by lower-priority activities.	<ul style="list-style-type: none">Consistently verify own standards and outcomes to ensure quality output.	<ul style="list-style-type: none">Coach and guide others to exceed quality standards and results.	
<ul style="list-style-type: none">Show a basic commitment to achieving the correct results.	<ul style="list-style-type: none">Display firm commitment and pride in achieving the correct results.	<ul style="list-style-type: none">Focus on the end result and avoids being distracted	<ul style="list-style-type: none">Develop challenging, client-focused goals and sets high standards for personal performance.	
<ul style="list-style-type: none">Produce the minimum level of results required in the role.	<ul style="list-style-type: none">Set quality standards and design processes and tasks around achieving set standards.	<ul style="list-style-type: none">Demonstrate a determined and committed approach to achieving results and quality standards.	<ul style="list-style-type: none">Commit to exceed the results and quality standards, monitor own performance and implement remedial interventions when required.	
<ul style="list-style-type: none">Produce outcomes that is of a good standard.	<ul style="list-style-type: none">Produce output of high quality.	<ul style="list-style-type: none">Follow task and projects through to completion.	<ul style="list-style-type: none">Work with team to set ambitious and challenging team goals, communicating long- and short term expectations.	
<ul style="list-style-type: none">Focus on the quantity of output but requires development in incorporating the quality of work.	<ul style="list-style-type: none">Able to balance the quantity and quality and quality of results in order to achieve objectives.	<ul style="list-style-type: none">Set challenging goals and objectives to self and team and display commitment to achieving expectations.	<ul style="list-style-type: none">Take appropriate risks to accomplish goals.	
<ul style="list-style-type: none">Produce quality work in general circumstances, but fails to meet expectation when under pressure.	<ul style="list-style-type: none">Monitors progress, quality of work and use of resources; provide status updates and make adjustments as needed.	<ul style="list-style-type: none">Maintain a focus on quality outputs when placed under pressure.	<ul style="list-style-type: none">Overcome setbacks and adjust action plans to realise goals.	
		<ul style="list-style-type: none">Establishing institutional systems for managing and assigning work, defining responsibilities, tracking, monitoring and measuring success, evaluating and valuing the work of the institution.	<ul style="list-style-type: none">Focus people on critical activities that yield a high impact.	


 Chief Financial Officer
 Mr Kevin Carolus


 Municipal Manager:
 Ms Geraldine Mettler



STELLENBOSCH

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Annexure C

Personal Development Plan

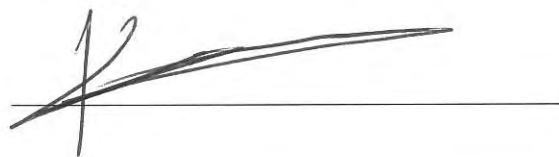
CHIEF FINANCIAL OFFICER

.....
Chief Financial Officer
Mr Kevin Carolus

.....
Municipal Manager:
Ms Geraldine Mettler

Skills Performance Gap	Outcomes Expected	Suggested training and /or development activity	Suggested mode of delivery	Suggested Time Frames	Work opportunity created to practice skill/development area	Support Person
1.						
2.						
3.						

Signed and accepted by the Employee



Date: 30/07/2019.

Signed by the Municipal Manager on behalf of the Municipality



Date: 30/09/2019.



ANNEXURE 3



STELLENBOSCH

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Performance Agreement

2019 - 2020

**Director:
Corporate Services**

PERFORMANCE AGREEMENT

MADE AND ENTERED INTO BY AND BETWEEN
STELLENBOSCH MUNICIPALITY HEREBY REPRESENTED BY:

THE MUNICIPAL MANAGER

Ms Geraldine Mettler

(herein and after referred as Employer)

AND

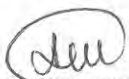
DIRECTOR

Ms Annalene de Beer

(herein and after referred as Employee)

FOR THE FINANCIAL YEAR:

01 JULY 2019 - 30 JUNE 2020



.....
Director: Corporate Services
Ms Annalene de Beer



.....
Municipal Manager:
Ms Geraldine Mettler

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Director: Corporate Services
Ms Annalene de Beer



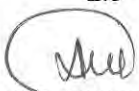
Municipal Manager:
Ms Geraldine Mettler

1. INTRODUCTION

- 1.1 The Employer, duly represented by **Ms Geraldine Mettler**, in her capacity as the Municipal Manager has entered into a contract of employment with the Employee, **Ms Annalene de Beer**, in terms of section 57(1)(a) of the Local Government: Municipal Systems Act 32 of 2000 ("the Systems Act"). The Employer and the Employee are hereinafter referred as "the Parties";
- 1.2 Section 57(1)(b) of the Systems Act, read with the Contract of Employment concluded between the parties, requires the Parties to conclude an annual performance agreement;
- 1.3 The Parties wish to ensure that they are clear about the goals to be achieved, and secure the commitment of the Employee to a set of outcomes that will promote local government policy goals;
- 1.4 The Parties wish to ensure that there is compliance with Sections 57(4B) and 57(5) of the Systems Act;
- 1.5 In this Agreement, the followings terms will have the meaning ascribed thereto:
- 1.5.1 "this Agreement" – means the performance agreement between the Employer and the employee and the Annexures thereto;
- 1.5.2 "the **Municipal Manager**" – means the Municipal Manager of the Municipality appointed in terms of Section 54(A) of the Systems Act;
- 1.5.3 "the Employee" means the **Director: Corporate Services** appointed in terms of Section 56 of the Systems Act;
- 1.5.4 "the Employer" means **Stellenbosch Municipality**; and
- 1.5.5 "the Parties" means the Employer and Employee.

2. PURPOSE OF THIS AGREEMENT

- 2.1 To comply with the provisions of Section 57(1)(b), (4B) and (5) of the Systems Act as well as the Contract of Employment entered into between the Parties;
- 2.2 To specify objectives and targets established for the Employee and to communicate to the Employee the Employer's expectations of the Employee's performance targets and accountabilities;
- 2.3 To specify accountabilities as set out in the Performance Plan (Annexure A);
- 2.4 To monitor and measure performance against set targeted outputs and outcomes;
- 2.5 To establish a transparent and accountable working relationship;



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Ms Geraldine Mettler

- 2.6 To appropriately reward the employee in accordance with section 11 of this agreement; and
- 2.7 To give effect to the Employer's commitment to a performance-orientated relationship with the Employee in attaining improved service delivery.

3. COMMENCEMENT AND DURATION

- 3.1 This Agreement will commence on **01 July 2019** and will remain in force until **30 June 2020** where-after a new Performance Agreement shall be concluded between the parties for the next financial year or any portion thereof;
- 3.2 The Parties will conclude a new Performance Agreement that replaces this Agreement at least once a year by not later than 31st of July of the succeeding financial year;
- 3.3 This Agreement will terminate on the termination of the Employee's contract of employment for any reason; and
- 3.4 The content of this Agreement may be revised at any time during the abovementioned period to determine the current applicability of the matters previously agreed upon.

4. PERFORMANCE OBJECTIVES

- 4.1 The Performance Plan (Annexure A) sets out –
 - 4.1.1 The performance objectives and targets that must be met by the Employee;
 - 4.1.2 The time frames within which those performance objectives and targets must be met; and
 - 4.1.3 The core competency requirements (Annexure B – definitions) as the management skills regarded as critical to the position held by the Employee.
- 4.2 The performance objectives and targets reflected in Annexure A are set by the Employer in consultation with the Employee and based on the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the Employer, and shall include:
 - 4.2.1 Key objectives that describe the main tasks that need to be done;
 - 4.2.2 Key performance indicators (KPIs) that provide the details of the evidence that must be provided to show that a key objective has been achieved;



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- 4.2.3 Target dates that describe the timeframe in which the targets must be achieved; and
- 4.2.4 Weightings showing the relative importance of the key objectives to each other.
- 4.3 The Personal Development Plan (Annexure C) sets out the Employee's personal development requirements in line with the objectives and targets of the Employer; and
- 4.4 The Employee's performance will, in addition, be measured in terms of contributions to the goals and strategies set out in the Employer's Integrated Development Plan.

5. PERFORMANCE MANAGEMENT SYSTEM

- 5.1 The Employee agrees to participate in the performance management system that the Employer adopted for the employees of the Employer;
- 5.2 The Employee accepts that the purpose of the performance management system will be to provide a comprehensive system with specific performance standards to assist the employees and service providers to perform to the standards required;
- 5.3 The Employer will consult the Employee about the specific performance standards and targets that will be included in the performance management system applicable to the Employee;
- 5.4 The Employee undertakes to actively focus on the promotion and implementation of the Strategic Focus Areas (SFAs) (including special projects relevant to the employee's responsibilities) within the local government framework;
- 5.5 The criteria upon which the performance of the Employee shall be assessed shall consist of two components, SFAs and Competency Framework requirements as per the Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers, both of which shall be contained in the Performance Agreement;
- 5.6 The Employee's assessment will be based on his performance in terms of the outputs / outcomes (KPIs) identified as per attached Performance Plan (Annexure A), which are linked to the SFAs applicable to the Employee, and will constitute 80% of the overall assessment result as per the weightings agreed to between the Employer and Employee.

Strategic Focus Areas
SFA 1 – Valley of Possibility
SFA 2 - Green and Sustainable Valley



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Ms Annalene de Beer



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Ms Geraldine Mettler

Strategic Focus Areas
SFA 3 - Safe Valley
SFA 4 - Dignified Living
SFA 5 - Good Governance and Compliance

- 5.7 The competency requirements for senior managers as per Regulation 9 of Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers will make up the other 20% of the Employee's assessment score. The competencies will be assessed every six (6) months (January and July).

Leading and Core Competencies		
1.	Strategic direction and leadership	<ul style="list-style-type: none"> Impact and influence Institutional performance management Strategic planning and management Organisational awareness
2.	People management	<ul style="list-style-type: none"> Human capital planning and development Diversity management Employee relations management Negotiation and dispute management
3.	Programme and project management	<ul style="list-style-type: none"> Programme and project planning and implementation Service delivery management Program and project monitoring and evaluation
4.	Financial management	<ul style="list-style-type: none"> Budget planning and execution Financial strategy and delivery Financial reporting and delivery
5.	Change leadership	<ul style="list-style-type: none"> Change vision and strategy Process design and improvement Change impact monitoring and evaluation
6.	Governance leadership	<ul style="list-style-type: none"> Policy formulation Risk and compliance management Cooperative governance
7.	Moral competence	<ul style="list-style-type: none"> Core Competency
8.	Planning and organising	<ul style="list-style-type: none"> Core Competency
9.	Analysis and innovation	<ul style="list-style-type: none"> Core Competency
10.	Knowledge and information management	<ul style="list-style-type: none"> Core Competency
11.	Communication	<ul style="list-style-type: none"> Core Competency
12.	Results and quality focus	<ul style="list-style-type: none"> Core Competency

6. PERFORMANCE ASSESSMENT

- 6.1 The Performance Plan (Annexure A) to this Agreement sets out –

- 6.1.1 The standards and procedures for evaluating the Employee's performance; and
- 6.1.2 The intervals for the evaluation of the Employee's performance.

- 6.2 Despite the establishment of agreed intervals for evaluation, the Employer may in addition review the Employee's performance at any stage while the contract of employment remains in force;


 Director: Corporate Services
 Ms Annalene de Beer


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 Ms Geraldine Mettler

- 6.3 Personal growth and development needs identified during any performance review discussion must be documented in a Personal Development Plan as well as the actions agreed to and implementation must take place within set time frames;
- 6.4 The Employee's performance will be measured in terms of contributions to the goals and strategies set out in the Employer's Integrated Development Plan (IDP) as described in 6.6 – 6.12 below;
- 6.5 The Employee will submit quarterly performance reports (SDBIP) and a comprehensive annual performance report at least one week prior to the performance assessment meetings to the Evaluation Panel Chairperson for distribution to the panel members for preparation purposes;
- 6.6 Assessment of the achievement of results as outlined in the performance plan:
- 6.6.1 Each KPI or group of KPIs shall be assessed according to the extent to which the specified standards or performance targets have been met and with due regard to ad-hoc tasks that had to be performed under the KPI;
- 6.6.2 A rating on the five-point scale shall be provided for each KPI or group of KPIs which will then be multiplied by the weighting to calculate the final score;
- 6.6.3 The Employee will submit his self-evaluation to the Employer prior to the formal assessment;
- 6.6.4 In the instance where the employee could not perform due to reasons outside the control of the employer and employee, the KPI will not be considered during the evaluation. The employee should provide sufficient evidence in such instances; and
- 6.6.5 An overall score will be calculated based on the total of the scores calculated above.
- 6.7 Assessment of the Competencies:
- 6.7.1 Each Competency shall be assessed in terms of the description provided in (Annexure B);
- 6.7.2 A rating shall be provided for each Competency which will then be multiplied by the weighting to calculate the final score; and
- 6.7.3 An overall score will be calculated based on the total of the scores calculated above.



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6.8 Overall rating

6.8.1 An overall rating is calculated by adding the overall scores as calculated in 6.6.5 and 6.7.3 above; and

6.8.2 Such overall rating represents the outcome of the performance appraisal.

6.9 The assessment of the performance of the Employee will be based on the following rating scales for SFAs and Competencies respectively:

6.9.1 Rating scale for SFAs - as mentioned in paragraph 5.6:

Level	Terminology	Description
5	Outstanding performance	Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the Employee has achieved above fully effective results against all performance criteria and indicators as specified in the PA and Performance plan and maintained this in all areas of responsibility throughout the year.
4	Performance significantly above expectations	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the Employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.
3	Fully effective	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the Employee has fully achieved effective results against all significant performance criteria and indicators as specified in the PA and Performance Plan.
2	Not fully effective	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the PA and Performance Plan.
1	Unacceptable performance	Performance does not meet the standard expected for the job. The review/assessment indicates that they employee has achieved below fully effective results against almost all the performance criteria and indicators as specified in the PA and Performance Plan. The employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement.

6.9.2 Rating scale for Competencies -as mentioned in paragraph 5.7:

Level	Achievement Levels	Description
5	Superior	Has a comprehensive understanding of local government operations, critical in shaping strategic direction and change, develops, and applies comprehensive concepts and methods
4	Advanced	Develops and applies complex concepts, methods and understanding. Effectively directs and leads a group and executes in-depth analyses



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Level	Achievement Levels	Description
3	Competent	Develops and applies more progressive concepts, methods and understanding. Plans and guides the work of others and executes progressive analyses
2	Basic	Applies basic concepts, methods, and understanding of local government operations, but requires supervision and development intervention
1	Sub Standard	Applies little to no basic concepts, methods, and understanding of local government operations.

6.10 For purposes of evaluating the performance of the Employee for the year-end reviews, an evaluation panel constituted of the following persons will be established–

6.10.1 Municipal Manager;

6.10.2 Municipal Manager from another municipality;

6.10.3 Chairperson of the Performance Audit Committee or in his/her absence thereof, the Chairperson of the Audit Committee; and

6.10.4 The Member of the Mayoral Committee (Portfolio Chairperson).

6.11 The Municipal Manager will evaluate the performance of the Employee as at the end of the 1st, and 3rd quarters; and

6.12 The Municipal Manager will give performance feedback to the Employee within five (5) working days after each quarterly and annual assessment meeting.

7. SCHEDULE FOR PERFORMANCE REVIEWS

7.1 The performance of the Employee in relation to his performance agreement shall be reviewed on the following dates.

Quarter	Review Period	Review to be completed by
1	July - September	October / November 2019 (Informal)
2	October – December	January / February 2020 (Formal)
3	January – March	April / May 2020 (Informal)
4	April - June	After the receipt of the AG's Management Report

7.2 The Employer shall keep a record of the mid-year and year-end assessment meetings;

7.3 Performance feedback shall be based on the Employer's assessment of the Employee's performance;

7.4 The Employer will be entitled to review and make reasonable changes to the provisions of Annexure A from time to time for operational reasons. The Employee will be fully consulted before any such change is made; and



Director: Corporate Services
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Municipal Manager:
Ms Geraldine Mettler

- 7.5 The Employer may amend the provisions of Annexure A whenever the performance management system is adopted, implemented, and/or amended as the case may be. In that case, the Employee will be fully consulted before any such change is made.

8. DEVELOPMENTAL REQUIREMENTS

- 8.1 The Personal Development Plan (PDP) for addressing developmental gaps is attached as Annexure C. Such Plan may be implemented and/or amended as the case may be after each assessment. In that case, the Employee will be fully consulted before any such change or plan is made.

9. OBLIGATIONS OF THE EMPLOYER

- 9.1 The Employer shall-
- 9.1.1 Create an enabling environment to facilitate effective performance by the employee;
 - 9.1.2 Provide access to skills development and capacity building opportunities;
 - 9.1.3 Work collaboratively with the Employee to solve problems and generate solutions to common problems that may impact on the performance of the Employee;
 - 9.1.4 On the request of the Employee delegate such powers reasonably required by the Employee to enable him to meet the performance objectives and targets established in terms of this Agreement; and
 - 9.1.5 Make available to the Employee such resources as the Employee may reasonably require from time to time assisting him to meet the performance objectives and targets established in terms of this Agreement.

10. CONSULTATION

- 10.1 The Employer agrees to consult the Employee timeously where the exercising of its powers will have amongst others-
- 10.1.1 A direct effect on the performance of any of the Employee's functions;
 - 10.1.2 Commit the Employee to implement or to give effect to a decision made by the Employer; and
 - 10.1.3 A substantial financial effect on the Employer.



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Municipal Manager:
Ms Geraldine Mettler

- 10.2 The Employer agrees to inform the Employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated in clause 12.1 as soon as is practicable to enable the Employee to take any necessary action with delay.

11. REWARD

- 11.1 The evaluation of the Employee's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance;
- 11.2 The payment of the performance bonus is determined by the performance score obtained during the 4th quarter and as informed by the quarterly performance assessments;
- 11.3 A performance bonus of between 5% to 14% of the all- inclusive annual remuneration package may be paid to the Employee in recognition of outstanding performance to be constituted as follows:

Performance Rating		Bonus Calculation
0% - 64%	Poor Performance	0% of total package
65% - 69%	Average Performance	5% of total package
70% - 74%	Fair Performance	9% of total package
75% - 79%	Good Performance	11% of total package
80% - 100%	Excellent Performance	14% of total package

- 11.4 In the event of the Employee terminating his services during the validity period of this Agreement, the Employee's performance will be evaluated for the portion during which he was employed and he will be entitled to a pro-rata performance bonus based on his evaluated performance for the period of actual service; and
- 11.5 The Employer will submit the total score of the annual assessment and of the Employee, to full Council for purposes of recommending the bonus allocation.

12. MANAGEMENT OF EVALUATION OUTCOMES

- 12.1 Where the Employer is, any time during the Employee's employment, not satisfied with the Employee's performance with respect to any matter dealt with in this Agreement, the Employer will give notice to the Employee to attend a meeting;
- 12.2 The Employee will have the opportunity at the meeting to satisfy the Employer of the measures being taken to ensure that his performance becomes satisfactory and any programme, including any dates, for implementing these measures;
- 12.3 Where there is a dispute or difference as to the performance of the Employee under this Agreement, the Parties will confer with a view to resolving the dispute or difference; and

- 12.4 In the case of unacceptable performance, the Employer shall –


 Director: Corporate Services
 Ms Annalene de Beer


 Municipal Manager:
 Ms Geraldine Mettler

- 12.4.1 Provide systematic remedial or developmental support to assist the Employee to improve his performance; and
- 12.4.2 After appropriate performance counselling and having provided the necessary guidance and/or support as well as reasonable time for improvement in performance, the Employer may consider steps to terminate the contract of employment of the Employee on grounds of unfitness or incapacity to carry out his or her duties.

13. DISPUTE RESOLUTION

- 13.1 In the event that the Employee is dissatisfied with any decision or action of the Employer in terms of this Agreement, or where a dispute or difference arises as to the extent to which the Employee has achieved the performance objectives and targets established in terms of this Agreement, the Employee may within 3 (three) business days, meet with the Employer with a view to resolving the issue. The Employer will record the outcome of the meeting in writing;
- 13.2 If the Parties cannot resolve the issues within 10 (ten) business days, an independent arbitrator, acceptable to both parties, shall be appointed to resolve the matter within 30 (thirty) business days; and
- 13.3 In the event that the mediation process contemplated above fails, the relevant clause of the Contract of Employment together with the relevant laws and regulations shall apply.

14. GENERAL

- 14.1 The contents of this agreement and the outcome of any review conducted in terms of Annexure A may be made available to the public by the Employer; and
- 14.2 Nothing in this agreement diminishes the obligations, duties, or accountabilities of the Employee in terms of his contract of employment, or the effects of existing or new regulations, circulars, policies, directives, or other instruments.



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Ms Annalene de Beer



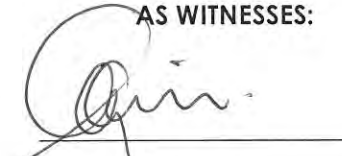
Municipal Manager:
Ms Geraldine Mettler

Thus, done and signed at Stellenbosch on the 30 day of July 2019


DIRECTOR: CORPORATE SERVICES

AS WITNESSES:

1.



2.

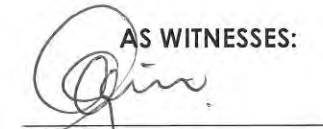


Thus, done and signed at Stellenbosch on the 30 day of July 2019


MUNICIPAL MANAGER

AS WITNESSES:

1.



2.





MEMBER OF MAYORAL COMMITTEE
(Portfolio: Corporate Services)
Cllr AR Frazenburg



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MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

Annexure A Performance Plan

DIRECTOR: CORPORATE SERVICES

Director: Corporate Services
Ms Annalene de Beer

- 1 -

Municipal Manager:
Ms Geraldine Mettler

The Performance Plan sets out:

- a) Key Performance Areas that the employee should focus on, performance objectives, key performance indicators and targets that must be met within a specific timeframe; and
- b) The Competencies required from employees prescribed in the Regulations on the appointment and conditions of employment of senior managers, R21 of 2014.

KEY PERFORMANCE INDICATORS

The key performance areas, the performance objectives, key performance indicators and targets that must be met within the agreed timeframe are described below. The assessment of these performance indicators will account for 80% (**eighty percent**) of the total employee assessment score.

Part 1: Implementation of Service Delivery and Budget Implementation Plan (80%)

DIRECTOR: CORPORATE SERVICES														
IDP/ Ref No.	Strategic Focus Area (SFA)	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator type	Baseline (Actual 2017/2018)	5 Year Target	2019/20	Portfolio of evidence (POE)	Funding Source	Service Delivery and Budget Implementation Plan (SDBIP 2019/20)				weight
										Q1	Q2	Q3	Q4	
TBC	Good governance and Compliance	Effective Management and Functional Supervision of the Department: Administrative Support Services	Percentage of indicators of the Department: Administrative Support Services achieved, measured quarterly	Outcome	New indicator	90% per annum	90%	Ignite dashboard report per Department/ Section	SM	90%	90%	90%	90%	4



Director: Corporate Services
Ms Annalene de Beer



Municipal Manager:
Ms Geraldine Mettler

DIRECTOR: CORPORATE SERVICES														
IDP/ Ref No.	Strategic Focus Area (SFA)	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator type	Baseline (Actual 2017/2018)	5 Year Target	2019/20	Portfolio of evidence (POE)	Funding Source	Service Delivery and Budget Implementation Plan (SDBIP 2019/20)				weight
										Q1	Q2	Q3	Q4	
TBC	Good governance and Compliance	Effective Management and Functional Supervision of the Department: Human Resources Management (HRM)	Percentage of indicators of the Department: Human Resources Management (HRM) achieved, measured quarterly	Outcome	New indicator	90% per annum	90%	Ignite dashboard report per Department/ Section	SM	90%	90%	90%	90%	4
TBC	Good governance and Compliance	Effective Management and Functional Supervision of the Department: Information and Communications Technology (ICT)	Percentage of indicators of the Department: Information and Communications Technology (ICT) achieved, measured quarterly	Outcome	New indicator	90% per annum	90%	Ignite dashboard report per Department/ Section	SM	90%	90%	90%	90%	4
TBC	Good governance and Compliance	Effective Management and Functional Supervision of the Section: Councillor's Support	Percentage of indicators of the Section: Councillor's Support achieved, measured quarterly	Outcome	New indicator	90% per annum	90%	Ignite dashboard report per Department/ Section	SM	90%	90%	90%	90%	4
TBC	Good governance and Compliance	Effective Management and Functional Supervision of the Section: Properties Management and Municipal Building Maintenance	Percentage of indicators of the Section: Properties Management and Municipal Building Maintenance achieved, measured quarterly	Outcome	New indicator	90% per annum	90%	Ignite dashboard report per Department/ Section	SM	90%	90%	90%	90%	4
TBC	Good governance and Compliance	Effective Management and Functional Supervision of the Section: Legal and Compliance Services	Percentage of indicators of the Section: Legal and Compliance Services achieved, measured quarterly	Outcome	New indicator	90% per annum	90%	Ignite dashboard report per Department/ Section	SM	90%	90%	90%	90%	4

DIRECTOR: CORPORATE SERVICES														
IDP/ Ref No.	Strategic Focus Area (SFA)	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator type	Baseline (Actual 2017/2018)	5 Year Target	2019/20	Portfolio of evidence (POE)	Funding Source	Service Delivery and Budget Implementation Plan (SDBIP 2019/20)				Weight
										Q1	Q2	Q3	Q4	
TBC	Good governance and Compliance	Effective Management and Functional Supervision of the Section: Municipal Court	Percentage of indicators of the Section: Municipal Court achieved, measured quarterly	Outcome	New indicator	90% per annum	90%	Ignite dashboard report per Department/ Section	SM	90%	90%	90%	90%	4
KPI059	Good governance and Compliance	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	Input	0.72%	0.85% per annum	0.85%	Report from the financial system	SM	N/A	N/A	N/A	0.85%	3
KPI065	Good governance and Compliance	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	Output	1	1 per annum	1	Proof of submission of the Revised ICT Backup Disaster Recovery Plan to the ICT Steering Committee	SM	N/A	N/A	1	N/A	2
KPI066	Good governance and Compliance	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	Output	1	1 per annum	1	Proof of submission of the Revised Strategic ICT Plan to the ICT Steering Committee	SM	N/A	N/A	1	N/A	2
KPI072	Good governance and Compliance	Submission of a Draft Smart City Framework to the MayCo	Number of Draft Smart City Frameworks submitted to the MayCo by 31 December	Output	New indicator	1 per annum	1	Proof of submission of the Draft Smart City Framework to the MayCo	SM	N/A	1	N/A	N/A	2

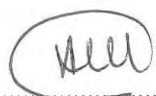


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DIRECTOR: CORPORATE SERVICES														
IDP/ Ref No.	Strategic Focus Area (SFA)	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator type	Baseline (Actual 2017/2018)	5 Year Target	2019/20	Portfolio of evidence (POE)	Funding Source	Service Delivery and Budget Implementation Plan (SDBIP 2019/20)				Weight
										Q1	Q2	Q3	Q4	
TBC	Good governance and Compliance	Spend the Directorate: Corporate Services approved Capital Budget	Percentage of approved Capital Budget of the Directorate: Corporate Services actually spent by 30 June	Input	74.26%	90% per annum	90%	Report from the financial system	SM	10%	30%	60%	90%	20
TBC	Good governance and Compliance	Capital spending committed on the financial management system	Percentage the approved Capital Budget committed by on the financial system by 31 March (30% by September, 60% by December and 90% by March)	Input	New indicator	90% per annum	90%	Report from the financial system	SM	30%	60%	90%	N/A	2
TBC	Good governance and Compliance	Submission of final bid specifications for all capital projects to the Bid Specification Committee (BSC) (2019/20)	Percentage of final bid specifications for all capital projects submitted to the BSC by 30 September (50% by 31 July and 100% by 30 September)	Output	New indicator	100% per annum	100%	Reconciliation report from SCM	SM	100%	N/A	N/A	N/A	5
TBC	Good governance and Compliance	Submission of final bid specifications for all capital projects to the Bid Specification Committee (BSC) (2020/21)	Percentage of final bid specifications for all capital projects submitted to the BSC by 30 June (50% by 31 March 2020 and 100% by 30 June 2020. For the 2020/21 financial year)	Output	New indicator	100% per annum	100%	Reconciliation report from SCM	SM	N/A	N/A	50%	100%	5



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Municipal Manager:
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DIRECTOR: CORPORATE SERVICES

IDP/ Ref No.	Strategic Focus Area (SFA)	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator type	Baseline (Actual 2017/2018)	5 Year Target	2019/20	Portfolio of evidence (POE)	Funding Source	Service Delivery and Budget Implementation Plan (SDBIP 2019/20)				Weight
										Q1	Q2	Q3	Q4	
TBC	Good governance and Compliance	Submission of detailed procurement needs for all operational projects to the Supply Chain Management (SCM) Department	Number of quarterly detailed procurement needs submitted to SCM 10 days before start of the quarter	Output	New indicator	4 per annum	4	Proof of submission to SCM	SM	1 (1)	1 (2)	1 (3)	1 (4)	3
TBC	Good governance and Compliance	Performance agreements signed with all identified personnel	Number of performance agreements signed by 31 August	Output	100%	7 per annum	7	Signed performance agreements submitted to the PMS Unit	SM	7	N/A	N/A	N/A	1
TBC	Good governance and Compliance	Conduct formal performance evaluations with all identified personnel	Number of formal performance evaluations conducted with all identified personnel by 30 June	Output	100%	14 per annum	14	Ignite performance evaluations reports	SM	N/A	7 (7)	N/A	7 (14)	1
TBC	Good governance and Compliance	Develop Annual Departmental Risk Register	Number of Annual Risk Registers developed by 31 July	Output	New indicator	1 per annum	1	Annual Departmental Risk Register submitted to the Risk Management Unit	SM	1	N/A	N/A	N/A	1
TBC	Good governance and Compliance	Evaluation of the Departmental Risk Register	Number of Departmental Risk Registers evaluated by 31 May	Output	New indicator	2 per annum	2	Proof of risk evaluations submitted to the Risk Management Unit	SM	N/A	1 (1)	N/A	1 (2)	2
TBC	Good governance and Compliance	Implementation of Council resolutions	Percentage of resolutions implemented measured quarterly	Output	100%	70% per annum	100%	Council Resolution Register	SM	70%	70%	70%	70%	2



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DIRECTOR: CORPORATE SERVICES														
IDP/ Ref No.	Strategic Focus Area (SFA)	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator type	Baseline (Actual 2017/2018)	5 Year Target	2019/20	Portfolio of evidence (POE)	Funding Source	Service Delivery and Budget Implementation Plan (SDBIP 2019/20)				Weight
										Q1	Q2	Q3	Q4	
TBC	Good governance and Compliance	Attendance of quarterly Occupation Health and Safety (OHS) meetings	Number of quarterly OHS meetings attended by the Director or secondee	Output	New indicator	4 per annum	4	OHS attendance registers	SM	1 (1)	1 (2)	1 (3)	1 (4)	1



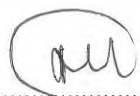
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Ms Annalene de Beer



Municipal Manager:
Ms Geraldine Mettler

Part 2: Competency Requirements (20%)

Ref	Leading and Core Competencies	(January) 1 st Assessment	(July) Final Assessment	Weights	Comments
2.1	Strategic direction and leadership			1.66%	
2.2	People management			1.66%	
2.3	Programme and project management			1.66%	
2.4	Financial management			1.66%	
2.5	Change leadership			1.67%	
2.6	Governance leadership			1.67%	
2.7	Moral competence			1.67%	
2.8	Planning and organising			1.67%	
2.9	Analysis and innovation			1.67%	
2.10	Knowledge and information management			1.67%	
2.11	Communication			1.67%	
2.12	Results and quality focus			1.67%	
Total				20%	



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Annexure B

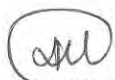
Competency Framework

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Municipal Manager:
Ms Geraldine Mettler

CLUSTER :	LEADING COMPETENCIES		
COMPETENCY NAME :	Strategic Direction and Leadership		
COMPETENCY DEFINITION :	Provide and direct a vision for the institution, and inspire and deploy others to deliver on the strategic institutional mandate.		
ACHIEVEMENT LEVELS			
BASIC	COMPETENT	ADVANCED	SUPERIOR
<ul style="list-style-type: none">Understand Institutional and departmental strategic objectives, but lacks the ability to inspire others to achieve set mandate.	<ul style="list-style-type: none">Give direction to a team in realising the institution's strategic mandate and set objectives.	<ul style="list-style-type: none">Evaluate all activities to determine value and alignment to strategic intent.	<ul style="list-style-type: none">Structure and position the institution to local government priorities.
<ul style="list-style-type: none">Describe how specific tasks link to institutional strategies but has limited influence in directing a strategy.	<ul style="list-style-type: none">Has a positive impact and influence on the morale, engagement and participation of team members.	<ul style="list-style-type: none">Display in-depth knowledge and understanding of strategic planning.	<ul style="list-style-type: none">Actively use in-depth knowledge and understanding to develop and implement a comprehensive institutional framework.
<ul style="list-style-type: none">Has a basic understanding of institutional performance management, but lacks the ability to integrate systems into a collective whole.	<ul style="list-style-type: none">Develop action plans to execute and guide strategy.	<ul style="list-style-type: none">Align strategy and goals across all functional areas.	<ul style="list-style-type: none">Hold self-accountable for strategy execution and results.
<ul style="list-style-type: none">Demonstrate basic understanding of key decision makers.	<ul style="list-style-type: none">Assist in defining performance measures to monitor the progress and effectiveness of the institution.	<ul style="list-style-type: none">Actively define performance measures to monitor the progress and effectiveness of the institution.	<ul style="list-style-type: none">Provide impact and influence through building and maintaining strategic relationships.
	<ul style="list-style-type: none">Displays an awareness of institutional structures and political factors.	<ul style="list-style-type: none">Consistently challenge strategic plans to ensure relevance.	<ul style="list-style-type: none">Create an environment that facilitates loyalty and innovation. Display a superior level of self-discipline and integrity in actions.
	<ul style="list-style-type: none">Effectively communicate barriers to execution to relevant parties.	<ul style="list-style-type: none">Understand institutional structures and political factors, and the consequences of actions.	<ul style="list-style-type: none">Integrate various systems into a collective whole to optimise institutional performance management.
	<ul style="list-style-type: none">Provide guidance to all stakeholders in the achievement of the strategic mandate.	<ul style="list-style-type: none">Empower others to follow the strategic direction and deal with complex situations.	<ul style="list-style-type: none">Uses understanding of competing interests to maneuver successfully to a win/win outcome.
	<ul style="list-style-type: none">Understand the aim and objectives of the institution and relate it to own work.	<ul style="list-style-type: none">Guide the institution through complex and ambiguous concern.Use understanding of power relationships and dynamic tensions among key players to frame communications and develop strategies, positions and alliances.	



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Municipal Manager:
Ms Geraldine Mettler

CLUSTER :	LEADING COMPETENCIES		
COMPETENCY NAME :	People Management		
COMPETENCY DEFINITION :	Effectively manage, inspire and encourage people, respect diversity, optimise talent and build and nurture relationships in order to achieve institutional objectives.		
ACHIEVEMENT LEVELS			
BASIC	COMPETENT	ADVANCED	SUPERIOR
<ul style="list-style-type: none">Participate in team goalsetting and problem solving.	<ul style="list-style-type: none">Seek opportunities to increase team contribution and responsibility.	<ul style="list-style-type: none">Identify ineffective team and work processes and recommend remedial interventions.	<ul style="list-style-type: none">Develop and incorporate best practice people management processes, approaches and tools across the institution.
<ul style="list-style-type: none">Interact and collaborate with people of diverse backgrounds.Aware of guidelines for employee development, but requires support in implementing development initiatives.	<ul style="list-style-type: none">Respect and support the diverse nature of others and be aware of the benefits of a diverse approach.Effectively delegate tasks and empower others to increase contribution and execute functions optimally.	<ul style="list-style-type: none">Recognise and reward effective and desired behavior.Provide mentoring and guidance to others in order to increase personal effectiveness.	<ul style="list-style-type: none">Foster a culture of discipline, responsibility and accountability.Understand the impact of diversity in performance and actively incorporate a diversity strategy in the institution.
	<ul style="list-style-type: none">Apply relevant employee legislation fairly and consistently.	<ul style="list-style-type: none">Identify development and learning needs within the team.	<ul style="list-style-type: none">Develop comprehensive integrated strategies and approaches to human capital development and management.
	<ul style="list-style-type: none">Effectively identify capacity requirements to fulfill the strategic mandate.	<ul style="list-style-type: none">Inspire a culture of performance excellence by giving positive and constructive feedback to the team.Achieve agreement or consensus in adversarial environments.Lead and unite diverse teams across divisions to achieve institutional objectives.	<ul style="list-style-type: none">Actively identify trends and predict capacity requirements to facilitate unified transition and performance management.



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Municipal Manager:
Ms Geraldine Mettler

CLUSTER :	LEADING COMPETENCIES			
COMPETENCY NAME :	Program and Project Management			
COMPETENCY DEFINITION :	Able to understand program and project management methodology; plan, manage, monitor and evaluate specific activities in order to deliver on set objectives.			
ACHIEVEMENT LEVELS				
BASIC	COMPETENT	ADVANCED	SUPERIOR	
<ul style="list-style-type: none">Initiate projects after approval from higher authorities.	<ul style="list-style-type: none">Establish broad stakeholder involvement and communicate the project status and key milestones.	<ul style="list-style-type: none">Manage multiple programs and balance priorities and conflicts according to institutional goals.	<ul style="list-style-type: none">Understand and conceptualize the long-term implications of desired project outcomes.	
<ul style="list-style-type: none">Understand procedures of program and project management methodology, implications and stakeholder involvement.	<ul style="list-style-type: none">Define the roles and responsibilities of the project team and create clarity around expectations.	<ul style="list-style-type: none">Apply effective risk management strategies through impact assessment and resource requirements.	<ul style="list-style-type: none">Direct a comprehensive strategic macro and micro analysis and scope projects accordingly to realize institutional objectives.	
<ul style="list-style-type: none">Understand the rational of projects in relation to the institution's strategic objectives.	<ul style="list-style-type: none">Find a balance between project deadline and the quality of deliverables.	<ul style="list-style-type: none">Modify project scope and budget when required without compromising the quality and objectives of the project.	<ul style="list-style-type: none">Influence people in positions of authority to implement outcomes of projects	
<ul style="list-style-type: none">Document and communicate factors and risk associated with own work.	<ul style="list-style-type: none">Identify appropriate project resources to facilitate the effective completion of the deliverables.	<ul style="list-style-type: none">Involve top-level authorities and relevant stakeholders in seeking project buy-in.	<ul style="list-style-type: none">Lead and direct translation of policy into workable action plans	
<ul style="list-style-type: none">Use results and approaches of successful project implementation as guide.	<ul style="list-style-type: none">Comply with statutory requirements and apply policies in a consistent manner.Monitor progress and use of resources and make needed adjustments to timelines, steps and resource allocation.	<ul style="list-style-type: none">Identify and apply contemporary project management methodologyInfluence and motivate project team to deliver exceptional results.Monitor policy implementation and apply procedures to manage risks.	<ul style="list-style-type: none">Ensures that programs are monitored to track progress and optimal resource utilization, and that adjustments are made as needed.	



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Municipal Manager:
Ms Geraldine Mettler

CLUSTER :	LEADING COMPETENCIES		
COMPETENCY NAME :	Financial Management		
COMPETENCY DEFINITION :	Able to compile, plan and manage budgets, control cash flow, institute financial risk management and administer procurement processes in accordance with recognized financial practices. Further to ensure that all financial transactions are managed in an ethical manner		
ACHIEVEMENT LEVELS			
BASIC	COMPETENT	ADVANCED	SUPERIOR
<ul style="list-style-type: none">Understand basic financial concepts and methods as they relate to institutional processes and activities	<ul style="list-style-type: none">Exhibit knowledge of general financial concepts, planning, budgeting and forecasting and how they interrelate	<ul style="list-style-type: none">Take active ownership of planning, budgeting and forecasting processes and provides credible answers to queries within own responsibility.	<ul style="list-style-type: none">Develop planning tools to assist in evaluating and monitoring future expenditure trends.
<ul style="list-style-type: none">Display awareness into the various sources of financial data, reporting mechanisms, financial governance, processes and systems	<ul style="list-style-type: none">Assess, identify and manage financial risks.	<ul style="list-style-type: none">Prepare budgets that are aligned to the strategic objectives of the institution.	<ul style="list-style-type: none">Set budget frameworks for the institution.
<ul style="list-style-type: none">Understand the importance of financial accountability	<ul style="list-style-type: none">Assume a cost-saving approach to financial management.	<ul style="list-style-type: none">Address complex budgeting and financial management concerns.	<ul style="list-style-type: none">Set strategic direction for the institution on expenditure and other financial processes.
<ul style="list-style-type: none">Understand the importance of asset control.	<ul style="list-style-type: none">Prepare financial reports based on specified formats.	<ul style="list-style-type: none">Put systems and processes in place to enhance the quality and integrity of financial management practices.	<ul style="list-style-type: none">Build and nurture partnerships to improve financial management and achieve financial savings.
	<ul style="list-style-type: none">Consider and understand the financial implications of decisions and suggestions.	<ul style="list-style-type: none">Advise on policies and procedures regarding asset control.	<ul style="list-style-type: none">Actively identify and implement new methods to improve asset control.
	<ul style="list-style-type: none">Ensure that delegation and instructions as required by National Treasury guidelines are reviewed and updated.Identify and implement proper monitoring and evaluation practices to ensure appropriate spending against budget.	<ul style="list-style-type: none">Promote National Treasury's regulatory framework for Financial Management.	<ul style="list-style-type: none">Display professionalism in dealing with financial data and processes.



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Municipal Manager:
Ms Geraldine Mettler

CLUSTER :	LEADING COMPETENCIES		
COMPETENCY NAME :	Change Leadership		
COMPETENCY DEFINITION :	Able to direct and initiate institutional transformation on all levels in order to successfully drive and implement new initiatives and deliver professional and quality services to the community.		
ACHIEVEMENT LEVELS			
BASIC	COMPETENT	ADVANCED	SUPERIOR
<ul style="list-style-type: none">• Display an awareness of change interventions and the benefits of transformation initiatives.	<ul style="list-style-type: none">• Perform an analysis of the change impact on the social, political and economic environment.	<ul style="list-style-type: none">• Actively monitor change impact and results and convey progress to relevant stakeholders.	<ul style="list-style-type: none">• Sponsor change agents and create a network of change leaders who support the interventions.
<ul style="list-style-type: none">• Able to identify basic needs for change.	<ul style="list-style-type: none">• Maintain calm and focus during change.	<ul style="list-style-type: none">• Secure buy-in and sponsorship for change initiatives.	<ul style="list-style-type: none">• Actively adapt current structures and processes to incorporate the change interventions.
<ul style="list-style-type: none">• Identify gaps between the current and desired state.	<ul style="list-style-type: none">• Able to assist team members during change and keep them focused on the deliverables.	<ul style="list-style-type: none">• Continuously evaluate change strategy and design and introduce new approaches to enhance the institution's effectiveness.	<ul style="list-style-type: none">• Mentor and guide team members on the effects of change, resistance factors and how to integrate change.
<ul style="list-style-type: none">• Identify potential risk and challenges to transformation, including resistance to change factors.	<ul style="list-style-type: none">• Volunteer to lead change efforts outside of own work team.	<ul style="list-style-type: none">• Build and nurture relationships with various stakeholders to establish strategic alliance in facilitating change.	<ul style="list-style-type: none">• Motivate and inspire others around change initiatives.
<ul style="list-style-type: none">• Participate in change programs and piloting change interventions.	<ul style="list-style-type: none">• Able to gain buy-in and approval for change from relevant stakeholders.	<ul style="list-style-type: none">• Take the lead in impactful change programs.	
<ul style="list-style-type: none">• Understand the impact of change interventions on the institution within the broader scope of local government.	<ul style="list-style-type: none">• Identify change readiness levels and assist in resolving resistance to change factors.	<ul style="list-style-type: none">• Benchmark change interventions against best change practices.	
	<ul style="list-style-type: none">• Design change interventions that are aligned with the institution's strategic objectives and goals.	<ul style="list-style-type: none">• Understand the impact and psychology of change and put remedial interventions in place to facilitate effective transformation.• Take calculated risk and seek new ideas from best practice scenarios and identify the potential for implementation.	



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Municipal Manager:
Ms Geraldine Mettler

CLUSTER :	LEADING COMPETENCIES			
COMPETENCY NAME :	Governance Leadership			
COMPETENCY DEFINITION:	Able to promote, direct and apply professionalism in managing risk and compliance requirements and apply a thorough understanding of governance practices and obligations. Further, able to direct the conceptualization of relevant policies and enhance cooperative governance relationships.			
ACHIEVEMENT LEVELS				
BASIC	COMPETENT	ADVANCED	SUPERIOR	
<ul style="list-style-type: none">• Display a basic awareness of risk, compliance and governance factors but require guidance and development in implementing such requirements.• Understand the structure of cooperative government but requires guidance on fostering workable relationships between stakeholders.	<ul style="list-style-type: none">• Display a thorough understanding of governance and risk and compliance factors and implement plans to address these.• Demonstrate understanding of the techniques and processes for optimising risk taking decisions within the institution.	<ul style="list-style-type: none">• Able to link risk initiatives into key institutional objectives and drivers.• Identify, analyse and measure risk, create valid risk forecasts and map risk profiles.	<ul style="list-style-type: none">• Demonstrate a high level of commitment in complying with governance requirements.• Implement governance and compliance strategy to ensure achievement of institutional objectives within the legislative framework.	
<ul style="list-style-type: none">• Provide input into policy formulation.	<ul style="list-style-type: none">• Actively drive policy formulation within the institution to ensure the achievement of objectives.	<ul style="list-style-type: none">• Apply risk control methodology and approaches to prevent and reduce risk that impede on the achievement of institutional objectives.	<ul style="list-style-type: none">• Able to advise local government on risk management, best practice interventions and compliance management.	
		<ul style="list-style-type: none">• Demonstrate a thorough understanding of risk retention plans.	<ul style="list-style-type: none">• Able to forge positive relationships on cooperative governance level to enhance the effectiveness of local government.t	
		<ul style="list-style-type: none">• Identify and implement comprehensive risk management systems and processes.• Implement and monitor the formulation of policies, identify and analyse constraints and challenges with implementation and provide recommendations for improvement.	<ul style="list-style-type: none">• Able to shape, direct and drive the formulation of policies on a macro level.	



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Ms Annalene de Beer



Municipal Manager:
Ms Geraldine Mettler

CLUSTER :	CORE COMPETENCIES			
COMPETENCY NAME :	Moral Competence			
COMPETENCY DEFINITION :	Able to identify moral triggers, apply reasoning that promotes honesty and integrity and consistently display behavior that reflects moral competence			
ACHIEVEMENT LEVELS				
BASIC	COMPETENT	ADVANCED	SUPERIOR	
<ul style="list-style-type: none">Realise the impact of acting with integrity, but requires guidance and development in implementing principles.	<ul style="list-style-type: none">Conduct self in alignment with the values of local government and the institution.	<ul style="list-style-type: none">Identify, develop and apply measures of self-correction.	<ul style="list-style-type: none">Create an environment conducive of moral practices.	
<ul style="list-style-type: none">Follow basic rules and regulations of the institution.Able to identify basic moral situations, but requires guidance and development in understanding and reasoning with moral intent.	<ul style="list-style-type: none">Able to openly admit own mistakes and weaknesses and seek assistance from others when unable to deliver.Actively report fraudulent activity and corruption with local government.	<ul style="list-style-type: none">Able to gain trust and respect through aligning actions with commitments.Make proposals and recommendations that are transparent and gain the approval of relevant stakeholders.	<ul style="list-style-type: none">Actively develop and implement measures to combat fraud and corruption.Set integrity standards and shared accountability measures across the institution to support the objectives of local government.	
	<ul style="list-style-type: none">Understand and honor the confidential nature of matters without seeking personal gain.	<ul style="list-style-type: none">Present values, beliefs and ideas that are congruent with the institution's rules and regulations.	<ul style="list-style-type: none">Take responsibility for own actions and decisions, even if the consequences are unfavorable.	
	<ul style="list-style-type: none">Able to deal with situations of conflict of interest promptly and in the best interest of local government.	<ul style="list-style-type: none">Takes an active stance against corruption and dishonesty when noted.Actively promote the value of the institution to internal and external stakeholders.Able to work in unity with a team and not seek personal gain.Apply universal moral principles consistently to achieve moral decisions.		



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Municipal Manager:
Ms Geraldine Mettler

CLUSTER :	CORE COMPETENCIES		
COMPETENCY NAME :	Planning and Organising		
COMPETENCY DEFINITION :	Able to plan, prioritise and organise information and resources effectively to ensure the quality of service delivery and build efficient contingency plans to manage risk.		
ACHIEVEMENT LEVELS			
BASIC	COMPETENT	ADVANCED	SUPERIOR
<ul style="list-style-type: none">• Able to follow basic plans and organise tasks around set objectives.	<ul style="list-style-type: none">• Actively and appropriately organise information and resources required for a task.	<ul style="list-style-type: none">• Able to define institutional objectives, develop comprehensive plans, integrate and coordinate activities and assign appropriate resources for successful implementation.	<ul style="list-style-type: none">• Focus on broad strategies and initiatives when developing plans and actions.
<ul style="list-style-type: none">• Understand the process of planning and organising but requires guidance and development in providing detailed and comprehensive plans.	<ul style="list-style-type: none">• Recognise the urgency and importance of tasks.	<ul style="list-style-type: none">• Identify in advance required stages and actions to complete tasks.	<ul style="list-style-type: none">• Able to protect and forecast short, medium and long term requirements of the institution and local government.
<ul style="list-style-type: none">• Able to follow existing plans and ensure that objectives are met.	<ul style="list-style-type: none">• Balance short and long-term plans and goals and incorporate into the team's performance objectives.	<ul style="list-style-type: none">• Schedule realistic timelines, objectives and milestones for tasks and projects.	<ul style="list-style-type: none">• Translate policy into relevant projects to facilitate the achievement of institutional objectives.
<ul style="list-style-type: none">• Focus on short-term objectives in developing plans and actions.	<ul style="list-style-type: none">• Schedule tasks to ensure they are performed within budget and with efficient use of time and resources.	<ul style="list-style-type: none">• Produce clear, detailed and comprehensive plans to achieve institutional objectives.	
<ul style="list-style-type: none">• Arrange information and resources required for a task, but require further structure and organization.	<ul style="list-style-type: none">• Measures progress and monitor performance results.	<ul style="list-style-type: none">• Identify possible risk factors and design and implement appropriate contingency plans.• Adapt plans in light of changing circumstances.• Prioritise tasks and projects according to their relevant urgency and importance.	



Director: Corporate Services
Ms Annalene de Beer



Municipal Manager:
Ms Geraldine Mettler

CLUSTER :	CORE COMPETENCIES			
COMPETENCY NAME :	Analysis and Innovation			
COMPETENCY DEFINITION :	Able to critically analyse information, challenges and trends to establish and implement fact-based solutions that are innovative to improve institutional processes in order to achieve key strategic objectives			
ACHIEVEMENT LEVELS				
BASIC	COMPETENT	ADVANCED	SUPERIOR	
<ul style="list-style-type: none">Understand the basic operation of analysis, but lack detail and thoroughness.	<ul style="list-style-type: none">Demonstrate logical problem solving techniques and approaches and provide rationale for recommendations.	<ul style="list-style-type: none">Coaches team members on analytical and innovative approaches and techniques.	<ul style="list-style-type: none">Demonstrate complex analytical and problem solving approaches and techniques.	
<ul style="list-style-type: none">Able to balance independent analysis with requesting assistance from others.	<ul style="list-style-type: none">Demonstrate objectivity, insight and thoroughness when analysing problems.	<ul style="list-style-type: none">Engage with appropriate individuals in analysing and resolving complex problems.	<ul style="list-style-type: none">Create an environment conducive to analytical and fact-based problem solving.	
<ul style="list-style-type: none">Recommend new ways to perform tasks within own function.	<ul style="list-style-type: none">Able to break down complex problems into manageable parts and identify solutions.	<ul style="list-style-type: none">Identify solutions on various areas in the institution.	<ul style="list-style-type: none">Analyse, recommend solutions and monitor trends in key challenges to prevent and manage occurrence.	
<ul style="list-style-type: none">Propose simple remedial interventions that marginally challenges the status quo.	<ul style="list-style-type: none">Consult internal and external stakeholders on opportunities to improve processes and service delivery.	<ul style="list-style-type: none">Formulate and implement new ideas throughout the institution.	<ul style="list-style-type: none">Create an environment that fosters innovative thinking and follows a learning organisation approach.	
<ul style="list-style-type: none">Listen to the ideas and perspectives of others and explore opportunities to enhance such innovative thinking.	<ul style="list-style-type: none">Clearly communicate the benefits of new opportunities and innovative solutions and stakeholders.	<ul style="list-style-type: none">Able to gain approval and buy-in for proposed interventions from relevant stakeholders.	<ul style="list-style-type: none">Be a thought leader on innovative customer service delivery and process optimization.	
	<ul style="list-style-type: none">Continuously identify opportunities to enhance internal processes.	<ul style="list-style-type: none">Identify trends and best practices in process and service delivery and propose institutional application.	<ul style="list-style-type: none">Play an active role in sharing best practice solutions and engage in national and international local government seminars and conferences.	
	<ul style="list-style-type: none">Identify and analyse opportunities conducive to innovative approaches and propose remedial intervention.	<ul style="list-style-type: none">Continuously engage in research to identify client needs.		



Director: Corporate Services
Ms Annalene de Beer



Municipal Manager:
Ms Geraldine Mettler

CLUSTER :	CORE COMPETENCIES			
COMPETENCY NAME :	Knowledge and Information Management			
COMPETENCY DEFINITION :	Able to promote the generation and sharing of knowledge and information through various processes and media, in order to enhance the collective knowledge base of local government			
ACHIEVEMENT LEVELS				
BASIC	COMPETENT	ADVANCED	SUPERIOR	
<ul style="list-style-type: none">Collect, categorise and track relevant information required for specific tasks and projects.	<ul style="list-style-type: none">Use appropriate information systems and technology to manage institutional knowledge and information sharing.	<ul style="list-style-type: none">Effectively predict future information and knowledge management requirements and systems.	<ul style="list-style-type: none">Create and support a vision and culture where team members are empowered to seek, gain and share knowledge and information.	
<ul style="list-style-type: none">Analyse and interpret information to draw conclusions.	<ul style="list-style-type: none">Evaluate data from various sources and use information effectively to influence decisions and provide solutions.	<ul style="list-style-type: none">Develop standards and processes to meet future knowledge management needs.	<ul style="list-style-type: none">Establish partnerships across local government to facilitate knowledge management.	
<ul style="list-style-type: none">Seek new sources of information to increase the knowledge base.	<ul style="list-style-type: none">Actively create mechanisms and structures for sharing information.	<ul style="list-style-type: none">Share and promote best-practice knowledge management across various institutions.	<ul style="list-style-type: none">Demonstrate a mature approach.	
<ul style="list-style-type: none">Regularly share information and knowledge with internal stakeholders and team members.	<ul style="list-style-type: none">Use external and internal resources to research and provide relevant and cutting-edge knowledge to enhance institutional effectiveness and efficiency.	<ul style="list-style-type: none">Establish accurate measures and monitoring systems for knowledge and information management.Create a culture conducive of learning and knowledge sharing.Hold regular knowledge and information sharing sessions to elicit new ideas and share best practice approaches.	<ul style="list-style-type: none">Recognise and exploit knowledge points in interactions with internal and external stakeholders.	



Director: Corporate Services
Ms Annalene de Beer



Municipal Manager:
Ms Geraldine Mettler

CLUSTER :	CORE COMPETENCIES		
COMPETENCY NAME :	Communication		
COMPETENCY DEFINITION :	Able to share information, knowledge and ideas in a clear, focused and concise manner appropriate for the audience in order to effectively convey, persuade and influence stakeholders to achieve the desired outcome.		
ACHIEVEMENT LEVELS			
BASIC	COMPETENT	ADVANCED	SUPERIOR
<ul style="list-style-type: none">• Demonstrate an understanding for communication levers and tools appropriate for the audience, but requires guidance in utilising such tools.	<ul style="list-style-type: none">• Express ideas to individuals and groups in formal and informal settings in a manner that is interesting and motivating.	<ul style="list-style-type: none">• Effectively communicate high-risk and sensitive matters to relevant stakeholders.	<ul style="list-style-type: none">• Regarded as a specialist in negotiations and representing the institution.
<ul style="list-style-type: none">• Express ideas in a clear and focused manner, but does not always take the audience into consideration.	<ul style="list-style-type: none">• Able to understand, tolerate and appreciate diverse perspectives, attitudes and beliefs.	<ul style="list-style-type: none">• Develop a well-defined communication strategy.	<ul style="list-style-type: none">• Able to inspire and motivate others through positive communication that is impactful and relevant.
<ul style="list-style-type: none">• Disseminate and convey information and knowledge adequately.	<ul style="list-style-type: none">• Adapt communication content and style to suit the audience and facilitate optimal information transfer.	<ul style="list-style-type: none">• Balance political perspectives with institutional needs when communicating viewpoints on complex issues.	<ul style="list-style-type: none">• Creates an environment conducive to transparent and productive communication and critical appreciate conversations.
	<ul style="list-style-type: none">• Deliver content in a manner that gains support, commitment and agreement from relevant stakeholders.	<ul style="list-style-type: none">• Able to effectively direct negotiations around complex.	<ul style="list-style-type: none">• Able to coordinate negotiations at different levels within local government and externally.
	<ul style="list-style-type: none">• Compile clear, focused, concise and well-structured written documents.	<ul style="list-style-type: none">• Market and promote the institution to external stakeholders and seek to enhance a positive image of the institution.• Able to communicate with the media with high levels of moral competence and discipline.	



Director: Corporate Services
Ms Annalene de Beer



Municipal Manager:
Ms Geraldine Mettler

CLUSTER :	CORE COMPETENCIES			
COMPETENCY NAME :	Results and Quality Focus			
COMPETENCY DEFINITION :	Able to maintain high quality standards, focus on achieving results and objectives while consistently striving to exceed expectations and encourage others to meet quality standards. Further, to actively monitor and measure results and quality against identified objectives.			
ACHIEVEMENT LEVELS				
BASIC	COMPETENT	ADVANCED	SUPERIOR	
<ul style="list-style-type: none">Understand quality of work but requires guidance in attending to important matters.	<ul style="list-style-type: none">Focus on high-priority actions and does not become distracted by lower-priority activities.	<ul style="list-style-type: none">Consistently verify own standards and outcomes to ensure quality output.	<ul style="list-style-type: none">Coach and guide others to exceed quality standards and results.	
<ul style="list-style-type: none">Show a basic commitment to achieving the correct results.	<ul style="list-style-type: none">Display firm commitment and pride in achieving the correct results.	<ul style="list-style-type: none">Focus on the end result and avoids being distracted	<ul style="list-style-type: none">Develop challenging, client-focused goals and sets high standards for personal performance.	
<ul style="list-style-type: none">Produce the minimum level of results required in the role.	<ul style="list-style-type: none">Set quality standards and design processes and tasks around achieving set standards.	<ul style="list-style-type: none">Demonstrate a determined and committed approach to achieving results and quality standards.	<ul style="list-style-type: none">Commit to exceed the results and quality standards, monitor own performance and implement remedial interventions when required.	
<ul style="list-style-type: none">Produce outcomes that is of a good standard.	<ul style="list-style-type: none">Produce output of high quality.	<ul style="list-style-type: none">Follow task and projects through to completion.	<ul style="list-style-type: none">Work with team to set ambitious and challenging team goals, communicating long- and short term expectations.	
<ul style="list-style-type: none">Focus on the quantity of output but requires development in incorporating the quality of work.	<ul style="list-style-type: none">Able to balance the quantity and quality and quality of results in order to achieve objectives.	<ul style="list-style-type: none">Set challenging goals and objectives to self and team and display commitment to achieving expectations.	<ul style="list-style-type: none">Take appropriate risks to accomplish goals.	
<ul style="list-style-type: none">Produce quality work in general circumstances, but fails to meet expectation when under pressure.	<ul style="list-style-type: none">Monitors progress, quality of work and use of resources; provide status updates and make adjustments as needed.	<ul style="list-style-type: none">Maintain a focus on quality outputs when placed under pressure.	<ul style="list-style-type: none">Overcome setbacks and adjust action plans to realise goals.	
		<ul style="list-style-type: none">Establishing institutional systems for managing and assigning work, defining responsibilities, tracking, monitoring and measuring success, evaluating and valuing the work of the institution.	<ul style="list-style-type: none">Focus people on critical activities that yield a high impact.	



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Ms Annalene de Beer



Municipal Manager:
Ms Geraldine Mettler



STELLENBOSCH
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MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

Annexure C

Personal Development Plan

DIRECTOR: CORPORATE SERVICES

.....
Director: Corporate Services
Ms Annalene de Beer

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Municipal Manager:
Ms Geraldine Mettler

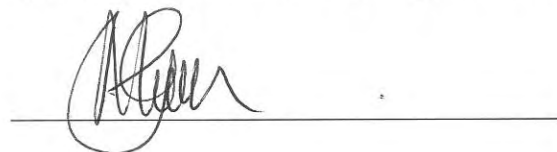
Skills Performance Gap	Outcomes Expected	Suggested training and /or development activity	Suggested mode of delivery	Suggested Time Frames	Work opportunity created to practice skill/development area	Support Person
1.						
2.						
3.						

Signed and accepted by the Employee



Date: 30/7/19

Signed by the Municipal Manager on behalf of the Municipality



Date: 30/7/19

ANNEXURE 4



STELLENBOSCH

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Performance Agreement 2019 - 2020

**Director:
Planning and Economic Development**

PERFORMANCE AGREEMENT

MADE AND ENTERED INTO BY AND BETWEEN
STELLENBOSCH MUNICIPALITY HEREBY REPRESENTED BY:

THE MUNICIPAL MANAGER
Ms Geraldine Mettler
(herein and after referred as Employer)

AND

CHIEF FINANCIAL OFFICER
Mr Tabiso Mfeya
(herein and after referred as Employee)

FOR THE FINANCIAL YEAR:

01 JULY 2019 - 30 JUNE 2020


.....
Director: Planning and Economic Development
Mr Tabiso Mfeya


.....
Municipal Manager:
Ms Geraldine Mettler

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.....
 Director: Planning and Economic Development
Mr Tabiso Mfeya



.....
 Municipal Manager:
Ms Geraldine Mettler

1. INTRODUCTION

- 1.1 The Employer, duly represented by **Ms Geraldine Mettler**, in her capacity as the Municipal Manager has entered into a contract of employment with the Employee, **Mr Tabiso Mfeya**, in terms of section 57(1)(a) of the Local Government: Municipal Systems Act 32 of 2000 ("the Systems Act"). The Employer and the Employee are hereinafter referred as "the Parties";
- 1.2 Section 57(1)(b) of the Systems Act, read with the Contract of Employment concluded between the parties, requires the Parties to conclude an annual performance agreement;
- 1.3 The Parties wish to ensure that they are clear about the goals to be achieved, and secure the commitment of the Employee to a set of outcomes that will promote local government policy goals;
- 1.4 The Parties wish to ensure that there is compliance with Sections 57(4B) and 57(5) of the Systems Act;
- 1.5 In this Agreement, the followings terms will have the meaning ascribed thereto:
- 1.5.1 "this Agreement" – means the performance agreement between the Employer and the employee and the Annexures thereto;
- 1.5.2 "the **Municipal Manager**" – means the Municipal Manager of the Municipality appointed in terms of Section 54(A) of the Systems Act;
- 1.5.3 "the Employee" means the **Director: Planning and Economic Development** appointed in terms of Section 56 of the Systems Act;
- 1.5.4 "the Employer" means **Stellenbosch Municipality**; and
- 1.5.5 "the Parties" means the Employer and Employee.

2. PURPOSE OF THIS AGREEMENT

- 2.1 To comply with the provisions of Section 57(1)(b), (4B) and (5) of the Systems Act as well as the Contract of Employment entered into between the Parties;
- 2.2 To specify objectives and targets established for the Employee and to communicate to the Employee the Employer's expectations of the Employee's performance targets and accountabilities;
- 2.3 To specify accountabilities as set out in the Performance Plan (Annexure A);
- 2.4 To monitor and measure performance against set targeted outputs and outcomes;
- 2.5 To establish a transparent and accountable working relationship;


.....
Director: Planning and Economic Development
Mr Tabiso Mfeya


.....
Municipal Manager:
Ms Geraldine Mettler

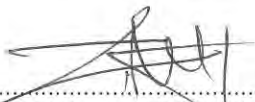
- 2.6 To appropriately reward the employee in accordance with section 11 of this agreement; and
- 2.7 To give effect to the Employer's commitment to a performance-orientated relationship with the Employee in attaining improved service delivery.

3. COMMENCEMENT AND DURATION

- 3.1 This Agreement will commence on **01 July 2019** and will remain in force until **30 June 2020** where-after a new Performance Agreement shall be concluded between the parties for the next financial year or any portion thereof;
- 3.2 The Parties will conclude a new Performance Agreement that replaces this Agreement at least once a year by not later than 31st of July of the succeeding financial year;
- 3.3 This Agreement will terminate on the termination of the Employee's contract of employment for any reason; and
- 3.4 The content of this Agreement may be revised at any time during the abovementioned period to determine the current applicability of the matters previously agreed upon.

4. PERFORMANCE OBJECTIVES

- 4.1 The Performance Plan (Annexure A) sets out –
 - 4.1.1 The performance objectives and targets that must be met by the Employee;
 - 4.1.2 The time frames within which those performance objectives and targets must be met; and
 - 4.1.3 The core competency requirements (Annexure B – definitions) as the management skills regarded as critical to the position held by the Employee.
- 4.2 The performance objectives and targets reflected in Annexure A are set by the Employer in consultation with the Employee and based on the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the Employer, and shall include:
 - 4.2.1 Key objectives that describe the main tasks that need to be done;
 - 4.2.2 Key performance indicators (KPIs) that provide the details of the evidence that must be provided to show that a key objective has been achieved;


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Mr Tabiso Mfeya

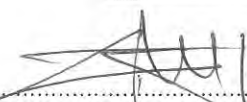

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Municipal Manager:
Ms Geraldine Mettler

- 4.2.3 Target dates that describe the timeframe in which the targets must be achieved; and
- 4.2.4 Weightings showing the relative importance of the key objectives to each other.
- 4.3 The Personal Development Plan (Annexure C) sets out the Employee's personal development requirements in line with the objectives and targets of the Employer; and
- 4.4 The Employee's performance will, in addition, be measured in terms of contributions to the goals and strategies set out in the Employer's Integrated Development Plan.

5. PERFORMANCE MANAGEMENT SYSTEM

- 5.1 The Employee agrees to participate in the performance management system that the Employer adopted for the employees of the Employer;
- 5.2 The Employee accepts that the purpose of the performance management system will be to provide a comprehensive system with specific performance standards to assist the employees and service providers to perform to the standards required;
- 5.3 The Employer will consult the Employee about the specific performance standards and targets that will be included in the performance management system applicable to the Employee;
- 5.4 The Employee undertakes to actively focus on the promotion and implementation of the Strategic Focus Areas (SFAs) (including special projects relevant to the employee's responsibilities) within the local government framework;
- 5.5 The criteria upon which the performance of the Employee shall be assessed shall consist of two components, SFAs and Competency Framework requirements as per the Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers, both of which shall be contained in the Performance Agreement;
- 5.6 The Employee's assessment will be based on his performance in terms of the outputs / outcomes (KPIs) identified as per attached Performance Plan (Annexure A), which are linked to the SFAs applicable to the Employee, and will constitute 80% of the overall assessment result as per the weightings agreed to between the Employer and Employee.

Strategic Focus Areas
SFA 1 – Valley of Possibility
SFA 2 – Green and Sustainable Valley


 Director: Planning and Economic Development
Mr Tabiso Mfeya


 Municipal Manager:
Ms Geraldine Mettler

Strategic Focus Areas
SFA 3 - Safe Valley
SFA 4 - Dignified Living
SFA 5 - Good Governance and Compliance

- 5.7 The competency requirements for senior managers as per Regulation 9 of Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers will make up the other 20% of the Employee's assessment score. The competencies will be assessed every six (6) months (January and July).

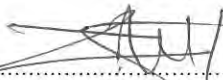
Leading and Core Competencies		
1.	Strategic direction and leadership	<ul style="list-style-type: none"> Impact and influence Institutional performance management Strategic planning and management Organisational awareness
2.	People management	<ul style="list-style-type: none"> Human capital planning and development Diversity management Employee relations management Negotiation and dispute management
3.	Programme and project management	<ul style="list-style-type: none"> Programme and project planning and implementation Service delivery management Program and project monitoring and evaluation
4.	Financial management	<ul style="list-style-type: none"> Budget planning and execution Financial strategy and delivery Financial reporting and delivery
5.	Change leadership	<ul style="list-style-type: none"> Change vision and strategy Process design and improvement Change impact monitoring and evaluation
6.	Governance leadership	<ul style="list-style-type: none"> Policy formulation Risk and compliance management Cooperative governance
7.	Moral competence	<ul style="list-style-type: none"> Core Competency
8.	Planning and organising	<ul style="list-style-type: none"> Core Competency
9.	Analysis and innovation	<ul style="list-style-type: none"> Core Competency
10.	Knowledge and information management	<ul style="list-style-type: none"> Core Competency
11.	Communication	<ul style="list-style-type: none"> Core Competency
12.	Results and quality focus	<ul style="list-style-type: none"> Core Competency

6. PERFORMANCE ASSESSMENT

- 6.1 The Performance Plan (Annexure A) to this Agreement sets out –

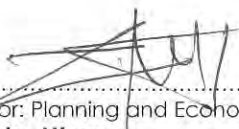
- 6.1.1 The standards and procedures for evaluating the Employee's performance; and
- 6.1.2 The intervals for the evaluation of the Employee's performance.

- 6.2 Despite the establishment of agreed intervals for evaluation, the Employer may in addition review the Employee's performance at any stage while the contract of employment remains in force;


 Director: Planning and Economic Development
Mr Tabiso Mfeya


 Municipal Manager:
Ms Geraldine Mettler

- 6.3 Personal growth and development needs identified during any performance review discussion must be documented in a Personal Development Plan as well as the actions agreed to and implementation must take place within set time frames;
- 6.4 The Employee's performance will be measured in terms of contributions to the goals and strategies set out in the Employer's Integrated Development Plan (IDP) as described in 6.6 – 6.12 below;
- 6.5 The Employee will submit quarterly performance reports (SDBIP) and a comprehensive annual performance report at least one week prior to the performance assessment meetings to the Evaluation Panel Chairperson for distribution to the panel members for preparation purposes;
- 6.6 Assessment of the achievement of results as outlined in the performance plan:
- 6.6.1 Each KPI or group of KPIs shall be assessed according to the extent to which the specified standards or performance targets have been met and with due regard to ad-hoc tasks that had to be performed under the KPI;
 - 6.6.2 A rating on the five-point scale shall be provided for each KPI or group of KPIs which will then be multiplied by the weighting to calculate the final score;
 - 6.6.3 The Employee will submit his self-evaluation to the Employer prior to the formal assessment;
 - 6.6.4 In the instance where the employee could not perform due to reasons outside the control of the employer and employee, the KPI will not be considered during the evaluation. The employee should provide sufficient evidence in such instances; and
 - 6.6.5 An overall score will be calculated based on the total of the scores calculated above.
- 6.7 Assessment of the Competencies:
- 6.7.1 Each Competency shall be assessed in terms of the description provided in (Annexure B);
 - 6.7.2 A rating shall be provided for each Competency which will then be multiplied by the weighting to calculate the final score; and
 - 6.7.3 An overall score will be calculated based on the total of the scores calculated above.


Director: Planning and Economic Development
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6.8 Overall rating

6.8.1 An overall rating is calculated by adding the overall scores as calculated in 6.6.5 and 6.7.3 above; and

6.8.2 Such overall rating represents the outcome of the performance appraisal.

6.9 The assessment of the performance of the Employee will be based on the following rating scales for SFAs and Competencies respectively:

6.9.1 Rating scale for SFAs - as mentioned in paragraph 5.6:

Level	Terminology	Description
5	Outstanding performance	Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the Employee has achieved above fully effective results against all performance criteria and indicators as specified in the PA and Performance plan and maintained this in all areas of responsibility throughout the year.
4	Performance significantly above expectations	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the Employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.
3	Fully effective	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the Employee has fully achieved effective results against all significant performance criteria and indicators as specified in the PA and Performance Plan.
2	Not fully effective	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the PA and Performance Plan.
1	Unacceptable performance	Performance does not meet the standard expected for the job. The review/assessment indicates that they employee has achieved below fully effective results against almost all the performance criteria and indicators as specified in the PA and Performance Plan. The employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement.

6.9.2 Rating scale for Competencies -as mentioned in paragraph 5.7:

Level	Achievement Levels	Description
5	Superior	Has a comprehensive understanding of local government operations, critical in shaping strategic direction and change, develops, and applies comprehensive concepts and methods
4	Advanced	Develops and applies complex concepts, methods and understanding.

Level	Achievement Levels	Description
		Effectively directs and leads a group and executes in-depth analyses
3	Competent	Develops and applies more progressive concepts, methods and understanding. Plans and guides the work of others and executes progressive analyses
2	Basic	Applies basic concepts, methods, and understanding of local government operations, but requires supervision and development intervention
1	Sub Standard	Applies little to no basic concepts, methods, and understanding of local government operations.

6.10 For purposes of evaluating the performance of the Employee for the year-end reviews, an evaluation panel constituted of the following persons will be established–

6.10.1 Municipal Manager;

6.10.2 Municipal Manager from another municipality;

6.10.3 Chairperson of the Performance Audit Committee or in his/her absence thereof, the Chairperson of the Audit Committee; and

6.10.4 The Member of the Mayoral Committee (Portfolio Chairperson).

6.11 The Municipal Manager will evaluate the performance of the Employee as at the end of the 1st, and 3rd quarters; and

6.12 The Municipal Manager will give performance feedback to the Employee within five (5) working days after each quarterly and annual assessment meeting.

7. SCHEDULE FOR PERFORMANCE REVIEWS

7.1 The performance of the Employee in relation to his performance agreement shall be reviewed on the following dates.

Quarter	Review Period	Review to be completed by
1	July - September	October / November 2019 (Informal)
2	October – December	January / February 2020 (Formal)
3	January – March	April / May 2020 (Informal)
4	April - June	After the receipt of the AG's Management Report

7.2 The Employer shall keep a record of the mid-year and year-end assessment meetings;

7.3 Performance feedback shall be based on the Employer's assessment of the Employee's performance;


 Director: Planning and Economic Development
 Mr Tabiso Mfeya


 Municipal Manager:
 Ms Geraldine Mettler

- 7.4 The Employer will be entitled to review and make reasonable changes to the provisions of Annexure A from time to time for operational reasons. The Employee will be fully consulted before any such change is made; and
- 7.5 The Employer may amend the provisions of Annexure A whenever the performance management system is adopted, implemented, and/or amended as the case may be. In that case, the Employee will be fully consulted before any such change is made.

8. DEVELOPMENTAL REQUIREMENTS

- 8.1 The Personal Development Plan (PDP) for addressing developmental gaps is attached as Annexure C. Such Plan may be implemented and/or amended as the case may be after each assessment. In that case, the Employee will be fully consulted before any such change or plan is made.

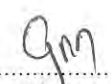
9. OBLIGATIONS OF THE EMPLOYER

- 9.1 The Employer shall-
- 9.1.1 Create an enabling environment to facilitate effective performance by the employee;
 - 9.1.2 Provide access to skills development and capacity building opportunities;
 - 9.1.3 Work collaboratively with the Employee to solve problems and generate solutions to common problems that may impact on the performance of the Employee;
 - 9.1.4 On the request of the Employee delegate such powers reasonably required by the Employee to enable him to meet the performance objectives and targets established in terms of this Agreement; and
 - 9.1.5 Make available to the Employee such resources as the Employee may reasonably require from time to time assisting him to meet the performance objectives and targets established in terms of this Agreement.

10. CONSULTATION

- 10.1 The Employer agrees to consult the Employee timeously where the exercising of its powers will have amongst others-
- 10.1.1 A direct effect on the performance of any of the Employee's functions;
 - 10.1.2 Commit the Employee to implement or to give effect to a decision made by the Employer; and


.....
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Mr Tabiso Mfeya


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Municipal Manager:
Ms Geraldine Mettler

10.1.3 A substantial financial effect on the Employer.

- 10.2 The Employer agrees to inform the Employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated in clause 12.1 as soon as is practicable to enable the Employee to take any necessary action with delay.

11. REWARD

- 11.1 The evaluation of the Employee's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance;
- 11.2 The payment of the performance bonus is determined by the performance score obtained during the 4th quarter and as informed by the quarterly performance assessments;
- 11.3 A performance bonus of between 5% to 14% of the all- inclusive annual remuneration package may be paid to the Employee in recognition of outstanding performance to be constituted as follows:

Performance Rating		Bonus Calculation
0% - 64%	Poor Performance	0% of total package
65% - 69%	Average Performance	5% of total package
70% - 74%	Fair Performance	9% of total package
75% - 79%	Good Performance	11% of total package
80% - 100%	Excellent Performance	14% of total package

- 11.4 In the event of the Employee terminating his services during the validity period of this Agreement, the Employee's performance will be evaluated for the portion during which he was employed and he will be entitled to a pro-rata performance bonus based on his evaluated performance for the period of actual service; and
- 11.5 The Employer will submit the total score of the annual assessment and of the Employee, to full Council for purposes of recommending the bonus allocation.

12. MANAGEMENT OF EVALUATION OUTCOMES

- 12.1 Where the Employer is, any time during the Employee's employment, not satisfied with the Employee's performance with respect to any matter dealt with in this Agreement, the Employer will give notice to the Employee to attend a meeting;
- 12.2 The Employee will have the opportunity at the meeting to satisfy the Employer of the measures being taken to ensure that his performance becomes satisfactory and any programme, including any dates, for implementing these measures;
- 12.3 Where there is a dispute or difference as to the performance of the Employee under this Agreement, the Parties will confer with a view to resolving the dispute or difference; and


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- 12.4 In the case of unacceptable performance, the Employer shall –
- 12.4.1 Provide systematic remedial or developmental support to assist the Employee to improve his performance; and
 - 12.4.2 After appropriate performance counselling and having provided the necessary guidance and/or support as well as reasonable time for improvement in performance, the Employer may consider steps to terminate the contract of employment of the Employee on grounds of unfitness or incapacity to carry out his or her duties.

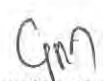
13. DISPUTE RESOLUTION

- 13.1 In the event that the Employee is dissatisfied with any decision or action of the Employer in terms of this Agreement, or where a dispute or difference arises as to the extent to which the Employee has achieved the performance objectives and targets established in terms of this Agreement, the Employee may within 3 (three) business days, meet with the Employer with a view to resolving the issue. The Employer will record the outcome of the meeting in writing;
- 13.2 If the Parties cannot resolve the issues within 10 (ten) business days, an independent arbitrator, acceptable to both parties, shall be appointed to resolve the matter within 30 (thirty) business days; and
- 13.3 In the event that the mediation process contemplated above fails, the relevant clause of the Contract of Employment together with the relevant laws and regulations shall apply.

14. GENERAL

- 14.1 The contents of this agreement and the outcome of any review conducted in terms of Annexure A may be made available to the public by the Employer; and
- 14.2 Nothing in this agreement diminishes the obligations, duties, or accountabilities of the Employee in terms of his contract of employment, or the effects of existing or new regulations, circulars, policies, directives, or other instruments.


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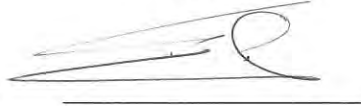
Thus, done and signed at STEWART on the 30 day of July 2019



DIRECTOR: PLANNING AND ECONOMIC DEVELOPMENT

AS WITNESSES:

1.



2.



Thus, done and signed at Hellenbach on the 30th day of 2 July 2019.



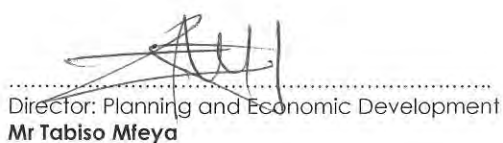
MUNICIPAL MANAGER

AS WITNESSES:

1.



2.

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MEMBER OF MAYORAL COMMITTEE

(Portfolio: Planning and Economic Development)

Cllr E Groenewald

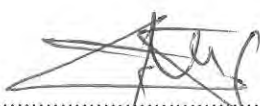
MEMBER OF MAYORAL COMMITTEE

(Portfolio: Rural Management and Tourism)

Cllr SA Peters

MEMBER OF MAYORAL COMMITTEE

(Portfolio: Human Settlement)

Cllr N Jindela

Director: Planning and Economic Development
Mr Tabiso Mfeya

Municipal Manager:
Ms Geraldine Mettler



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Annexure A Performance Plan

DIRECTOR: PLANNING AND ECONOMIC DEVELOPMENT

Director: Planning and Economic Development
Mr Tabiso Mfeya

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Ms Geraldine Mettler

The Performance Plan sets out:

- Key Performance Areas that the employee should focus on, performance objectives, key performance indicators and targets that must be met within a specific timeframe; and
- The Competencies required from employees prescribed in the Regulations on the appointment and conditions of employment of senior managers, R21 of 2014.

KEY PERFORMANCE INDICATORS

The key performance areas, the performance objectives, key performance indicators and targets that must be met within the agreed timeframe are described below. The assessment of these performance indicators will account for 80% (**eighty percent**) of the total employee assessment score.

Part 1: Implementation of Service Delivery and Budget Implementation Plan (80%)

DIRECTOR: PLANNING AND ECONOMIC DEVELOPMENT

IDP/ Ref No.	Strategic Focus Area (SFA)	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator type	Baseline (Actual 2017/2018)	5 Year Target	2019/20	Portfolio of evidence (POE)	Funding Source	Service Delivery and Budget Implementation Plan (SDBIP 2019/20)				Weight
										Q1	Q2	Q3	Q4	
TBC	Good governance and Compliance	Effective Management and Functional Supervision of the Department: Development Management	Percentage of indicators of the Department: Development Management achieved, measured quarterly	Outcome	New indicator	90% per annum	90%	Ignite dashboard report per Department/ Section	SM	90%	90%	90%	90%	6

DIRECTOR: PLANNING AND ECONOMIC DEVELOPMENT

IDP/ Ref No.	Strategic Focus Area (SFA)	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator type	Baseline (Actual 2017/2018)	5 Year Target	2019/20	Portfolio of evidence (POE)	Funding Source	Service Delivery and Budget Implementation Plan (SDBIP 2019/20)				weight
										Q1	Q2	Q3	Q4	
TBC	Good governance and Compliance	Effective Management and Functional Supervision of the Department: Development Planning	Percentage of indicators of the Department: Development Planning achieved, measured quarterly	Outcome	New indicator	90% per annum	90%	Ignite dashboard report per Department/ Section	SM	90%	90%	90%	90%	6
TBC	Good governance and Compliance	Effective Management and Functional Supervision of the Department: Integrated Human Settlements	Percentage of indicators of the Department: Integrated Human Settlements achieved, measured quarterly	Outcome	New indicator	90% per annum	90%	Ignite dashboard report per Department/ Section	SM	90%	90%	90%	90%	6
KPI007	Valley of Possibility	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	Outcome	695	300 per annum	300	EPWP reporting system	SM	50 (50)	100 (100)	200 (200)	300 (300)	6
KPI008	Valley of Possibility	Land-use applications submitted to the Municipal Planning Tribunal within 120 days	Percentage of land- use applications submitted to the Municipal Planning Tribunal within 120 days after date of receipt of application	Outcome	New indicator	90% per annum	90%	Proof of submission to the Municipal Planning Tribunal	SM	90%	90%	90%	90%	3
KPI009	Valley of Possibility	Training opportunities provided for entrepreneurs and Small, Medium and Micro Enterprises (SMMEs)	Number of quarterly training opportunities provided for entrepreneurs and SMMEs	Output	4	4 per annum	4	Attendance Registers	SM	1 (1)	1 (2)	1 (3)	1 (4)	2

DIRECTOR: PLANNING AND ECONOMIC DEVELOPMENT

IDP/ Ref No.	Strategic Focus Area (SFA)	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator type	Baseline (Actual 2017/2018)	5 Year Target	2019/20	Portfolio of evidence (POE)	Funding Source	Service Delivery and Budget Implementation Plan (SDBIP 2019/20)				Weight
										Q1	Q2	Q3	Q4	
KPI012	Valley of Possibility	Revised Housing Pipeline (document) submitted to the Mayoral Committee (MayCo)	Number of Revised Housing Pipelines (documents) submitted to the MayCo by 31 March	Output	1	1 per annum	1	Proof of submission of the Revised Housing Pipeline (document) to the MayCo	SM	N/A	N/A	1	N/A	2
KPI018	Green and Sustainable Valley	Building applications processed within the prescribed / legislated period	Percentage of building plans processed within the prescribed / legislated period	Outcome		90% per annum	90%	Building plan application register	SM	90%	90%	90%	90%	3
TBC	Good governance and Compliance	Spend the Directorate: Planning and Economic Development approved Capital Budget	Percentage of approved Capital Budget of the Directorate: Planning and Economic Development actually spent by 30 June	Input	79.93%	90% per annum	90%	Report from the financial system	SM	10%	30%	60%	90%	20
TBC	Good governance and Compliance	Capital spending committed on the financial management system	Percentage the approved Capital Budget committed by on the financial system by 31 March (30% by September, 60% by December and 90% by March)	Input	New indicator	90% per annum	90%	Report from the financial system	SM	30%	60%	90%	N/A	4
TBC	Good governance and Compliance	Submission of final bid specifications for all capital projects to the Bid Specification Committee (BSC) (2019/20)	Percentage of final bid specifications for all capital projects submitted to the BSC by 30 September (50% by 31 July and 100% by 30 September)	Output	New indicator	100% per annum	100%	Reconciliation report from SCM	SM	100%	N/A	N/A	N/A	5

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Director: Planning and Economic Development
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DIRECTOR: PLANNING AND ECONOMIC DEVELOPMENT

IDP/ Ref No.	Strategic Focus Area (SFA)	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator type	Baseline (Actual 2017/2018)	5 Year Target	2019/20	Portfolio of evidence (POE)	Funding Source	Service Delivery and Budget Implementation Plan (SDBIP 2019/20)				Weight
										Q1	Q2	Q3	Q4	
TBC	Good governance and Compliance	Submission of final bid specifications for all capital projects to the Bid Specification Committee (BSC) (2020/21)	Percentage of final bid specifications for all capital projects submitted to the BSC by 30 June (50% by 31 March 2020 and 100% by 30 June 2020. For the 2020/21 financial year)	Output	New indicator	100% per annum	100%	Reconciliation report from SCM	SM	N/A	N/A	50%	100%	5
TBC	Good governance and Compliance	Submission of detailed procurement needs for all operational projects to the Supply Chain Management (SCM) Department	Number of quarterly detailed procurement needs submitted to SCM 10 days before start of the quarter	Output	New indicator	4 per annum	4	Proof of submission to SCM	SM	1 (1)	1 (2)	1 (3)	1 (4)	2
TBC	Good governance and Compliance	Performance agreements signed with all identified personnel	Number of performance agreements signed by 31 August	Output	100%	3 per annum	3	Signed performance agreements submitted to the PMS Unit	SM	3	N/A	N/A	N/A	1
TBC	Good governance and Compliance	Conduct formal performance evaluations with all identified personnel	Number of formal performance evaluations conducted with all identified personnel by 30 June	Output	100%	6 per annum	6	Ignite performance evaluations reports	SM	N/A	3 (3)	N/A	3 (6)	1
TBC	Good governance and Compliance	Develop Annual Departmental Risk Register	Number of Annual Risk Registers developed by 31 July	Output	New indicator	1 per annum	1	Annual Departmental Risk Register submitted to the Risk Management Unit	SM	N/A	N/A	N/A	1	2


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IDP/ Ref No.	Strategic Focus Area (SFA)	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator type	Baseline (Actual 2017/2018)	5 Year Target	2019/20	Portfolio of evidence (POE)	Funding Source	Service Delivery and Budget Implementation Plan (SDBIP 2019/20)				Weight
										Q1	Q2	Q3	Q4	
TBC	Good governance and Compliance	Evaluation of the Departmental Risk Register	Number of Departmental Risk Registers evaluated by 31 May	Output	New indicator	2 per annum	2	Proof of risk evaluations submitted to the Risk Management Unit	SM	N/A	1 (1)	N/A	1 (2)	2
TBC	Good governance and Compliance	Implementation of Council resolutions	Percentage of resolutions implemented measured quarterly	Output	70%	70% per annum	100%	Council Resolution Register	SM	70%	70%	70%	70%	2
TBC	Good governance and Compliance	Attendance of quarterly Occupation Health and Safety (OHS) meetings	Number of quarterly OHS meetings attended by the Director or secondee	Output	New indicator	4 per annum	4	OHS attendance registers	SM	1 (1)	1 (2)	1 (3)	1 (4)	2


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Part 2: Competency Requirements (20%)

Ref	Leading and Core Competencies	(January) 1 st Assessment	(July) Final Assessment	Weights	Comments
2.1	Strategic direction and leadership			1.66%	
2.2	People management			1.66%	
2.3	Programme and project management			1.66%	
2.4	Financial management			1.66%	
2.5	Change leadership			1.67%	
2.6	Governance leadership			1.67%	
2.7	Moral competence			1.67%	
2.8	Planning and organising			1.67%	
2.9	Analysis and innovation			1.67%	
2.10	Knowledge and information management			1.67%	
2.11	Communication			1.67%	
2.12	Results and quality focus			1.67%	
Total				20%	



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Annexure B Competency Framework

DIRECTOR: PLANNING AND ECONOMIC DEVELOPMENT

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CLUSTER :	LEADING COMPETENCIES		
COMPETENCY NAME :	Strategic Direction and Leadership		
COMPETENCY DEFINITION :	Provide and direct a vision for the institution, and inspire and deploy others to deliver on the strategic institutional mandate.		
ACHIEVEMENT LEVELS			
BASIC	COMPETENT	ADVANCED	SUPERIOR
<ul style="list-style-type: none">Understand Institutional and departmental strategic objectives, but lacks the ability to inspire others to achieve set mandate.	<ul style="list-style-type: none">Give direction to a team in realising the institution's strategic mandate and set objectives.	<ul style="list-style-type: none">Evaluate all activities to determine value and alignment to strategic intent.	<ul style="list-style-type: none">Structure and position the institution to local government priorities.
<ul style="list-style-type: none">Describe how specific tasks link to institutional strategies but has limited influence in directing a strategy.	<ul style="list-style-type: none">Has a positive impact and influence on the morale, engagement and participation of team members.	<ul style="list-style-type: none">Display in-depth knowledge and understanding of strategic planning.	<ul style="list-style-type: none">Actively use in-depth knowledge and understanding to develop and implement a comprehensive institutional framework.
<ul style="list-style-type: none">Has a basic understanding of institutional performance management, but lacks the ability to integrate systems into a collective whole.	<ul style="list-style-type: none">Develop action plans to execute and guide strategy.	<ul style="list-style-type: none">Align strategy and goals across all functional areas.	<ul style="list-style-type: none">Hold self-accountable for strategy execution and results.
<ul style="list-style-type: none">Demonstrate basic understanding of key decision makers.	<ul style="list-style-type: none">Assist in defining performance measures to monitor the progress and effectiveness of the institution.	<ul style="list-style-type: none">Actively define performance measures to monitor the progress and effectiveness of the institution.	<ul style="list-style-type: none">Provide impact and influence through building and maintaining strategic relationships.
	<ul style="list-style-type: none">Displays an awareness of institutional structures and political factors.	<ul style="list-style-type: none">Consistently challenge strategic plans to ensure relevance.	<ul style="list-style-type: none">Create an environment that facilitates loyalty and innovation. Display a superior level of self-discipline and integrity in actions.
	<ul style="list-style-type: none">Effectively communicate barriers to execution to relevant parties.	<ul style="list-style-type: none">Understand institutional structures and political factors, and the consequences of actions.	<ul style="list-style-type: none">Integrate various systems into a collective whole to optimise institutional performance management.
	<ul style="list-style-type: none">Provide guidance to all stakeholders in the achievement of the strategic mandate.	<ul style="list-style-type: none">Empower others to follow the strategic direction and deal with complex situations.	<ul style="list-style-type: none">Uses understanding of competing interests to maneuver successfully to a win/win outcome.
	<ul style="list-style-type: none">Understand the aim and objectives of the institution and relate it to own work.	<ul style="list-style-type: none">Guide the institution through complex and ambiguous concern.Use understanding of power relationships and dynamic tensions among key players to frame communications and develop strategies, positions and alliances.	

CLUSTER :	LEADING COMPETENCIES			
COMPETENCY NAME :	People Management			
COMPETENCY DEFINITION :	Effectively manage, inspire and encourage people, respect diversity, optimise talent and build and nurture relationships in order to achieve institutional objectives.			
ACHIEVEMENT LEVELS				
BASIC	COMPETENT	ADVANCED	SUPERIOR	
<ul style="list-style-type: none">Participate in team goalsetting and problem solving.	<ul style="list-style-type: none">Seek opportunities to increase team contribution and responsibility.	<ul style="list-style-type: none">Identify ineffective team and work processes and recommend remedial interventions.	<ul style="list-style-type: none">Develop and incorporate best practice people management processes, approaches and tools across the institution.	
<ul style="list-style-type: none">Interact and collaborate with people of diverse backgrounds.	<ul style="list-style-type: none">Respect and support the diverse nature of others and be aware of the benefits of a diverse approach.	<ul style="list-style-type: none">Recognise and reward effective and desired behavior.	<ul style="list-style-type: none">Foster a culture of discipline, responsibility and accountability.	
<ul style="list-style-type: none">Aware of guidelines for employee development, but requires support in implementing development initiatives.	<ul style="list-style-type: none">Effectively delegate tasks and empower others to increase contribution and execute functions optimally.	<ul style="list-style-type: none">Provide mentoring and guidance to others in order to increase personal effectiveness.	<ul style="list-style-type: none">Understand the impact of diversity in performance and actively incorporate a diversity strategy in the institution.	
	<ul style="list-style-type: none">Apply relevant employee legislation fairly and consistently.	<ul style="list-style-type: none">Identify development and learning needs within the team.	<ul style="list-style-type: none">Develop comprehensive integrated strategies and approaches to human capital development and management.	
	<ul style="list-style-type: none">Effectively identify capacity requirements to fulfill the strategic mandate.	<ul style="list-style-type: none">Inspire a culture of performance excellence by giving positive and constructive feedback to the team.Achieve agreement or consensus in adversarial environments.Lead and unite diverse teams across divisions to achieve institutional objectives.	<ul style="list-style-type: none">Actively identify trends and predict capacity requirements to facilitate unified transition and performance management.	

CLUSTER :	LEADING COMPETENCIES			
COMPETENCY NAME :	Program and Project Management			
COMPETENCY DEFINITION :	Able to understand program and project management methodology; plan, manage, monitor and evaluate specific activities in order to deliver on set objectives.			
ACHIEVEMENT LEVELS				
BASIC	COMPETENT	ADVANCED	SUPERIOR	
<ul style="list-style-type: none">Initiate projects after approval from higher authorities.	<ul style="list-style-type: none">Establish broad stakeholder involvement and communicate the project status and key milestones.	<ul style="list-style-type: none">Manage multiple programs and balance priorities and conflicts according to institutional goals.	<ul style="list-style-type: none">Understand and conceptualize the long-term implications of desired project outcomes.	
<ul style="list-style-type: none">Understand procedures of program and project management methodology, implications and stakeholder involvement.	<ul style="list-style-type: none">Define the roles and responsibilities of the project team and create clarity around expectations.	<ul style="list-style-type: none">Apply effective risk management strategies through impact assessment and resource requirements.	<ul style="list-style-type: none">Direct a comprehensive strategic macro and micro analysis and scope projects accordingly to realize institutional objectives.	
<ul style="list-style-type: none">Understand the rational of projects in relation to the institution's strategic objectives.	<ul style="list-style-type: none">Find a balance between project deadline and the quality of deliverables.	<ul style="list-style-type: none">Modify project scope and budget when required without compromising the quality and objectives of the project.	<ul style="list-style-type: none">Influence people in positions of authority to implement outcomes of projects	
<ul style="list-style-type: none">Document and communicate factors and risk associated with own work.	<ul style="list-style-type: none">Identify appropriate project resources to facilitate the effective completion of the deliverables.	<ul style="list-style-type: none">Involve top-level authorities and relevant stakeholders in seeking project buy-in.	<ul style="list-style-type: none">Lead and direct translation of policy into workable action plans	
<ul style="list-style-type: none">Use results and approaches of successful project implementation as guide.	<ul style="list-style-type: none">Comply with statutory requirements and apply policies in a consistent manner.Monitor progress and use of resources and make needed adjustments to timelines, steps and resource allocation.	<ul style="list-style-type: none">Identify and apply contemporary project management methodologyInfluence and motivate project team to deliver exceptional results.Monitor policy implementation and apply procedures to manage risks.	<ul style="list-style-type: none">Ensures that programs are monitored to track progress and optimal resource utilization, and that adjustments are made as needed.	



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CLUSTER :	LEADING COMPETENCIES			
COMPETENCY NAME :	Financial Management			
COMPETENCY DEFINITION :	Able to compile, plan and manage budgets, control cash flow, institute financial risk management and administer procurement processes in accordance with recognized financial practices. Further to ensure that all financial transactions are managed in an ethical manner			
ACHIEVEMENT LEVELS				
BASIC	COMPETENT	ADVANCED	SUPERIOR	
<ul style="list-style-type: none">Understand basic financial concepts and methods as they relate to institutional processes and activities	<ul style="list-style-type: none">Exhibit knowledge of general financial concepts, planning, budgeting and forecasting and how they interrelate	<ul style="list-style-type: none">Take active ownership of planning, budgeting and forecasting processes and provides credible answers to queries within own responsibility.	<ul style="list-style-type: none">Develop planning tools to assist in evaluating and monitoring future expenditure trends.	
<ul style="list-style-type: none">Display awareness into the various sources of financial data, reporting mechanisms, financial governance, processes and systems	<ul style="list-style-type: none">Assess, identify and manage financial risks.	<ul style="list-style-type: none">Prepare budgets that are aligned to the strategic objectives of the institution.	<ul style="list-style-type: none">Set budget frameworks for the institution.	
<ul style="list-style-type: none">Understand the importance of financial accountability	<ul style="list-style-type: none">Assume a cost-saving approach to financial management.	<ul style="list-style-type: none">Address complex budgeting and financial management concerns.	<ul style="list-style-type: none">Set strategic direction for the institution on expenditure and other financial processes.	
<ul style="list-style-type: none">Understand the importance of asset control.	<ul style="list-style-type: none">Prepare financial reports based on specified formats.	<ul style="list-style-type: none">Put systems and processes in place to enhance the quality and integrity of financial management practices.	<ul style="list-style-type: none">Build and nurture partnerships to improve financial management and achieve financial savings.	
	<ul style="list-style-type: none">Consider and understand the financial implications of decisions and suggestions.	<ul style="list-style-type: none">Advise on policies and procedures regarding asset control.	<ul style="list-style-type: none">Actively identify and implement new methods to improve asset control.	
	<ul style="list-style-type: none">Ensure that delegation and instructions as required by National Treasury guidelines are reviewed and updated.Identify and implement proper monitoring and evaluation practices to ensure appropriate spending against budget.	<ul style="list-style-type: none">Promote National Treasury's regulatory framework for Financial Management.	<ul style="list-style-type: none">Display professionalism in dealing with financial data and processes.	



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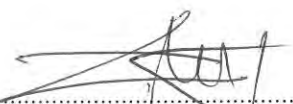
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CLUSTER :	LEADING COMPETENCIES			
COMPETENCY NAME :	Change Leadership			
COMPETENCY DEFINITION :	Able to direct and initiate institutional transformation on all levels in order to successfully drive and implement new initiatives and deliver professional and quality services to the community.			
ACHIEVEMENT LEVELS				
BASIC	COMPETENT	ADVANCED	SUPERIOR	
<ul style="list-style-type: none">• Display an awareness of change interventions and the benefits of transformation initiatives.	<ul style="list-style-type: none">• Perform an analysis of the change impact on the social, political and economic environment.	<ul style="list-style-type: none">• Actively monitor change impact and results and convey progress to relevant stakeholders.	<ul style="list-style-type: none">• Sponsor change agents and create a network of change leaders who support the interventions.	
<ul style="list-style-type: none">• Able to identify basic needs for change.	<ul style="list-style-type: none">• Maintain calm and focus during change.	<ul style="list-style-type: none">• Secure buy-in and sponsorship for change initiatives.	<ul style="list-style-type: none">• Actively adapt current structures and processes to incorporate the change interventions.	
<ul style="list-style-type: none">• Identify gaps between the current and desired state.	<ul style="list-style-type: none">• Able to assist team members during change and keep them focused on the deliverables.	<ul style="list-style-type: none">• Continuously evaluate change strategy and design and introduce new approaches to enhance the institution's effectiveness.	<ul style="list-style-type: none">• Mentor and guide team members on the effects of change, resistance factors and how to integrate change.	
<ul style="list-style-type: none">• Identify potential risk and challenges to transformation, including resistance to change factors.	<ul style="list-style-type: none">• Volunteer to lead change efforts outside of own work team.	<ul style="list-style-type: none">• Build and nurture relationships with various stakeholders to establish strategic alliance in facilitating change.	<ul style="list-style-type: none">• Motivate and inspire others around change initiatives.	
<ul style="list-style-type: none">• Participate in change programs and piloting change interventions.	<ul style="list-style-type: none">• Able to gain buy-in and approval for change from relevant stakeholders.	<ul style="list-style-type: none">• Take the lead in impactful change programs.		
<ul style="list-style-type: none">• Understand the impact of change interventions on the institution within the broader scope of local government.	<ul style="list-style-type: none">• Identify change readiness levels and assist in resolving resistance to change factors.	<ul style="list-style-type: none">• Benchmark change interventions against best change practices.		
	<ul style="list-style-type: none">• Design change interventions that are aligned with the institution's strategic objectives and goals.	<ul style="list-style-type: none">• Understand the impact and psychology of change and put remedial interventions in place to facilitate effective transformation.• Take calculated risk and seek new ideas from best practice scenarios and identify the potential for implementation.		

CLUSTER :	LEADING COMPETENCIES			
COMPETENCY NAME :	Governance Leadership			
COMPETENCY DEFINITION:	Able to promote, direct and apply professionalism in managing risk and compliance requirements and apply a thorough understanding of governance practices and obligations. Further, able to direct the conceptualization of relevant policies and enhance cooperative governance relationships.			
ACHIEVEMENT LEVELS				
BASIC	COMPETENT	ADVANCED	SUPERIOR	
<ul style="list-style-type: none">• Display a basic awareness of risk, compliance and governance factors but require guidance and development in implementing such requirements.	<ul style="list-style-type: none">• Display a thorough understanding of governance and risk and compliance factors and implement plans to address these.	<ul style="list-style-type: none">• Able to link risk initiatives into key institutional objectives and drivers.	<ul style="list-style-type: none">• Demonstrate a high level of commitment in complying with governance requirements.	
<ul style="list-style-type: none">• Understand the structure of cooperative government but requires guidance on fostering workable relationships between stakeholders.	<ul style="list-style-type: none">• Demonstrate understanding of the techniques and processes for optimising risk taking decisions within the institution.	<ul style="list-style-type: none">• Identify, analyse and measure risk, create valid risk forecasts and map risk profiles.	<ul style="list-style-type: none">• Implement governance and compliance strategy to ensure achievement of institutional objectives within the legislative framework.	
<ul style="list-style-type: none">• Provide input into policy formulation.	<ul style="list-style-type: none">• Actively drive policy formulation within the institution to ensure the achievement of objectives.	<ul style="list-style-type: none">• Apply risk control methodology and approaches to prevent and reduce risk that impede on the achievement of institutional objectives.	<ul style="list-style-type: none">• Able to advise local government on risk management, best practice interventions and compliance management.	
		<ul style="list-style-type: none">• Demonstrate a thorough understanding of risk retention plans.	<ul style="list-style-type: none">• Able to forge positive relationships on cooperative governance level to enhance the effectiveness of local government.^f	
		<ul style="list-style-type: none">• Identify and implement comprehensive risk management systems and processes.• Implement and monitor the formulation of policies, identify and analyse constraints and challenges with implementation and provide recommendations for improvement.	<ul style="list-style-type: none">• Able to shape, direct and drive the formulation of policies on a macro level.	

CLUSTER :	CORE COMPETENCIES			
COMPETENCY NAME :	Moral Competence			
COMPETENCY DEFINITION :	Able to identify moral triggers, apply reasoning that promotes honesty and integrity and consistently display behavior that reflects moral competence			
ACHIEVEMENT LEVELS				
BASIC	COMPETENT	ADVANCED	SUPERIOR	
<ul style="list-style-type: none">Realise the impact of acting with integrity, but requires guidance and development in implementing principles.	<ul style="list-style-type: none">Conduct self in alignment with the values of local government and the institution.	<ul style="list-style-type: none">Identify, develop and apply measures of self-correction.	<ul style="list-style-type: none">Create an environment conducive of moral practices.	
<ul style="list-style-type: none">Follow basic rules and regulations of the institution.	<ul style="list-style-type: none">Able to openly admit own mistakes and weaknesses and seek assistance from others when unable to deliver.	<ul style="list-style-type: none">Able to gain trust and respect through aligning actions with commitments.	<ul style="list-style-type: none">Actively develop and implement measures to combat fraud and corruption.	
<ul style="list-style-type: none">Able to identify basic moral situations, but requires guidance and development in understanding and reasoning with moral intent.	<ul style="list-style-type: none">Actively report fraudulent activity and corruption with local government.	<ul style="list-style-type: none">Make proposals and recommendations that are transparent and gain the approval of relevant stakeholders.	<ul style="list-style-type: none">Set integrity standards and shared accountability measures across the institution to support the objectives of local government.	
	<ul style="list-style-type: none">Understand and honor the confidential nature of matters without seeking personal gain.	<ul style="list-style-type: none">Present values, beliefs and ideas that are congruent with the institution's rules and regulations.	<ul style="list-style-type: none">Take responsibility for own actions and decisions, even if the consequences are unfavorable.	
	<ul style="list-style-type: none">Able to deal with situations of conflict of interest promptly and in the best interest of local government.	<ul style="list-style-type: none">Takes an active stance against corruption and dishonesty when noted.Actively promote the value of the institution to internal and external stakeholders.Able to work in unity with a team and not seek personal gain.Apply universal moral principles consistently to achieve moral decisions.		

CLUSTER :	CORE COMPETENCIES			
COMPETENCY NAME :	Planning and Organising			
COMPETENCY DEFINITION :	Able to plan, prioritise and organise information and resources effectively to ensure the quality of service delivery and build efficient contingency plans to manage risk.			
ACHIEVEMENT LEVELS				
BASIC	COMPETENT	ADVANCED	SUPERIOR	
<ul style="list-style-type: none">• Able to follow basic plans and organise tasks around set objectives.	<ul style="list-style-type: none">• Actively and appropriately organise information and resources required for a task.	<ul style="list-style-type: none">• Able to define institutional objectives, develop comprehensive plans, integrate and coordinate activities and assign appropriate resources for successful implementation.	<ul style="list-style-type: none">• Focus on broad strategies and initiatives when developing plans and actions.	
<ul style="list-style-type: none">• Understand the process of planning and organising but requires guidance and development in providing detailed and comprehensive plans.	<ul style="list-style-type: none">• Recognise the urgency and importance of tasks.	<ul style="list-style-type: none">• Identify in advance required stages and actions to complete tasks.	<ul style="list-style-type: none">• Able to protect and forecast short, medium and long term requirements of the institution and local government.	
<ul style="list-style-type: none">• Able to follow existing plans and ensure that objectives are met.	<ul style="list-style-type: none">• Balance short and long-term plans and goals and incorporate into the team's performance objectives.	<ul style="list-style-type: none">• Schedule realistic timelines, objectives and milestones for tasks and projects.	<ul style="list-style-type: none">• Translate policy into relevant projects to facilitate the achievement of institutional objectives.	
<ul style="list-style-type: none">• Focus on short-term objectives in developing plans and actions.	<ul style="list-style-type: none">• Schedule tasks to ensure they are performed within budget and with efficient use of time and resources.	<ul style="list-style-type: none">• Produce clear, detailed and comprehensive plans to achieve institutional objectives.		
<ul style="list-style-type: none">• Arrange information and resources required for a task, but require further structure and organization.	<ul style="list-style-type: none">• Measures progress and monitor performance results.	<ul style="list-style-type: none">• Identify possible risk factors and design and implement appropriate contingency plans.• Adapt plans in light of changing circumstances.• Prioritise tasks and projects according to their relevant urgency and importance.		



 Director: Planning and Economic Development
Mr Tabiso Mfeya



 Municipal Manager
Ms Geraldine Mettler

CLUSTER :	CORE COMPETENCIES			
COMPETENCY NAME :	Analysis and Innovation			
COMPETENCY DEFINITION :	Able to critically analyse information, challenges and trends to establish and implement fact-based solutions that are innovative to improve institutional processes in order to achieve key strategic objectives			
ACHIEVEMENT LEVELS				
BASIC	COMPETENT	ADVANCED	SUPERIOR	
<ul style="list-style-type: none">Understand the basic operation of analysis, but lack detail and thoroughness.	<ul style="list-style-type: none">Demonstrate logical problem solving techniques and approaches and provide rationale for recommendations.	<ul style="list-style-type: none">Coaches team members on analytical and innovative approaches and techniques.	<ul style="list-style-type: none">Demonstrate complex analytical and problem solving approaches and techniques.	
<ul style="list-style-type: none">Able to balance independent analysis with requesting assistance from others.	<ul style="list-style-type: none">Demonstrate objectivity, insight and thoroughness when analysing problems.	<ul style="list-style-type: none">Engage with appropriate individuals in analysing and resolving complex problems.	<ul style="list-style-type: none">Create an environment conducive to analytical and fact-based problem solving.	
<ul style="list-style-type: none">Recommend new ways to perform tasks within own function.	<ul style="list-style-type: none">Able to break down complex problems into manageable parts and identify solutions.	<ul style="list-style-type: none">Identify solutions on various areas in the institution.	<ul style="list-style-type: none">Analyse, recommend solutions and monitor trends in key challenges to prevent and manage occurrence.	
<ul style="list-style-type: none">Propose simple remedial interventions that marginally challenges the status quo.	<ul style="list-style-type: none">Consult internal and external stakeholders on opportunities to improve processes and service delivery.	<ul style="list-style-type: none">Formulate and implement new ideas throughout the institution.	<ul style="list-style-type: none">Create an environment that fosters innovative thinking and follows a learning organisation approach.	
<ul style="list-style-type: none">Listen to the ideas and perspectives of others and explore opportunities to enhance such innovative thinking.	<ul style="list-style-type: none">Clearly communicate the benefits of new opportunities and innovative solutions and stakeholders.	<ul style="list-style-type: none">Able to gain approval and buy-in for proposed interventions from relevant stakeholders.	<ul style="list-style-type: none">Be a thought leader on innovative customer service delivery and process optimization.	
	<ul style="list-style-type: none">Continuously identify opportunities to enhance internal processes.	<ul style="list-style-type: none">Identify trends and best practices in process and service delivery and propose institutional application.	<ul style="list-style-type: none">Play an active role in sharing best practice solutions and engage in national and international local government seminars and conferences.	
	<ul style="list-style-type: none">Identify and analyse opportunities conducive to innovative approaches and propose remedial intervention.	<ul style="list-style-type: none">Continuously engage in research to identify client needs.		

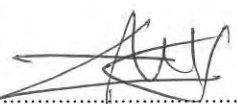


 Director: Planning and Economic Development
Mr Tabiso Mfeya



 Municipal Manager
Ms Geraldine Mettler

CLUSTER :	CORE COMPETENCIES			
COMPETENCY NAME :	Knowledge and Information Management			
COMPETENCY DEFINITION :	Able to promote the generation and sharing of knowledge and information through various processes and media, in order to enhance the collective knowledge base of local government			
ACHIEVEMENT LEVELS				
BASIC	COMPETENT	ADVANCED	SUPERIOR	
<ul style="list-style-type: none">Collect, categorise and track relevant information required for specific tasks and projects.	<ul style="list-style-type: none">Use appropriate information systems and technology to manage institutional knowledge and information sharing.	<ul style="list-style-type: none">Effectively predict future information and knowledge management requirements and systems.	<ul style="list-style-type: none">Create and support a vision and culture where team members are empowered to seek, gain and share knowledge and information.	
<ul style="list-style-type: none">Analyse and interpret information to draw conclusions.	<ul style="list-style-type: none">Evaluate data from various sources and use information effectively to influence decisions and provide solutions.	<ul style="list-style-type: none">Develop standards and processes to meet future knowledge management needs.	<ul style="list-style-type: none">Establish partnerships across local government to facilitate knowledge management.	
<ul style="list-style-type: none">Seek new sources of information to increase the knowledge base.	<ul style="list-style-type: none">Actively create mechanisms and structures for sharing information.	<ul style="list-style-type: none">Share and promote best-practice knowledge management across various institutions.	<ul style="list-style-type: none">Demonstrate a mature approach.	
<ul style="list-style-type: none">Regularly share information and knowledge with internal stakeholders and team members.	<ul style="list-style-type: none">Use external and internal resources to research and provide relevant and cutting-edge knowledge to enhance institutional effectiveness and efficiency.	<ul style="list-style-type: none">Establish accurate measures and monitoring systems for knowledge and information management.Create a culture conducive of learning and knowledge sharing.Hold regular knowledge and information sharing sessions to elicit new ideas and share best practice approaches.	<ul style="list-style-type: none">Recognise and exploit knowledge points in interactions with internal and external stakeholders.	



 Director: Planning and Economic Development
Mr Tabiso Mfeya



 Municipal Manager
Ms Geraldine Mettler

CLUSTER :	CORE COMPETENCIES			
COMPETENCY NAME :	Communication			
COMPETENCY DEFINITION :	Able to share information, knowledge and ideas in a clear, focused and concise manner appropriate for the audience in order to effectively convey, persuade and influence stakeholders to achieve the desired outcome.			
ACHIEVEMENT LEVELS				
BASIC	COMPETENT	ADVANCED	SUPERIOR	
<ul style="list-style-type: none">• Demonstrate an understanding for communication levers and tools appropriate for the audience, but requires guidance in utilising such tools.	<ul style="list-style-type: none">• Express ideas to individuals and groups in formal and informal settings in a manner that is interesting and motivating.	<ul style="list-style-type: none">• Effectively communicate high-risk and sensitive matters to relevant stakeholders.	<ul style="list-style-type: none">• Regarded as a specialist in negotiations and representing the institution.	
<ul style="list-style-type: none">• Express ideas in a clear and focused manner, but does not always take the audience into consideration.	<ul style="list-style-type: none">• Able to understand, tolerate and appreciate diverse perspectives, attitudes and beliefs.	<ul style="list-style-type: none">• Develop a well-defined communication strategy.	<ul style="list-style-type: none">• Able to inspire and motivate others through positive communication that is impactful and relevant.	
<ul style="list-style-type: none">• Disseminate and convey information and knowledge adequately.	<ul style="list-style-type: none">• Adapt communication content and style to suit the audience and facilitate optimal information transfer.	<ul style="list-style-type: none">• Balance political perspectives with institutional needs when communicating viewpoints on complex issues.	<ul style="list-style-type: none">• Creates an environment conducive to transparent and productive communication and critical appreciate conversations.	
	<ul style="list-style-type: none">• Deliver content in a manner that gains support, commitment and agreement from relevant stakeholders.	<ul style="list-style-type: none">• Able to effectively direct negotiations around complex.	<ul style="list-style-type: none">• Able to coordinate negotiations at different levels within local government and externally.	
	<ul style="list-style-type: none">• Compile clear, focused, concise and well-structured written documents.	<ul style="list-style-type: none">• Market and promote the institution to external stakeholders and seek to enhance a positive image of the institution.• Able to communicate with the media with high levels of moral competence and discipline.		

CLUSTER :	CORE COMPETENCIES			
COMPETENCY NAME :	Results and Quality Focus			
COMPETENCY DEFINITION :	Able to maintain high quality standards, focus on achieving results and objectives while consistently striving to exceed expectations and encourage others to meet quality standards. Further, to actively monitor and measure results and quality against identified objectives.			
ACHIEVEMENT LEVELS				
BASIC	COMPETENT	ADVANCED	SUPERIOR	
<ul style="list-style-type: none">Understand quality of work but requires guidance in attending to important matters.	<ul style="list-style-type: none">Focus on high-priority actions and does not become distracted by lower-priority activities.	<ul style="list-style-type: none">Consistently verify own standards and outcomes to ensure quality output.	<ul style="list-style-type: none">Coach and guide others to exceed quality standards and results.	
<ul style="list-style-type: none">Show a basic commitment to achieving the correct results.	<ul style="list-style-type: none">Display firm commitment and pride in achieving the correct results.	<ul style="list-style-type: none">Focus on the end result and avoids being distracted	<ul style="list-style-type: none">Develop challenging, client-focused goals and sets high standards for personal performance.	
<ul style="list-style-type: none">Produce the minimum level of results required in the role.	<ul style="list-style-type: none">Set quality standards and design processes and tasks around achieving set standards.	<ul style="list-style-type: none">Demonstrate a determined and committed approach to achieving results and quality standards.	<ul style="list-style-type: none">Commit to exceed the results and quality standards, monitor own performance and implement remedial interventions when required.	
<ul style="list-style-type: none">Produce outcomes that is of a good standard.	<ul style="list-style-type: none">Produce output of high quality.	<ul style="list-style-type: none">Follow task and projects through to completion.	<ul style="list-style-type: none">Work with team to set ambitious and challenging team goals, communicating long- and short term expectations.	
<ul style="list-style-type: none">Focus on the quantity of output but requires development in incorporating the quality of work.	<ul style="list-style-type: none">Able to balance the quantity and quality and quality of results in order to achieve objectives.	<ul style="list-style-type: none">Set challenging goals and objectives to self and team and display commitment to achieving expectations.	<ul style="list-style-type: none">Take appropriate risks to accomplish goals.	
<ul style="list-style-type: none">Produce quality work in general circumstances, but fails to meet expectation when under pressure.	<ul style="list-style-type: none">Monitors progress, quality of work and use of resources; provide status updates and make adjustments as needed.	<ul style="list-style-type: none">Maintain a focus on quality outputs when placed under pressure.	<ul style="list-style-type: none">Overcome setbacks and adjust action plans to realise goals.	
		<ul style="list-style-type: none">Establishing institutional systems for managing and assigning work, defining responsibilities, tracking, monitoring and measuring success, evaluating and valuing the work of the institution.	<ul style="list-style-type: none">Focus people on critical activities that yield a high impact.	

**STELLENBOSCH**

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

Annexure C

Personal Development Plan

DIRECTOR: PLANNING AND ECONOMIC DEVELOPMENT

.....
Director: Planning and Economic Development
Mr Tabiso Mfeya

.....
Municipal Manager
Ms Geraldine Mettler

Skills Performance Gap	Outcomes Expected	Suggested training and /or development activity	Suggested mode of delivery	Suggested Time Frames	Work opportunity created to practice skill/development area	Support Person
1.						
2.						
3.						

Signed and accepted by the Employee



Date: 30 July 2019

Signed by the Municipal Manager on behalf of the Municipality



Date: 30/07/2019

ANNEXURE 5



STELLENBOSCH

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MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

Performance Agreement

2019 - 2020

Director:

Infrastructure Services

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PERFORMANCE AGREEMENT

MADE AND ENTERED INTO BY AND BETWEEN
STELLENBOSCH MUNICIPALITY HEREBY REPRESENTED BY:

THE MUNICIPAL MANAGER

Ms Geraldine Mettler

(herein and after referred as Employer)

AND

DIRECTOR: INFRASTRUCTURE SERVICES

Mr Deon Louw

(herein and after referred as Employee)

FOR THE FINANCIAL YEAR:

01 JULY 2019 - 30 JUNE 2020



.....
Director: Infrastructure Services
Mr Deon Louw



.....
Municipal Manager:
Ms Geraldine Mettler

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4. Performance Objectives	5
5. Performance Management System	6
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.....
Director: Infrastructure Services
Mr Deon Louw



.....
Municipal Manager:
Ms Geraldine Mettler

1. INTRODUCTION

- 1.1 The Employer, duly represented by **Ms Geraldine Mettler**, in her capacity as the Municipal Manager has entered into a contract of employment with the Employee, **Mr Deon Louw**, in terms of section 57(1)(a) of the Local Government: Municipal Systems Act 32 of 2000 ("the Systems Act"). The Employer and the Employee are hereinafter referred as "the Parties";
- 1.2 Section 57(1)(b) of the Systems Act, read with the Contract of Employment concluded between the parties, requires the Parties to conclude an annual performance agreement;
- 1.3 The Parties wish to ensure that they are clear about the goals to be achieved, and secure the commitment of the Employee to a set of outcomes that will promote local government policy goals;
- 1.4 The Parties wish to ensure that there is compliance with Sections 57(4B) and 57(5) of the Systems Act;
- 1.5 In this Agreement, the followings terms will have the meaning ascribed thereto:
- 1.5.1 "this Agreement" – means the performance agreement between the Employer and the employee and the Annexures thereto;
- 1.5.2 "the **Municipal Manager**" – means the Municipal Manager of the Municipality appointed in terms of Section 54(A) of the Systems Act;
- 1.5.3 "the Employee" means the **Director: Infrastructure Services** appointed in terms of Section 56 of the Systems Act;
- 1.5.4 "the Employer" means **Stellenbosch Municipality**; and
- 1.5.5 "the Parties" means the Employer and Employee.

2. PURPOSE OF THIS AGREEMENT

- 2.1 To comply with the provisions of Section 57(1)(b), (4B) and (5) of the Systems Act as well as the Contract of Employment entered into between the Parties;
- 2.2 To specify objectives and targets established for the Employee and to communicate to the Employee the Employer's expectations of the Employee's performance targets and accountabilities;
- 2.3 To specify accountabilities as set out in the Performance Plan (Annexure A);
- 2.4 To monitor and measure performance against set targeted outputs and outcomes;
- 2.5 To establish a transparent and accountable working relationship;



Director: Infrastructure Services
Mr Deon Louw



Municipal Manager:
Ms Geraldine Mettler

- 2.6 To appropriately reward the employee in accordance with section 11 of this agreement; and
- 2.7 To give effect to the Employer's commitment to a performance-orientated relationship with the Employee in attaining improved service delivery.

3. COMMENCEMENT AND DURATION

- 3.1 This Agreement will commence on **01 July 2019** and will remain in force until **30 June 2020** where-after a new Performance Agreement shall be concluded between the parties for the next financial year or any portion thereof;
- 3.2 The Parties will conclude a new Performance Agreement that replaces this Agreement at least once a year by not later than 31st of July of the succeeding financial year;
- 3.3 This Agreement will terminate on the termination of the Employee's contract of employment for any reason; and
- 3.4 The content of this Agreement may be revised at any time during the abovementioned period to determine the current applicability of the matters previously agreed upon.

4. PERFORMANCE OBJECTIVES

- 4.1 The Performance Plan (Annexure A) sets out –
 - 4.1.1 The performance objectives and targets that must be met by the Employee;
 - 4.1.2 The time frames within which those performance objectives and targets must be met; and
 - 4.1.3 The core competency requirements (Annexure B – definitions) as the management skills regarded as critical to the position held by the Employee.
- 4.2 The performance objectives and targets reflected in Annexure A are set by the Employer in consultation with the Employee and based on the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the Employer, and shall include:
 - 4.2.1 Key objectives that describe the main tasks that need to be done;
 - 4.2.2 Key performance indicators (KPIs) that provide the details of the evidence that must be provided to show that a key objective has been achieved;



Director: Infrastructure Services
Mr Deon Louw



Municipal Manager:
Ms Geraldine Mettler

- 4.2.3 Target dates that describe the timeframe in which the targets must be achieved; and
- 4.2.4 Weightings showing the relative importance of the key objectives to each other.
- 4.3 The Personal Development Plan (Annexure C) sets out the Employee's personal development requirements in line with the objectives and targets of the Employer; and
- 4.4 The Employee's performance will, in addition, be measured in terms of contributions to the goals and strategies set out in the Employer's Integrated Development Plan.
- 5. PERFORMANCE MANAGEMENT SYSTEM**
- 5.1 The Employee agrees to participate in the performance management system that the Employer adopted for the employees of the Employer;
- 5.2 The Employee accepts that the purpose of the performance management system will be to provide a comprehensive system with specific performance standards to assist the employees and service providers to perform to the standards required;
- 5.3 The Employer will consult the Employee about the specific performance standards and targets that will be included in the performance management system applicable to the Employee;
- 5.4 The Employee undertakes to actively focus on the promotion and implementation of the Strategic Focus Areas (SFAs) (including special projects relevant to the employee's responsibilities) within the local government framework;
- 5.5 The criteria upon which the performance of the Employee shall be assessed shall consist of two components, SFAs and Competency Framework requirements as per the Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers, both of which shall be contained in the Performance Agreement;
- 5.6 The Employee's assessment will be based on his performance in terms of the outputs / outcomes (KPIs) identified as per attached Performance Plan (Annexure A), which are linked to the SFAs applicable to the Employee, and will constitute 80% of the overall assessment result as per the weightings agreed to between the Employer and Employee.

Strategic Focus Areas
SFA 1 – Valley of Possibility
SFA 2 - Green and Sustainable Valley



Director: Infrastructure Services
Mr Deon Louw



Municipal Manager:
Ms Geraldine Mettler

Strategic Focus Areas
SFA 3 - Safe Valley
SFA 4 - Dignified Living
SFA 5 - Good Governance and Compliance

- 5.7 The competency requirements for senior managers as per Regulation 9 of Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers will make up the other 20% of the Employee's assessment score. The competencies will be assessed every six (6) months (January and July).

Leading and Core Competencies		
1.	Strategic direction and leadership	<ul style="list-style-type: none"> Impact and influence Institutional performance management Strategic planning and management Organisational awareness
2.	People management	<ul style="list-style-type: none"> Human capital planning and development Diversity management Employee relations management Negotiation and dispute management
3.	Programme and project management	<ul style="list-style-type: none"> Programme and project planning and implementation Service delivery management Program and project monitoring and evaluation
4.	Financial management	<ul style="list-style-type: none"> Budget planning and execution Financial strategy and delivery Financial reporting and delivery
5.	Change leadership	<ul style="list-style-type: none"> Change vision and strategy Process design and improvement Change impact monitoring and evaluation
6.	Governance leadership	<ul style="list-style-type: none"> Policy formulation Risk and compliance management Cooperative governance
7.	Moral competence	<ul style="list-style-type: none"> Core Competency
8.	Planning and organising	<ul style="list-style-type: none"> Core Competency
9.	Analysis and innovation	<ul style="list-style-type: none"> Core Competency
10.	Knowledge and information management	<ul style="list-style-type: none"> Core Competency
11.	Communication	<ul style="list-style-type: none"> Core Competency
12.	Results and quality focus	<ul style="list-style-type: none"> Core Competency

6. PERFORMANCE ASSESSMENT

- 6.1 The Performance Plan (Annexure A) to this Agreement sets out –

- 6.1.1 The standards and procedures for evaluating the Employee's performance; and
- 6.1.2 The intervals for the evaluation of the Employee's performance.

- 6.2 Despite the establishment of agreed intervals for evaluation, the Employer may in addition review the Employee's performance at any stage while the contract of employment remains in force;



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- 6.3 Personal growth and development needs identified during any performance review discussion must be documented in a Personal Development Plan as well as the actions agreed to and implementation must take place within set time frames;
- 6.4 The Employee's performance will be measured in terms of contributions to the goals and strategies set out in the Employer's Integrated Development Plan (IDP) as described in 6.6 – 6.12 below;
- 6.5 The Employee will submit quarterly performance reports (SDBIP) and a comprehensive annual performance report at least one week prior to the performance assessment meetings to the Evaluation Panel Chairperson for distribution to the panel members for preparation purposes;
- 6.6 Assessment of the achievement of results as outlined in the performance plan:
- 6.6.1 Each KPI or group of KPIs shall be assessed according to the extent to which the specified standards or performance targets have been met and with due regard to ad-hoc tasks that had to be performed under the KPI;
- 6.6.2 A rating on the five-point scale shall be provided for each KPI or group of KPIs which will then be multiplied by the weighting to calculate the final score;
- 6.6.3 The Employee will submit his self-evaluation to the Employer prior to the formal assessment;
- 6.6.4 In the instance where the employee could not perform due to reasons outside the control of the employer and employee, the KPI will not be considered during the evaluation. The employee should provide sufficient evidence in such instances; and
- 6.6.5 An overall score will be calculated based on the total of the scores calculated above.
- 6.7 Assessment of the Competencies:
- 6.7.1 Each Competency shall be assessed in terms of the description provided in (Annexure B);
- 6.7.2 A rating shall be provided for each Competency which will then be multiplied by the weighting to calculate the final score; and
- 6.7.3 An overall score will be calculated based on the total of the scores calculated above.



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6.8 Overall rating

6.8.1 An overall rating is calculated by adding the overall scores as calculated in 6.6.5 and 6.7.3 above; and

6.8.2 Such overall rating represents the outcome of the performance appraisal.

6.9 The assessment of the performance of the Employee will be based on the following rating scales for SFAs and Competencies respectively:

6.9.1 Rating scale for SFAs - as mentioned in paragraph 5.6:

Level	Terminology	Description
5	Outstanding performance	Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the Employee has achieved above fully effective results against all performance criteria and indicators as specified in the PA and Performance plan and maintained this in all areas of responsibility throughout the year.
4	Performance significantly above expectations	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the Employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.
3	Fully effective	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the Employee has fully achieved effective results against all significant performance criteria and indicators as specified in the PA and Performance Plan.
2	Not fully effective	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the PA and Performance Plan.
1	Unacceptable performance	Performance does not meet the standard expected for the job. The review/assessment indicates that they employee has achieved below fully effective results against almost all the performance criteria and indicators as specified in the PA and Performance Plan. The employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement.

6.9.2 Rating scale for Competencies -as mentioned in paragraph 5.7:

Level	Achievement Levels	Description
5	Superior	Has a comprehensive understanding of local government operations, critical in shaping strategic direction and change, develops, and applies comprehensive concepts and methods
4	Advanced	Develops and applies complex concepts, methods and understanding.



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Level	Achievement Levels	Description
		Effectively directs and leads a group and executes in-depth analyses
3	Competent	Develops and applies more progressive concepts, methods and understanding. Plans and guides the work of others and executes progressive analyses
2	Basic	Applies basic concepts, methods, and understanding of local government operations, but requires supervision and development intervention
1	Sub Standard	Applies little to no basic concepts, methods, and understanding of local government operations.

6.10 For purposes of evaluating the performance of the Employee for the year-end reviews, an evaluation panel constituted of the following persons will be established–

6.10.1 Municipal Manager;

6.10.2 Municipal Manager from another municipality;

6.10.3 Chairperson of the Performance Audit Committee or in his/her absence thereof, the Chairperson of the Audit Committee; and

6.10.4 The Member of the Mayoral Committee (Portfolio Chairperson).

6.11 The Municipal Manager will evaluate the performance of the Employee as at the end of the 1st, and 3rd quarters; and

6.12 The Municipal Manager will give performance feedback to the Employee within five (5) working days after each quarterly and annual assessment meeting.

7. SCHEDULE FOR PERFORMANCE REVIEWS

7.1 The performance of the Employee in relation to his performance agreement shall be reviewed on the following dates.

Quarter	Review Period	Review to be completed by
1	July - September	October / November 2019 (Informal)
2	October – December	January / February 2020 (Formal)
3	January – March	April / May 2020 (Informal)
4	April - June	After the receipt of the AG's Management Report

7.2 The Employer shall keep a record of the mid-year and year-end assessment meetings;

7.3 Performance feedback shall be based on the Employer's assessment of the Employee's performance;



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- 7.4 The Employer will be entitled to review and make reasonable changes to the provisions of Annexure A from time to time for operational reasons. The Employee will be fully consulted before any such change is made; and
- 7.5 The Employer may amend the provisions of Annexure A whenever the performance management system is adopted, implemented, and/or amended as the case may be. In that case, the Employee will be fully consulted before any such change is made.

8. DEVELOPMENTAL REQUIREMENTS

- 8.1 The Personal Development Plan (PDP) for addressing developmental gaps is attached as Annexure C. Such Plan may be implemented and/or amended as the case may be after each assessment. In that case, the Employee will be fully consulted before any such change or plan is made.

9. OBLIGATIONS OF THE EMPLOYER

- 9.1 The Employer shall-
- 9.1.1 Create an enabling environment to facilitate effective performance by the employee;
 - 9.1.2 Provide access to skills development and capacity building opportunities;
 - 9.1.3 Work collaboratively with the Employee to solve problems and generate solutions to common problems that may impact on the performance of the Employee;
 - 9.1.4 On the request of the Employee delegate such powers reasonably required by the Employee to enable him to meet the performance objectives and targets established in terms of this Agreement; and
 - 9.1.5 Make available to the Employee such resources as the Employee may reasonably require from time to time assisting him to meet the performance objectives and targets established in terms of this Agreement.

10. CONSULTATION

- 10.1 The Employer agrees to consult the Employee timeously where the exercising of its powers will have amongst others-
- 10.1.1 A direct effect on the performance of any of the Employee's functions;
 - 10.1.2 Commit the Employee to implement or to give effect to a decision made by the Employer; and



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10.1.3 A substantial financial effect on the Employer.

10.2 The Employer agrees to inform the Employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated in clause 12.1 as soon as is practicable to enable the Employee to take any necessary action with delay.

11. REWARD

11.1 The evaluation of the Employee's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance;

11.2 The payment of the performance bonus is determined by the performance score obtained during the 4th quarter and as informed by the quarterly performance assessments;

11.3 A performance bonus of between 5% to 14% of the all- inclusive annual remuneration package may be paid to the Employee in recognition of outstanding performance to be constituted as follows:

Performance Rating		Bonus Calculation
0% - 64%	Poor Performance	0% of total package
65% - 69%	Average Performance	5% of total package
70% - 74%	Fair Performance	9% of total package
75% - 79%	Good Performance	11% of total package
80% - 100%	Excellent Performance	14% of total package

11.4 In the event of the Employee terminating his services during the validity period of this Agreement, the Employee's performance will be evaluated for the portion during which he was employed and he will be entitled to a pro-rata performance bonus based on his evaluated performance for the period of actual service; and

11.5 The Employer will submit the total score of the annual assessment and of the Employee, to full Council for purposes of recommending the bonus allocation.

12. MANAGEMENT OF EVALUATION OUTCOMES

12.1 Where the Employer is, any time during the Employee's employment, not satisfied with the Employee's performance with respect to any matter dealt with in this Agreement, the Employer will give notice to the Employee to attend a meeting;

12.2 The Employee will have the opportunity at the meeting to satisfy the Employer of the measures being taken to ensure that his performance becomes satisfactory and any programme, including any dates, for implementing these measures;

12.3 Where there is a dispute or difference as to the performance of the Employee under this Agreement, the Parties will confer with a view to resolving the dispute or difference; and



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12.4 In the case of unacceptable performance, the Employer shall –

12.4.1 Provide systematic remedial or developmental support to assist the Employee to improve his performance; and

12.4.2 After appropriate performance counselling and having provided the necessary guidance and/or support as well as reasonable time for improvement in performance, the Employer may consider steps to terminate the contract of employment of the Employee on grounds of unfitness or incapacity to carry out his or her duties.

13. DISPUTE RESOLUTION

13.1 In the event that the Employee is dissatisfied with any decision or action of the Employer in terms of this Agreement, or where a dispute or difference arises as to the extent to which the Employee has achieved the performance objectives and targets established in terms of this Agreement, the Employee may within 3 (three) business days, meet with the Employer with a view to resolving the issue. The Employer will record the outcome of the meeting in writing;

13.2 If the Parties cannot resolve the issues within 10 (ten) business days, an independent arbitrator, acceptable to both parties, shall be appointed to resolve the matter within 30 (thirty) business days; and

13.3 In the event that the mediation process contemplated above fails, the relevant clause of the Contract of Employment together with the relevant laws and regulations shall apply.

14. GENERAL

14.1 The contents of this agreement and the outcome of any review conducted in terms of Annexure A may be made available to the public by the Employer; and

14.2 Nothing in this agreement diminishes the obligations, duties, or accountabilities of the Employee in terms of his contract of employment, or the effects of existing or new regulations, circulars, policies, directives, or other instruments.

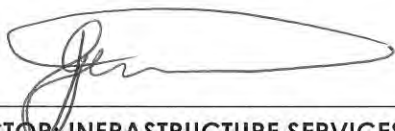


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Municipal Manager:
Ms Geraldine Mettler

Thus, done and signed at Stellenbosch on the 30th day of 2019.



DIRECTOR: INFRASTRUCTURE SERVICES

AS WITNESSES:

1.



2.



Thus, done and signed at Stellenbosch on the 30th day of 2019.



MUNICIPAL MANAGER

AS WITNESSES:

1.



2.



Director: Infrastructure Services
Mr Deon Louw



Municipal Manager:
Ms Geraldine Mettler



MEMBER OF MAYORAL COMMITTEE
(Portfolio: Infrastructure Services)
Cllr Q Smit



.....
Director: Infrastructure Services
Mr Deon Louw



.....
Municipal Manager:
Ms Geraldine Mettler



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Annexure A Performance Plan

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Mr Deon Louw

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The Performance Plan sets out:

- Key Performance Areas that the employee should focus on, performance objectives, key performance indicators and targets that must be met within a specific timeframe; and
- The Competencies required from employees prescribed in the Regulations on the appointment and conditions of employment of senior managers, R21 of 2014.

KEY PERFORMANCE INDICATORS

The key performance areas, the performance objectives, key performance indicators and targets that must be met within the agreed timeframe are described below. The assessment of these performance indicators will account for 80% (**eighty percent**) of the total employee assessment score.

Part 1: Implementation of Service Delivery and Budget Implementation Plan (80%)

DIRECTOR: INFRASTRUCTURE SERVICES														
IDP/ Ref No.	Strategic Focus Area (SFA)	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator type	Baseline (Actual 2017/2018)	5 Year Target	2019/20	Portfolio of evidence (POE)	Funding Source	Service Delivery and Budget Implementation Plan (SDBIP 2019/20)				Weight
										Q1	Q2	Q3	Q4	
TBC	Good governance and Compliance	Effective Management and Functional Supervision of the Department: Water and Wastewater Services	Percentage of indicators of the Department: Water and Wastewater Services achieved, measured quarterly	Outcome	New indicator	90% per annum	90%	Ignite dashboard report per Department/ Section	SM	90%	90%	90%	90%	2



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DIRECTOR: INFRASTRUCTURE SERVICES														
IDP/ Ref No.	Strategic Focus Area (SFA)	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator type	Baseline (Actual 2017/2018)	5 Year Target	2019/20	Portfolio of evidence (POE)	Funding Source	Service Delivery and Budget Implementation Plan (SDBIP 2019/20)				Weight
										Q1	Q2	Q3	Q4	
TBC	Good governance and Compliance	Effective Management and Functional Supervision of the Department: Infrastructure Planning, Development and Implementation	Percentage of indicators of the Department: Infrastructure Planning, Development and Implementation achieved, measured quarterly	Outcome	New indicator	90% per annum	90%	Ignite dashboard report per Department/ Section	SM	90%	90%	90%	90%	2
TBC	Good governance and Compliance	Effective Management and Functional Supervision of the Department: Roads, Transport and Storm Water (RTS)	Percentage of indicators of the Department: Roads, Transport and Storm Water (RTS) achieved, measured quarterly	Outcome	New indicator	90% per annum	90%	Ignite dashboard report per Department/ Section	SM	90%	90%	90%	90%	2
TBC	Good governance and Compliance	Effective Management and Functional Supervision of the Department: Electrical Services	Percentage of indicators of the Department: Electrical Services achieved, measured quarterly	Outcome	New indicator	90% per annum	90%	Ignite dashboard report per Department/ Section	SM	90%	90%	90%	90%	2
TBC	Good governance and Compliance	Effective Management and Functional Supervision of the Department: Waste Services	Percentage of indicators of the Department: Waste Services achieved, measured quarterly	Outcome	New indicator	90% per annum	90%	Ignite dashboard report per Department/ Section	SM	90%	90%	90%	90%	2
KPI016	Green and Sustainable Valley	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	Output	2	1 per annum	1	Audit report	SM	N/A	N/A	N/A	1	2

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DIRECTOR: INFRASTRUCTURE SERVICES														
IDP/ Ref No.	Strategic Focus Area (SFA)	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator type	Baseline (Actual 2017/2018)	5 Year Target	2019/20	Portfolio of evidence (POE)	Funding Source	Service Delivery and Budget Implementation Plan (SDBIP 2019/20)				weight
										Q1	Q2	Q3	Q4	
KPI073	Green and Sustainable Valley	Implementation of identified waste minimisation projects	Number of identified waste minimisation projects implemented by 30 June	Output	5	2 per annum	2	Waste minimisation report submitted to the Municipal Manager	SM	N/A	N/A	1 (1)	1 (2)	1
KPI019	Green and Sustainable Valley	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	Outcome	73%	70% per annum	70%	Report submitted by the service provider and report from GDS system	SM	N/A	N/A	N/A	75%	2
KPI037	Dignified Living	Provision of waterborne toilet facilities	Number of waterborne toilet facilities provided by 30 June	Output	50	50 per annum	25	Completion certificates	SM	N/A	10 (10)	N/A	25 (25)	2
KPI040	Dignified Living	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	Outcome	5.70%	<9% per annum	<9%	Monthly Eskom Accounts and Vending Reports from service provider and Notes to the AFS and monthly and annual Consumption reports generated by the Finance Department	SM	N/A	N/A	N/A	<9%	5
KPI041	Dignified Living	Water quality managed and measured quarterly ito the SANS 241 physical and micro parameters	Percentage water quality level as per analysis certificate measured quarterly	Outcome	95.80%	90% per annum	90%	Quarterly Supply System Drinking Water Quality Report - DWA Blue Drop System (BDS)	SM	90%	90%	90%	90%	5

DIRECTOR: INFRASTRUCTURE SERVICES														
IDP/ Ref No.	Strategic Focus Area (SFA)	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator type	Baseline (Actual 2017/2018)	5 Year Target	2019/20	Portfolio of evidence (POE)	Funding Source	Service Delivery and Budget Implementation Plan (SDBIP 2019/20)				weight
										Q1	Q2	Q3	Q4	
KPI042	Dignified Living	Limit unaccounted water to less than 25%	Average percentage water losses measured by 30 June	Outcome	21.60%	<25% per annum	<25%	Quarterly water balance sheet and Monthly Consumption Report	SM	N/A	N/A	N/A	<25%	5
KPI071	Good governance and Compliance	Revised Electrical Master Plan submitted to Council	Number of Revised Electrical Master Plans submitted to Council by 30 June	Output	New indicator	1 per annum	1	Proof of submission of the Revised Electrical Master Plan to Council	SM	N/A	N/A	N/A	1	1
TBC	Good governance and Compliance	Spend the Directorate: Infrastructure Services approved Capital Budget	Percentage of approved Capital Budget of the Directorate: Infrastructure Services actually spent by 30 June	Input	79.93%	90% per annum	90%	Report from the financial system	SM	10%	30%	60%	90%	20
TBC	Good governance and Compliance	Capital spending committed on the financial management system	Percentage the approved Capital Budget committed by on the financial system by 31 March (30% by September, 60% by December and 90% by March)	Input	New indicator	90% per annum	90%	Report from the financial system	SM	30%	60%	90%	N/A	2
TBC	Good governance and Compliance	Submission of final bid specifications for all capital projects to the Bid Specification Committee (BSC) (2019/20)	Percentage of final bid specifications for all capital projects submitted to the BSC by 30 September (50% by 31 July and 100% by 30 September)	Output	New indicator	100% per annum	100%	Reconciliation report from SCM	SM	100%	N/A	N/A	N/A	5

DIRECTOR: INFRASTRUCTURE SERVICES														
IDP/ Ref No.	Strategic Focus Area (SFA)	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator type	Baseline (Actual 2017/2018)	5 Year Target	2019/20	Portfolio of evidence (POE)	Funding Source	Service Delivery and Budget Implementation Plan (SDBIP 2019/20)				Weight
										Q1	Q2	Q3	Q4	
TBC	Good governance and Compliance	Submission of final bid specifications for all capital projects to the Bid Specification Committee (BSC) (2020/21)	Percentage of final bid specifications for all capital projects submitted to the BSC by 30 June (50% by 31 March 2020 and 100% by 30 June 2020. For the 2020/21 financial year)	Output	New indicator	100% per annum	100%	Reconciliation report from SCM	SM	N/A	N/A	50%	100%	5
TBC	Good governance and Compliance	Submission of detailed procurement needs for all operational projects to the Supply Chain Management (SCM) Department	Number of quarterly detailed procurement needs submitted to SCM 10 days before start of the quarter	Output	New indicator	4 per annum	4	Proof of submission to SCM	SM	1 (1)	1 (2)	1 (3)	1 (4)	1
TBC	Good governance and Compliance	Performance agreements signed with all identified personnel	Number of performance agreements signed by 31 August	Output	100%	3 per annum	5	Signed performance agreements submitted to the PMS Unit	SM	5	N/A	N/A	N/A	2
TBC	Good governance and Compliance	Conduct formal performance evaluations with all identified personnel	Number of formal performance evaluations conducted with all identified personnel by 30 June	Output	100%	6 per annum	10	Ignite performance evaluations reports	SM	N/A	5 (5)	N/A	5 (10)	2
TBC	Good governance and Compliance	Develop Annual Departmental Risk Register	Number of Annual Risk Registers developed by 31 July	Output	New indicator	1 per annum	1	Annual Departmental Risk Register submitted to the Risk Management Unit	SM	N/A	N/A	N/A	1	3



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IDP/ Ref No.	Strategic Focus Area (SFA)	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator type	Baseline (Actual 2017/2018)	5 Year Target	2019/20	Portfolio of evidence (POE)	Funding Source	Service Delivery and Budget Implementation Plan (SDBIP 2019/20)				Weight
										Q1	Q2	Q3	Q4	
TBC	Good governance and Compliance	Evaluation of the Departmental Risk Register	Number of Departmental Risk Registers evaluated by 31 May	Output	New indicator	2 per annum	2	Proof of risk evaluations submitted to the Risk Management Unit	SM	N/A	1 (1)	N/A	1 (2)	3
TBC	Good governance and Compliance	Implementation of Council resolutions	Percentage of resolutions implemented measured quarterly	Output	70% - 75%	70% per annum	70%	Council Resolution Register	SM	70%	70%	70%	70%	2
TBC	Good governance and Compliance	Attendance of quarterly Occupation Health and Safety (OHS) meetings	Number of quarterly OHS meetings attended by the Director or secondee	Output	New indicator	4 per annum	4	OHS attendance registers	SM	1 (1)	1 (2)	1 (3)	1 (4)	2



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Part 2: Competency Requirements (20%)

Ref	Leading and Core Competencies	(January) 1 st Assessment	(July) Final Assessment	Weights	Comments
2.1	Strategic direction and leadership			1.66%	
2.2	People management			1.66%	
2.3	Programme and project management			1.66%	
2.4	Financial management			1.66%	
2.5	Change leadership			1.67%	
2.6	Governance leadership			1.67%	
2.7	Moral competence			1.67%	
2.8	Planning and organising			1.67%	
2.9	Analysis and innovation			1.67%	
2.10	Knowledge and information management			1.67%	
2.11	Communication			1.67%	
2.12	Results and quality focus			1.67%	
Total				20%	



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Competency Framework

DIRECTOR: INFRASTRUCTURE SERVICES

Director: Infrastructure Services
Mr Deon Louw

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Municipal Manager:
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CLUSTER :	LEADING COMPETENCIES			
COMPETENCY NAME :	Strategic Direction and Leadership			
COMPETENCY DEFINITION :	Provide and direct a vision for the institution, and inspire and deploy others to deliver on the strategic institutional mandate.			
ACHIEVEMENT LEVELS				
BASIC	COMPETENT	ADVANCED	SUPERIOR	
<ul style="list-style-type: none">Understand Institutional and departmental strategic objectives, but lacks the ability to inspire others to achieve set mandate.	<ul style="list-style-type: none">Give direction to a team in realising the institution's strategic mandate and set objectives.	<ul style="list-style-type: none">Evaluate all activities to determine value and alignment to strategic intent.	<ul style="list-style-type: none">Structure and position the institution to local government priorities.	
<ul style="list-style-type: none">Describe how specific tasks link to institutional strategies but has limited influence in directing a strategy.	<ul style="list-style-type: none">Has a positive impact and influence on the morale, engagement and participation of team members.	<ul style="list-style-type: none">Display in-depth knowledge and understanding of strategic planning.	<ul style="list-style-type: none">Actively use in-depth knowledge and understanding to develop and implement a comprehensive institutional framework.	
<ul style="list-style-type: none">Has a basic understanding of institutional performance management, but lacks the ability to integrate systems into a collective whole.	<ul style="list-style-type: none">Develop action plans to execute and guide strategy.	<ul style="list-style-type: none">Align strategy and goals across all functional areas.	<ul style="list-style-type: none">Hold self-accountable for strategy execution and results.	
<ul style="list-style-type: none">Demonstrate basic understanding of key decision makers.	<ul style="list-style-type: none">Assist in defining performance measures to monitor the progress and effectiveness of the institution.	<ul style="list-style-type: none">Actively define performance measures to monitor the progress and effectiveness of the institution.	<ul style="list-style-type: none">Provide impact and influence through building and maintaining strategic relationships.	
	<ul style="list-style-type: none">Displays an awareness of institutional structures and political factors.	<ul style="list-style-type: none">Consistently challenge strategic plans to ensure relevance.	<ul style="list-style-type: none">Create an environment that facilitates loyalty and innovation. Display a superior level of self-discipline and integrity in actions.	
	<ul style="list-style-type: none">Effectively communicate barriers to execution to relevant parties.	<ul style="list-style-type: none">Understand institutional structures and political factors, and the consequences of actions.	<ul style="list-style-type: none">Integrate various systems into a collective whole to optimise institutional performance management.	
	<ul style="list-style-type: none">Provide guidance to all stakeholders in the achievement of the strategic mandate.	<ul style="list-style-type: none">Empower others to follow the strategic direction and deal with complex situations.	<ul style="list-style-type: none">Uses understanding of competing interests to maneuver successfully to a win/win outcome.	
	<ul style="list-style-type: none">Understand the aim and objectives of the institution and relate it to own work.	<ul style="list-style-type: none">Guide the institution through complex and ambiguous concern.Use understanding of power relationships and dynamic tensions among key players to frame communications and develop strategies, positions and alliances.		

CLUSTER :	LEADING COMPETENCIES		
COMPETENCY NAME :	People Management		
COMPETENCY DEFINITION :	Effectively manage, inspire and encourage people, respect diversity, optimise talent and build and nurture relationships in order to achieve institutional objectives.		
ACHIEVEMENT LEVELS			
BASIC	COMPETENT	ADVANCED	SUPERIOR
<ul style="list-style-type: none">Participate in team goalsetting and problem solving.	<ul style="list-style-type: none">Seek opportunities to increase team contribution and responsibility.	<ul style="list-style-type: none">Identify ineffective team and work processes and recommend remedial interventions.	<ul style="list-style-type: none">Develop and incorporate best practice people management processes, approaches and tools across the institution.
<ul style="list-style-type: none">Interact and collaborate with people of diverse backgrounds.Aware of guidelines for employee development, but requires support in implementing development initiatives.	<ul style="list-style-type: none">Respect and support the diverse nature of others and be aware of the benefits of a diverse approach.Effectively delegate tasks and empower others to increase contribution and execute functions optimally.	<ul style="list-style-type: none">Recognise and reward effective and desired behavior.Provide mentoring and guidance to others in order to increase personal effectiveness.	<ul style="list-style-type: none">Foster a culture of discipline, responsibility and accountability.Understand the impact of diversity in performance and actively incorporate a diversity strategy in the institution.
	<ul style="list-style-type: none">Apply relevant employee legislation fairly and consistently.	<ul style="list-style-type: none">Identify development and learning needs within the team.	<ul style="list-style-type: none">Develop comprehensive integrated strategies and approaches to human capital development and management.
	<ul style="list-style-type: none">Effectively identify capacity requirements to fulfill the strategic mandate.	<ul style="list-style-type: none">Inspire a culture of performance excellence by giving positive and constructive feedback to the team.Achieve agreement or consensus in adversarial environments.Lead and unite diverse teams across divisions to achieve institutional objectives.	<ul style="list-style-type: none">Actively identify trends and predict capacity requirements to facilitate unified transition and performance management.




CLUSTER :	LEADING COMPETENCIES		
COMPETENCY NAME :	Program and Project Management		
COMPETENCY DEFINITION :	Able to understand program and project management methodology; plan, manage, monitor and evaluate specific activities in order to deliver on set objectives.		
ACHIEVEMENT LEVELS			
BASIC	COMPETENT	ADVANCED	SUPERIOR
<ul style="list-style-type: none">Initiate projects after approval from higher authorities.	<ul style="list-style-type: none">Establish broad stakeholder involvement and communicate the project status and key milestones.	<ul style="list-style-type: none">Manage multiple programs and balance priorities and conflicts according to institutional goals.	<ul style="list-style-type: none">Understand and conceptualize the long-term implications of desired project outcomes.
<ul style="list-style-type: none">Understand procedures of program and project management methodology, implications and stakeholder involvement.	<ul style="list-style-type: none">Define the roles and responsibilities of the project team and create clarity around expectations.	<ul style="list-style-type: none">Apply effective risk management strategies through impact assessment and resource requirements.	<ul style="list-style-type: none">Direct a comprehensive strategic macro and micro analysis and scope projects accordingly to realize institutional objectives.
<ul style="list-style-type: none">Understand the rational of projects in relation to the institution's strategic objectives.	<ul style="list-style-type: none">Find a balance between project deadline and the quality of deliverables.	<ul style="list-style-type: none">Modify project scope and budget when required without compromising the quality and objectives of the project.	<ul style="list-style-type: none">Influence people in positions of authority to implement outcomes of projects
<ul style="list-style-type: none">Document and communicate factors and risk associated with own work.	<ul style="list-style-type: none">Identify appropriate project resources to facilitate the effective completion of the deliverables.	<ul style="list-style-type: none">Involve top-level authorities and relevant stakeholders in seeking project buy-in.	<ul style="list-style-type: none">Lead and direct translation of policy into workable action plans
<ul style="list-style-type: none">Use results and approaches of successful project implementation as guide.	<ul style="list-style-type: none">Comply with statutory requirements and apply policies in a consistent manner.Monitor progress and use of resources and make needed adjustments to timelines, steps and resource allocation.	<ul style="list-style-type: none">Identify and apply contemporary project management methodologyInfluence and motivate project team to deliver exceptional results.Monitor policy implementation and apply procedures to manage risks.	<ul style="list-style-type: none">Ensures that programs are monitored to track progress and optimal resource utilization, and that adjustments are made as needed.



Director: Infrastructure Services
Mr Deon Louw



Municipal Manager:
Ms Geraldine Mettler

CLUSTER :	LEADING COMPETENCIES		
COMPETENCY NAME :	Financial Management		
COMPETENCY DEFINITION :	Able to compile, plan and manage budgets, control cash flow, institute financial risk management and administer procurement processes in accordance with recognized financial practices. Further to ensure that all financial transactions are managed in an ethical manner		
ACHIEVEMENT LEVELS			
BASIC	COMPETENT	ADVANCED	SUPERIOR
<ul style="list-style-type: none">Understand basic financial concepts and methods as they relate to institutional processes and activities	<ul style="list-style-type: none">Exhibit knowledge of general financial concepts, planning, budgeting and forecasting and how they interrelate	<ul style="list-style-type: none">Take active ownership of planning, budgeting and forecasting processes and provides credible answers to queries within own responsibility.	<ul style="list-style-type: none">Develop planning tools to assist in evaluating and monitoring future expenditure trends.
<ul style="list-style-type: none">Display awareness into the various sources of financial data, reporting mechanisms, financial governance, processes and systems	<ul style="list-style-type: none">Assess, identify and manage financial risks.	<ul style="list-style-type: none">Prepare budgets that are aligned to the strategic objectives of the institution.	<ul style="list-style-type: none">Set budget frameworks for the institution.
<ul style="list-style-type: none">Understand the importance of financial accountability	<ul style="list-style-type: none">Assume a cost-saving approach to financial management.	<ul style="list-style-type: none">Address complex budgeting and financial management concerns.	<ul style="list-style-type: none">Set strategic direction for the institution on expenditure and other financial processes.
<ul style="list-style-type: none">Understand the importance of asset control.	<ul style="list-style-type: none">Prepare financial reports based on specified formats.	<ul style="list-style-type: none">Put systems and processes in place to enhance the quality and integrity of financial management practices.	<ul style="list-style-type: none">Build and nurture partnerships to improve financial management and achieve financial savings.
	<ul style="list-style-type: none">Consider and understand the financial implications of decisions and suggestions.	<ul style="list-style-type: none">Advise on policies and procedures regarding asset control.	<ul style="list-style-type: none">Actively identify and implement new methods to improve asset control.
	<ul style="list-style-type: none">Ensure that delegation and instructions as required by National Treasury guidelines are reviewed and updated.Identify and implement proper monitoring and evaluation practices to ensure appropriate spending against budget.	<ul style="list-style-type: none">Promote National Treasury's regulatory framework for Financial Management.	<ul style="list-style-type: none">Display professionalism in dealing with financial data and processes.



Director: Infrastructure Services
Mr Deon Louw



Municipal Manager:
Ms Geraldine Mettler

CLUSTER :	LEADING COMPETENCIES		
COMPETENCY NAME :	Change Leadership		
COMPETENCY DEFINITION :	Able to direct and initiate institutional transformation on all levels in order to successfully drive and implement new initiatives and deliver professional and quality services to the community.		
ACHIEVEMENT LEVELS			
BASIC	COMPETENT	ADVANCED	SUPERIOR
<ul style="list-style-type: none">• Display an awareness of change interventions and the benefits of transformation initiatives.	<ul style="list-style-type: none">• Perform an analysis of the change impact on the social, political and economic environment.	<ul style="list-style-type: none">• Actively monitor change impact and results and convey progress to relevant stakeholders.	<ul style="list-style-type: none">• Sponsor change agents and create a network of change leaders who support the interventions.
<ul style="list-style-type: none">• Able to identify basic needs for change.	<ul style="list-style-type: none">• Maintain calm and focus during change.	<ul style="list-style-type: none">• Secure buy-in and sponsorship for change initiatives.	<ul style="list-style-type: none">• Actively adapt current structures and processes to incorporate the change interventions.
<ul style="list-style-type: none">• Identify gaps between the current and desired state.	<ul style="list-style-type: none">• Able to assist team members during change and keep them focused on the deliverables.	<ul style="list-style-type: none">• Continuously evaluate change strategy and design and introduce new approaches to enhance the institution's effectiveness.	<ul style="list-style-type: none">• Mentor and guide team members on the effects of change, resistance factors and how to integrate change.
<ul style="list-style-type: none">• Identify potential risk and challenges to transformation, including resistance to change factors.	<ul style="list-style-type: none">• Volunteer to lead change efforts outside of own work team.	<ul style="list-style-type: none">• Build and nurture relationships with various stakeholders to establish strategic alliance in facilitating change.	<ul style="list-style-type: none">• Motivate and inspire others around change initiatives.
<ul style="list-style-type: none">• Participate in change programs and piloting change interventions.	<ul style="list-style-type: none">• Able to gain buy-in and approval for change from relevant stakeholders.	<ul style="list-style-type: none">• Take the lead in impactful change programs.	
<ul style="list-style-type: none">• Understand the impact of change interventions on the institution within the broader scope of local government.	<ul style="list-style-type: none">• Identify change readiness levels and assist in resolving resistance to change factors.	<ul style="list-style-type: none">• Benchmark change interventions against best change practices.	
	<ul style="list-style-type: none">• Design change interventions that are aligned with the institution's strategic objectives and goals.	<ul style="list-style-type: none">• Understand the impact and psychology of change and put remedial interventions in place to facilitate effective transformation.• Take calculated risk and seek new ideas from best practice scenarios and identify the potential for implementation.	



Director: Infrastructure Services
Mr Deon Louw



Municipal Manager:
Ms Geraldine Mettler

CLUSTER :	LEADING COMPETENCIES			
COMPETENCY NAME :	Governance Leadership			
COMPETENCY DEFINITION:	Able to promote, direct and apply professionalism in managing risk and compliance requirements and apply a thorough understanding of governance practices and obligations. Further, able to direct the conceptualization of relevant policies and enhance cooperative governance relationships.			
ACHIEVEMENT LEVELS				
BASIC	COMPETENT	ADVANCED	SUPERIOR	
<ul style="list-style-type: none">• Display a basic awareness of risk, compliance and governance factors but require guidance and development in implementing such requirements.	<ul style="list-style-type: none">• Display a thorough understanding of governance and risk and compliance factors and implement plans to address these.	<ul style="list-style-type: none">• Able to link risk initiatives into key institutional objectives and drivers.	<ul style="list-style-type: none">• Demonstrate a high level of commitment in complying with governance requirements.	
<ul style="list-style-type: none">• Understand the structure of cooperative government but requires guidance on fostering workable relationships between stakeholders.	<ul style="list-style-type: none">• Demonstrate understanding of the techniques and processes for optimising risk taking decisions within the institution.	<ul style="list-style-type: none">• Identify, analyse and measure risk, create valid risk forecasts and map risk profiles.	<ul style="list-style-type: none">• Implement governance and compliance strategy to ensure achievement of institutional objectives within the legislative framework.	
<ul style="list-style-type: none">• Provide input into policy formulation.	<ul style="list-style-type: none">• Actively drive policy formulation within the institution to ensure the achievement of objectives.	<ul style="list-style-type: none">• Apply risk control methodology and approaches to prevent and reduce risk that impede on the achievement of institutional objectives.	<ul style="list-style-type: none">• Able to advise local government on risk management, best practice intervention and compliance management.	
		<ul style="list-style-type: none">• Demonstrate a thorough understanding of risk retention plans.• Identify and implement comprehensive risk management systems and processes.• Implement and monitor the formulation of policies, identify and analyse constraints and challenges with implementation and provide recommendations for improvement.	<ul style="list-style-type: none">• Able to forge positive relationships on cooperative governance level to enhance the effectiveness of local government.t• Able to shape, direct and drive the formulation of policies on a macro level.	



Director: Infrastructure Services
Mr Deon Louw



Municipal Manager:
Ms Geraldine Mettler

CLUSTER :	CORE COMPETENCIES			
COMPETENCY NAME :	Moral Competence			
COMPETENCY DEFINITION :	Able to identify moral triggers, apply reasoning that promotes honesty and integrity and consistently display behavior that reflects moral competence			
ACHIEVEMENT LEVELS				
BASIC	COMPETENT	ADVANCED	SUPERIOR	
<ul style="list-style-type: none">Realise the impact of acting with integrity, but requires guidance and development in implementing principles.	<ul style="list-style-type: none">Conduct self in alignment with the values of local government and the institution.	<ul style="list-style-type: none">Identify, develop and apply measures of self-correction.	<ul style="list-style-type: none">Create an environment conducive of moral practices.	
<ul style="list-style-type: none">Follow basic rules and regulations of the institution.Able to identify basic moral situations, but requires guidance and development in understanding and reasoning with moral intent.	<ul style="list-style-type: none">Able to openly admit own mistakes and weaknesses and seek assistance from others when unable to deliver.Actively report fraudulent activity and corruption with local government.	<ul style="list-style-type: none">Able to gain trust and respect through aligning actions with commitments.Make proposals and recommendations that are transparent and gain the approval of relevant stakeholders.	<ul style="list-style-type: none">Actively develop and implement measures to combat fraud and corruption.Set integrity standards and shared accountability measures across the institution to support the objectives of local government.	
	<ul style="list-style-type: none">Understand and honor the confidential nature of matters without seeking personal gain.	<ul style="list-style-type: none">Present values, beliefs and ideas that are congruent with the institution's rules and regulations.	<ul style="list-style-type: none">Take responsibility for own actions and decisions, even if the consequences are unfavorable.	
	<ul style="list-style-type: none">Able to deal with situations of conflict of interest promptly and in the best interest of local government.	<ul style="list-style-type: none">Takes an active stance against corruption and dishonesty when noted.Actively promote the value of the institution to internal and external stakeholders.Able to work in unity with a team and not seek personal gain.Apply universal moral principles consistently to achieve moral decisions.		



Director: Infrastructure Services
Mr Deon Louw



Municipal Manager:
Ms Geraldine Mettler

CLUSTER :	CORE COMPETENCIES		
COMPETENCY NAME :	Planning and Organising		
COMPETENCY DEFINITION :	Able to plan, prioritise and organise information and resources effectively to ensure the quality of service delivery and build efficient contingency plans to manage risk.		
ACHIEVEMENT LEVELS			
BASIC	COMPETENT	ADVANCED	SUPERIOR
<ul style="list-style-type: none">• Able to follow basic plans and organise tasks around set objectives.	<ul style="list-style-type: none">• Actively and appropriately organise information and resources required for a task.	<ul style="list-style-type: none">• Able to define institutional objectives, develop comprehensive plans, integrate and coordinate activities and assign appropriate resources for successful implementation.	<ul style="list-style-type: none">• Focus on broad strategies and initiatives when developing plans and actions.
<ul style="list-style-type: none">• Understand the process of planning and organising but requires guidance and development in providing detailed and comprehensive plans.	<ul style="list-style-type: none">• Recognise the urgency and importance of tasks.	<ul style="list-style-type: none">• Identify in advance required stages and actions to complete tasks.	<ul style="list-style-type: none">• Able to protect and forecast short, medium and long term requirements of the institution and local government.
<ul style="list-style-type: none">• Able to follow existing plans and ensure that objectives are met.	<ul style="list-style-type: none">• Balance short and long-term plans and goals and incorporate into the team's performance objectives.	<ul style="list-style-type: none">• Schedule realistic timelines, objectives and milestones for tasks and projects.	<ul style="list-style-type: none">• Translate policy into relevant projects to facilitate the achievement of institutional objectives.
<ul style="list-style-type: none">• Focus on short-term objectives in developing plans and action.s	<ul style="list-style-type: none">• Schedule tasks to ensure they are performed within budget and with efficient use of time and resources.	<ul style="list-style-type: none">• Produce clear, detailed and comprehensive plans to achieve institutional objectives.	
<ul style="list-style-type: none">• Arrange information and resources required for a task, but require further structure and organization.	<ul style="list-style-type: none">• Measures progress and monitor performance results.	<ul style="list-style-type: none">• Identify possible risk factors and design and implement appropriate contingency plans.• Adapt plans in light of changing circumstances.• Prioritise tasks and projects according to their relevant urgency and importance.	



Director: Infrastructure Services
Mr Deon Louw



Municipal Manager:
Ms Geraldine Mettler

CLUSTER :	CORE COMPETENCIES		
COMPETENCY NAME :	Analysis and Innovation		
COMPETENCY DEFINITION :	Able to critically analyse information, challenges and trends to establish and implement fact-based solutions that are innovative to improve institutional processes in order to achieve key strategic objectives		
ACHIEVEMENT LEVELS			
BASIC	COMPETENT	ADVANCED	SUPERIOR
<ul style="list-style-type: none">Understand the basic operation of analysis, but lack detail and thoroughness.	<ul style="list-style-type: none">Demonstrate logical problem solving techniques and approaches and provide rationale for recommendations.	<ul style="list-style-type: none">Coaches team members on analytical and innovative approaches and techniques.	<ul style="list-style-type: none">Demonstrate complex analytical and problem solving approaches and techniques.
<ul style="list-style-type: none">Able to balance independent analysis with requesting assistance from others.	<ul style="list-style-type: none">Demonstrate objectivity, insight and thoroughness when analysing problems.	<ul style="list-style-type: none">Engage with appropriate individuals in analysing and resolving complex problems.	<ul style="list-style-type: none">Create an environment conducive to analytical and fact-based problem solving.
<ul style="list-style-type: none">Recommend new ways to perform tasks within own function.	<ul style="list-style-type: none">Able to break down complex problems into manageable parts and identify solutions.	<ul style="list-style-type: none">Identify solutions on various areas in the institution.	<ul style="list-style-type: none">Analyse, recommend solutions and monitor trends in key challenges to prevent and manage occurrence.
<ul style="list-style-type: none">Propose simple remedial interventions that marginally challenges the status quo.	<ul style="list-style-type: none">Consult internal and external stakeholders on opportunities to improve processes and service delivery.	<ul style="list-style-type: none">Formulate and implement new ideas throughout the institution.	<ul style="list-style-type: none">Create an environment that fosters innovative thinking and follows a learning organisation approach.
<ul style="list-style-type: none">Listen to the ideas and perspectives of others and explore opportunities to enhance such innovative thinking.	<ul style="list-style-type: none">Clearly communicate the benefits of new opportunities and innovative solutions and stakeholders.	<ul style="list-style-type: none">Able to gain approval and buy-in for proposed interventions from relevant stakeholders.	<ul style="list-style-type: none">Be a thought leader on innovative customer service delivery and process optimization.
	<ul style="list-style-type: none">Continuously identify opportunities to enhance internal processes.	<ul style="list-style-type: none">Identify trends and best practices in process and service delivery and propose institutional application.	<ul style="list-style-type: none">Play an active role in sharing best practice solutions and engage in national and international local government seminars and conferences.
	<ul style="list-style-type: none">Identify and analyse opportunities conducive to innovative approaches and propose remedial intervention.	<ul style="list-style-type: none">Continuously engage in research to identify client needs.	



Director: Infrastructure Services
Mr Deon Louw



Municipal Manager:
Ms Geraldine Mettler

CLUSTER :	CORE COMPETENCIES			
COMPETENCY NAME :	Knowledge and Information Management			
COMPETENCY DEFINITION :	Able to promote the generation and sharing of knowledge and information through various processes and media, in order to enhance the collective knowledge base of local government			
ACHIEVEMENT LEVELS				
BASIC	COMPETENT	ADVANCED		SUPERIOR
<ul style="list-style-type: none">• Collect, categorise and track relevant information required for specific tasks and projects.	<ul style="list-style-type: none">• Use appropriate information systems and technology to manage institutional knowledge and information sharing.	<ul style="list-style-type: none">• Effectively predict future information and knowledge management requirements and systems.		<ul style="list-style-type: none">• Create and support a vision and culture where team members are empowered to seek, gain and share knowledge and information.
<ul style="list-style-type: none">• Analyse and interpret information to draw conclusions.	<ul style="list-style-type: none">• Evaluate data from various sources and use information effectively to influence decisions and provide solutions.	<ul style="list-style-type: none">• Develop standards and processes to meet future knowledge management needs.		<ul style="list-style-type: none">• Establish partnerships across local government to facilitate knowledge management.
<ul style="list-style-type: none">• Seek new sources of information to increase the knowledge base.	<ul style="list-style-type: none">• Actively create mechanisms and structures for sharing information.	<ul style="list-style-type: none">• Share and promote best-practice knowledge management across various institutions.		<ul style="list-style-type: none">• Demonstrate a mature approach.
<ul style="list-style-type: none">• Regularly share information and knowledge with internal stakeholders and team members.	<ul style="list-style-type: none">• Use external and internal resources to research and provide relevant and cutting-edge knowledge to enhance institutional effectiveness and efficiency.	<ul style="list-style-type: none">• Establish accurate measures and monitoring systems for knowledge and information management.• Create a culture conducive of learning and knowledge sharing.• Hold regular knowledge and information sharing sessions to elicit new ideas and share best practice approaches.		<ul style="list-style-type: none">• Recognise and exploit knowledge points in interactions with internal and external stakeholders.



Director: Infrastructure Services
Mr Deon Louw



Municipal Manager:
Ms Geraldine Mettler

CLUSTER :	CORE COMPETENCIES			
COMPETENCY NAME :	Communication			
COMPETENCY DEFINITION :	Able to share information, knowledge and ideas in a clear, focused and concise manner appropriate for the audience in order to effectively convey, persuade and influence stakeholders to achieve the desired outcome.			
ACHIEVEMENT LEVELS				
BASIC	COMPETENT	ADVANCED	SUPERIOR	
<ul style="list-style-type: none">• Demonstrate an understanding for communication levers and tools appropriate for the audience, but requires guidance in utilising such tools.	<ul style="list-style-type: none">• Express ideas to individuals and groups in formal and informal settings in a manner that is interesting and motivating.	<ul style="list-style-type: none">• Effectively communicate high-risk and sensitive matters to relevant stakeholders.	<ul style="list-style-type: none">• Regarded as a specialist in negotiations and representing the institution.	
<ul style="list-style-type: none">• Express ideas in a clear and focused manner, but does not always take the audience into consideration.	<ul style="list-style-type: none">• Able to understand, tolerate and appreciate diverse perspectives, attitudes and beliefs.	<ul style="list-style-type: none">• Develop a well-defined communication strategy.	<ul style="list-style-type: none">• Able to inspire and motivate others through positive communication that is impactful and relevant.	
<ul style="list-style-type: none">• Disseminate and convey information and knowledge adequately.	<ul style="list-style-type: none">• Adapt communication content and style to suit the audience and facilitate optimal information transfer.	<ul style="list-style-type: none">• Balance political perspectives with institutional needs when communicating viewpoints on complex issues.	<ul style="list-style-type: none">• Creates an environment conducive to transparent and productive communication and critical appreciate conversations.	
	<ul style="list-style-type: none">• Deliver content in a manner that gains support, commitment and agreement from relevant stakeholders.	<ul style="list-style-type: none">• Able to effectively direct negotiations around complex.	<ul style="list-style-type: none">• Able to coordinate negotiations at different levels within local government and externally.	
	<ul style="list-style-type: none">• Compile clear, focused, concise and well-structured written documents.	<ul style="list-style-type: none">• Market and promote the institution to external stakeholders and seek to enhance a positive image of the institution.• Able to communicate with the media with high levels of moral competence and discipline.		



Director: Infrastructure Services
Mr Deon Louw



Municipal Manager:
Ms Geraldine Mettler

CLUSTER :	CORE COMPETENCIES		
COMPETENCY NAME :	Results and Quality Focus		
COMPETENCY DEFINITION :	Able to maintain high quality standards, focus on achieving results and objectives while consistently striving to exceed expectations and encourage others to meet quality standards. Further, to actively monitor and measure results and quality against identified objectives.		
ACHIEVEMENT LEVELS			
BASIC	COMPETENT	ADVANCED	SUPERIOR
<ul style="list-style-type: none">Understand quality of work but requires guidance in attending to important matters.	<ul style="list-style-type: none">Focus on high-priority actions and does not become distracted by lower-priority activities.	<ul style="list-style-type: none">Consistently verify own standards and outcomes to ensure quality output.	<ul style="list-style-type: none">Coach and guide others to exceed quality standards and results.
<ul style="list-style-type: none">Show a basic commitment to achieving the correct results.	<ul style="list-style-type: none">Display firm commitment and pride in achieving the correct results.	<ul style="list-style-type: none">Focus on the end result and avoids being distracted	<ul style="list-style-type: none">Develop challenging, client-focused goals and sets high standards for personal performance.
<ul style="list-style-type: none">Produce the minimum level of results required in the role.	<ul style="list-style-type: none">Set quality standards and design processes and tasks around achieving set standards.	<ul style="list-style-type: none">Demonstrate a determined and committed approach to achieving results and quality standards.	<ul style="list-style-type: none">Commit to exceed the results and quality standards, monitor own performance and implement remedial interventions when required.
<ul style="list-style-type: none">Produce outcomes that is of a good standard.	<ul style="list-style-type: none">Produce output of high quality.	<ul style="list-style-type: none">Follow task and projects through to completion.	<ul style="list-style-type: none">Work with team to set ambitious and challenging team goals, communicating long- and short term expectations.
<ul style="list-style-type: none">Focus on the quantity of output but requires development in incorporating the quality of work.	<ul style="list-style-type: none">Able to balance the quantity and quality and quality of results in order to achieve objectives.	<ul style="list-style-type: none">Set challenging goals and objectives to self and team and display commitment to achieving expectations.	<ul style="list-style-type: none">Take appropriate risks to accomplish goals.
<ul style="list-style-type: none">Produce quality work in general circumstances, but fails to meet expectation when under pressure.	<ul style="list-style-type: none">Monitors progress, quality of work and use of resources; provide status updates and make adjustments as needed.	<ul style="list-style-type: none">Maintain a focus on quality outputs when placed under pressure.	<ul style="list-style-type: none">Overcome setbacks and adjust action plans to realise goals.
		<ul style="list-style-type: none">Establishing institutional systems for managing and assigning work, defining responsibilities, tracking, monitoring and measuring success, evaluating and valuing the work of the institution.	<ul style="list-style-type: none">Focus people on critical activities that yield a high impact.



Director: Infrastructure Services
Mr Deon Louw



Municipal Manager:
Ms Geraldine Mettler



STELLENBOSCH
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MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

Annexure C Personal Development Plan

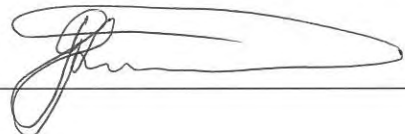
DIRECTOR: INFRASTRUCTURE SERVICES

.....
Director: Infrastructure Services
Mr Deon Louw

.....
Municipal Manager:
Ms Geraldine Mettler

Skills Performance Gap	Outcomes Expected	Suggested training and /or development activity	Suggested mode of delivery	Suggested Time Frames	Work opportunity created to practice skill/development area	Support Person
1.						
2.						
3.						

Signed and accepted by the Employee



Date: 30 / 7 / 19

Signed by the Municipal Manager on behalf of the Municipality



Date: 30 / 7 / 19

ANNEXURE 6



STELLENBOSCH

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Performance Agreement 2019 - 2020

**Director:
Community and Protection Services**

Gm

PERFORMANCE AGREEMENT

MADE AND ENTERED INTO BY AND BETWEEN
STELLENBOSCH MUNICIPALITY HEREBY REPRESENTED BY:

THE MUNICIPAL MANAGER
Ms Geraldine Mettler
(herein and after referred as Employer)

AND

DIRECTOR
Mr Gary Boshoff
(herein and after referred as Employee)

FOR THE FINANCIAL YEAR:

01 JULY 2019 - 30 JUNE 2020


.....
Director: Community and Protection Services
Mr Gary Boshoff


.....
Municipal Manager:
Ms Geraldine Mettler

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 Director: Community and Protection Services
Mr Gary Beshoff


 Municipal Manager:
Ms Geraldine Mettler

1. INTRODUCTION

- 1.1 The Employer, duly represented by **Ms Geraldine Mettler**, in her capacity as the Municipal Manager has entered into a contract of employment with the Employee, **Mr Gary Boshoff**, in terms of section 57(1)(a) of the Local Government: Municipal Systems Act 32 of 2000 ("the Systems Act"). The Employer and the Employee are hereinafter referred as "the Parties";
- 1.2 Section 57(1)(b) of the Systems Act, read with the Contract of Employment concluded between the parties, requires the Parties to conclude an annual performance agreement;
- 1.3 The Parties wish to ensure that they are clear about the goals to be achieved, and secure the commitment of the Employee to a set of outcomes that will promote local government policy goals;
- 1.4 The Parties wish to ensure that there is compliance with Sections 57(4B) and 57(5) of the Systems Act;
- 1.5 In this Agreement, the followings terms will have the meaning ascribed thereto:
- 1.5.1 "this Agreement" – means the performance agreement between the Employer and the employee and the Annexures thereto;
- 1.5.2 "the **Municipal Manager**" – means the Municipal Manager of the Municipality appointed in terms of Section 54(A) of the Systems Act;
- 1.5.3 "the Employee" means the **Director: Community and Protection Services** appointed in terms of Section 56 of the Systems Act;
- 1.5.4 "the Employer" means **Stellenbosch Municipality**; and
- 1.5.5 "the Parties" means the Employer and Employee.

2. PURPOSE OF THIS AGREEMENT

- 2.1 To comply with the provisions of Section 57(1)(b), (4B) and (5) of the Systems Act as well as the Contract of Employment entered into between the Parties;
- 2.2 To specify objectives and targets established for the Employee and to communicate to the Employee the Employer's expectations of the Employee's performance targets and accountabilities;
- 2.3 To specify accountabilities as set out in the Performance Plan (Annexure A);
- 2.4 To monitor and measure performance against set targeted outputs and outcomes;
- 2.5 To establish a transparent and accountable working relationship;

.....
Director: Community and Protection Services
Mr Gary Boshoff

.....
Municipal Manager:
Ms Geraldine Mettler

- 2.6 To appropriately reward the employee in accordance with section 11 of this agreement; and
- 2.7 To give effect to the Employer's commitment to a performance-orientated relationship with the Employee in attaining improved service delivery.

3. COMMENCEMENT AND DURATION

- 3.1 This Agreement will commence on **01 July 2019** and will remain in force until **30 June 2020** where-after a new Performance Agreement shall be concluded between the parties for the next financial year or any portion thereof;
- 3.2 The Parties will conclude a new Performance Agreement that replaces this Agreement at least once a year by not later than 31st of July of the succeeding financial year;
- 3.3 This Agreement will terminate on the termination of the Employee's contract of employment for any reason; and
- 3.4 The content of this Agreement may be revised at any time during the abovementioned period to determine the current applicability of the matters previously agreed upon.

4. PERFORMANCE OBJECTIVES

- 4.1 The Performance Plan (Annexure A) sets out –
 - 4.1.1 The performance objectives and targets that must be met by the Employee;
 - 4.1.2 The time frames within which those performance objectives and targets must be met; and
 - 4.1.3 The core competency requirements (Annexure B – definitions) as the management skills regarded as critical to the position held by the Employee.
- 4.2 The performance objectives and targets reflected in Annexure A are set by the Employer in consultation with the Employee and based on the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the Employer, and shall include:
 - 4.2.1 Key objectives that describe the main tasks that need to be done;
 - 4.2.2 Key performance indicators (KPIs) that provide the details of the evidence that must be provided to show that a key objective has been achieved;

- 4.2.3 Target dates that describe the timeframe in which the targets must be achieved; and
- 4.2.4 Weightings showing the relative importance of the key objectives to each other.
- 4.3 The Personal Development Plan (Annexure C) sets out the Employee's personal development requirements in line with the objectives and targets of the Employer; and
- 4.4 The Employee's performance will, in addition, be measured in terms of contributions to the goals and strategies set out in the Employer's Integrated Development Plan.

5. PERFORMANCE MANAGEMENT SYSTEM

- 5.1 The Employee agrees to participate in the performance management system that the Employer adopted for the employees of the Employer;
- 5.2 The Employee accepts that the purpose of the performance management system will be to provide a comprehensive system with specific performance standards to assist the employees and service providers to perform to the standards required;
- 5.3 The Employer will consult the Employee about the specific performance standards and targets that will be included in the performance management system applicable to the Employee;
- 5.4 The Employee undertakes to actively focus on the promotion and implementation of the Strategic Focus Areas (SFAs) (including special projects relevant to the employee's responsibilities) within the local government framework;
- 5.5 The criteria upon which the performance of the Employee shall be assessed shall consist of two components, SFAs and Competency Framework requirements as per the Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers, both of which shall be contained in the Performance Agreement;
- 5.6 The Employee's assessment will be based on his performance in terms of the outputs / outcomes (KPIs) identified as per attached Performance Plan (Annexure A), which are linked to the SFAs applicable to the Employee, and will constitute 80% of the overall assessment result as per the weightings agreed to between the Employer and Employee.

Strategic Focus Areas
SFA 1 – Valley of Possibility
SFA 2 - Green and Sustainable Valley

Strategic Focus Areas
SFA 3 - Safe Valley
SFA 4 - Dignified Living
SFA 5 - Good Governance and Compliance

- 5.7 The competency requirements for senior managers as per Regulation 9 of Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers will make up the other 20% of the Employee's assessment score. The competencies will be assessed every six (6) months (January and July).

Leading and Core Competencies		
1.	Strategic direction and leadership	<ul style="list-style-type: none"> Impact and influence Institutional performance management Strategic planning and management Organisational awareness
2.	People management	<ul style="list-style-type: none"> Human capital planning and development Diversity management Employee relations management Negotiation and dispute management
3.	Programme and project management	<ul style="list-style-type: none"> Programme and project planning and implementation Service delivery management Program and project monitoring and evaluation
4.	Financial management	<ul style="list-style-type: none"> Budget planning and execution Financial strategy and delivery Financial reporting and delivery
5.	Change leadership	<ul style="list-style-type: none"> Change vision and strategy Process design and improvement Change impact monitoring and evaluation
6.	Governance leadership	<ul style="list-style-type: none"> Policy formulation Risk and compliance management Cooperative governance
7.	Moral competence	<ul style="list-style-type: none"> Core Competency
8.	Planning and organising	<ul style="list-style-type: none"> Core Competency
9.	Analysis and innovation	<ul style="list-style-type: none"> Core Competency
10.	Knowledge and information management	<ul style="list-style-type: none"> Core Competency
11.	Communication	<ul style="list-style-type: none"> Core Competency
12.	Results and quality focus	<ul style="list-style-type: none"> Core Competency

6. PERFORMANCE ASSESSMENT

- 6.1 The Performance Plan (Annexure A) to this Agreement sets out –
- 6.1.1 The standards and procedures for evaluating the Employee's performance; and
- 6.1.2 The intervals for the evaluation of the Employee's performance.
- 6.2 Despite the establishment of agreed intervals for evaluation, the Employer may in addition review the Employee's performance at any stage while the contract of employment remains in force;

.....
 Director, Community and Protection Services
 Mr Gary Beshoff

.....
 Municipal Manager:
 Ms Geraldine Mettler

- 6.3 Personal growth and development needs identified during any performance review discussion must be documented in a Personal Development Plan as well as the actions agreed to and implementation must take place within set time frames;
- 6.4 The Employee's performance will be measured in terms of contributions to the goals and strategies set out in the Employer's Integrated Development Plan (IDP) as described in 6.6 – 6.12 below;
- 6.5 The Employee will submit quarterly performance reports (SDBIP) and a comprehensive annual performance report at least one week prior to the performance assessment meetings to the Evaluation Panel Chairperson for distribution to the panel members for preparation purposes;
- 6.6 Assessment of the achievement of results as outlined in the performance plan:
- 6.6.1 Each KPI or group of KPIs shall be assessed according to the extent to which the specified standards or performance targets have been met and with due regard to ad-hoc tasks that had to be performed under the KPI;
- 6.6.2 A rating on the five-point scale shall be provided for each KPI or group of KPIs which will then be multiplied by the weighting to calculate the final score;
- 6.6.3 The Employee will submit his self-evaluation to the Employer prior to the formal assessment;
- 6.6.4 In the instance where the employee could not perform due to reasons outside the control of the employer and employee, the KPI will not be considered during the evaluation. The employee should provide sufficient evidence in such instances; and
- 6.6.5 An overall score will be calculated based on the total of the scores calculated above.
- 6.7 Assessment of the Competencies:
- 6.7.1 Each Competency shall be assessed in terms of the description provided in (Annexure B);
- 6.7.2 A rating shall be provided for each Competency which will then be multiplied by the weighting to calculate the final score; and
- 6.7.3 An overall score will be calculated based on the total of the scores calculated above.

6.8 Overall rating

6.8.1 An overall rating is calculated by adding the overall scores as calculated in 6.6.5 and 6.7.3 above; and

6.8.2 Such overall rating represents the outcome of the performance appraisal.

6.9 The assessment of the performance of the Employee will be based on the following rating scales for SFAs and Competencies respectively:

6.9.1 Rating scale for SFAs - as mentioned in paragraph 5.6:

Level	Terminology	Description
5	Outstanding performance	Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the Employee has achieved above fully effective results against all performance criteria and indicators as specified in the PA and Performance plan and maintained this in all areas of responsibility throughout the year.
4	Performance significantly above expectations	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the Employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.
3	Fully effective	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the Employee has fully achieved effective results against all significant performance criteria and indicators as specified in the PA and Performance Plan.
2	Not fully effective	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the PA and Performance Plan.
1	Unacceptable performance	Performance does not meet the standard expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against almost all the performance criteria and indicators as specified in the PA and Performance Plan. The employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement.

6.9.2 Rating scale for Competencies -as mentioned in paragraph 5.7:

Level	Achievement Levels	Description
5	Superior	Has a comprehensive understanding of local government operations, critical in shaping strategic direction and change, develops, and applies comprehensive concepts and methods
4	Advanced	Develops and applies complex concepts, methods and understanding. Effectively directs and leads a group and executes in-depth analyses

Level	Achievement Levels	Description
3	Competent	Develops and applies more progressive concepts, methods and understanding. Plans and guides the work of others and executes progressive analyses
2	Basic	Applies basic concepts, methods, and understanding of local government operations, but requires supervision and development intervention
1	Sub Standard	Applies little to no basic concepts, methods, and understanding of local government operations.

6.10 For purposes of evaluating the performance of the Employee for the year-end reviews, an evaluation panel constituted of the following persons will be established–

6.10.1 Municipal Manager;

6.10.2 Municipal Manager from another municipality;

6.10.3 Chairperson of the Performance Audit Committee or in his/her absence thereof, the Chairperson of the Audit Committee; and

6.10.4 The Member of the Mayoral Committee (Portfolio Chairperson).

6.11 The Municipal Manager will evaluate the performance of the Employee as at the end of the 1st, and 3rd quarters; and

6.12 The Municipal Manager will give performance feedback to the Employee within five (5) working days after each quarterly and annual assessment meeting.

7. SCHEDULE FOR PERFORMANCE REVIEWS

7.1 The performance of the Employee in relation to his performance agreement shall be reviewed on the following dates.

Quarter	Review Period	Review to be completed by
1	July - September	October / November 2019 (Informal)
2	October – December	January / February 2020 (Formal)
3	January – March	April / May 2020 (Informal)
4	April - June	After the receipt of the AG's Management Report

7.2 The Employer shall keep a record of the mid-year and year-end assessment meetings;

7.3 Performance feedback shall be based on the Employer's assessment of the Employee's performance;

7.4 The Employer will be entitled to review and make reasonable changes to the provisions of Annexure A from time to time for operational reasons. The Employee will be fully consulted before any such change is made; and

- 7.5 The Employer may amend the provisions of Annexure A whenever the performance management system is adopted, implemented, and/or amended as the case may be. In that case, the Employee will be fully consulted before any such change is made.

8. DEVELOPMENTAL REQUIREMENTS

- 8.1 The Personal Development Plan (PDP) for addressing developmental gaps is attached as Annexure C. Such Plan may be implemented and/or amended as the case may be after each assessment. In that case, the Employee will be fully consulted before any such change or plan is made.

9. OBLIGATIONS OF THE EMPLOYER

- 9.1 The Employer shall-
- 9.1.1 Create an enabling environment to facilitate effective performance by the employee;
 - 9.1.2 Provide access to skills development and capacity building opportunities;
 - 9.1.3 Work collaboratively with the Employee to solve problems and generate solutions to common problems that may impact on the performance of the Employee;
 - 9.1.4 On the request of the Employee delegate such powers reasonably required by the Employee to enable him to meet the performance objectives and targets established in terms of this Agreement; and
 - 9.1.5 Make available to the Employee such resources as the Employee may reasonably require from time to time assisting him to meet the performance objectives and targets established in terms of this Agreement.

10. CONSULTATION

- 10.1 The Employer agrees to consult the Employee timeously where the exercising of its powers will have amongst others-
- 10.1.1 A direct effect on the performance of any of the Employee's functions;
 - 10.1.2 Commit the Employee to implement or to give effect to a decision made by the Employer; and
 - 10.1.3 A substantial financial effect on the Employer.

- 10.2 The Employer agrees to inform the Employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated in clause 12.1 as soon as is practicable to enable the Employee to take any necessary action with delay.

11. REWARD

- 11.1 The evaluation of the Employee's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance;
- 11.2 The payment of the performance bonus is determined by the performance score obtained during the 4th quarter and as informed by the quarterly performance assessments;
- 11.3 A performance bonus of between 5% to 14% of the all- inclusive annual remuneration package may be paid to the Employee in recognition of outstanding performance to be constituted as follows:

Performance Rating		Bonus Calculation
0% - 64%	Poor Performance	0% of total package
65% - 69%	Average Performance	5% of total package
70% - 74%	Fair Performance	9% of total package
75% - 79%	Good Performance	11% of total package
80% - 100%	Excellent Performance	14% of total package

- 11.4 In the event of the Employee terminating his services during the validity period of this Agreement, the Employee's performance will be evaluated for the portion during which he was employed and he will be entitled to a pro-rata performance bonus based on his evaluated performance for the period of actual service; and
- 11.5 The Employer will submit the total score of the annual assessment and of the Employee, to full Council for purposes of recommending the bonus allocation.

12. MANAGEMENT OF EVALUATION OUTCOMES

- 12.1 Where the Employer is, any time during the Employee's employment, not satisfied with the Employee's performance with respect to any matter dealt with in this Agreement, the Employer will give notice to the Employee to attend a meeting;
- 12.2 The Employee will have the opportunity at the meeting to satisfy the Employer of the measures being taken to ensure that his performance becomes satisfactory and any programme, including any dates, for implementing these measures;
- 12.3 Where there is a dispute or difference as to the performance of the Employee under this Agreement, the Parties will confer with a view to resolving the dispute or difference; and

- 12.4 In the case of unacceptable performance, the Employer shall –
- 12.4.1 Provide systematic remedial or developmental support to assist the Employee to improve his performance; and
 - 12.4.2 After appropriate performance counselling and having provided the necessary guidance and/or support as well as reasonable time for improvement in performance, the Employer may consider steps to terminate the contract of employment of the Employee on grounds of unfitness or incapacity to carry out his or her duties.

13. DISPUTE RESOLUTION

- 13.1 In the event that the Employee is dissatisfied with any decision or action of the Employer in terms of this Agreement, or where a dispute or difference arises as to the extent to which the Employee has achieved the performance objectives and targets established in terms of this Agreement, the Employee may within 3 (three) business days, meet with the Employer with a view to resolving the issue. The Employer will record the outcome of the meeting in writing;
- 13.2 If the Parties cannot resolve the issues within 10 (ten) business days, an independent arbitrator, acceptable to both parties, shall be appointed to resolve the matter within 30 (thirty) business days; and
- 13.3 In the event that the mediation process contemplated above fails, the relevant clause of the Contract of Employment together with the relevant laws and regulations shall apply.

14. GENERAL

- 14.1 The contents of this agreement and the outcome of any review conducted in terms of Annexure A may be made available to the public by the Employer; and
- 14.2 Nothing in this agreement diminishes the obligations, duties, or accountabilities of the Employee in terms of his contract of employment, or the effects of existing or new regulations, circulars, policies, directives, or other instruments.

Thus, done and signed at Stellenbosch on the 30th day of 2019.



DIRECTOR: COMMUNITY AND PROTECTION SERVICES

AS WITNESSES:

1.



2.



Thus, done and signed at Stellenbosch on the 30th day of 2019.



MUNICIPAL MANAGER

AS WITNESSES:

1.

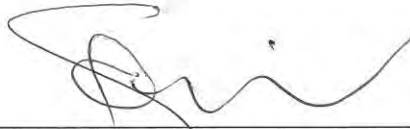


2.




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Director: Community and Protection Services
Mr Gary Boshoff


.....
Municipal Manager:
Ms Geraldine Mettler



MEMBER OF MAYORAL COMMITTEE

(Portfolio: Community and Protection Services)



MEMBER OF MAYORAL COMMITTEE

(Portfolio: Parks, Open Spaces and Environment)

Cllr XL Mdemka



MEMBER OF MAYORAL COMMITTEE

(Portfolio: Youth, Sport and Culture)

Cllr MM Pietersen



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Annexure A Performance Plan

DIRECTOR: COMMUNITY AND PROTECTION SERVICES


.....
Director: Community and Protection Services
Mr Gary Boshoff

- 1 -


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Municipal Manager:
Ms Geraldine Mettler

The Performance Plan sets out:

- Key Performance Areas that the employee should focus on, performance objectives, key performance indicators and targets that must be met within a specific timeframe; and
- The Competencies required from employees prescribed in the Regulations on the appointment and conditions of employment of senior managers, R21 of 2014.

KEY PERFORMANCE INDICATORS

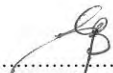
The key performance areas, the performance objectives, key performance indicators and targets that must be met within the agreed timeframe are described below. The assessment of these performance indicators will account for 80% (**eighty percent**) of the total employee assessment score.

Part 1: Implementation of Service Delivery and Budget Implementation Plan (80%)

DIRECTOR: COMMUNITY AND PROTECTION SERVICES														
IDP/ Ref No.	Strategic Focus Area (SFA)	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator type	Baseline (Actual 2017/2018)	5 Year Target	2019/20	Portfolio of evidence (POE)	Funding Source	Service Delivery and Budget Implementation Plan (SDBIP 2019/20)				weight
										Q1	Q2	Q3	Q4	
TBC	Good governance and Compliance	Effective Management and Functional Supervision of the Department: Protection Services	Percentage of indicators of the Department: Protection Services achieved, measured quarterly	Outcome	New indicator	90% per annum	90%	Ignite dashboard report per Department/ Section	SM	90%	90%	90%	90%	2

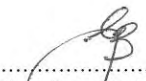
DIRECTOR: COMMUNITY AND PROTECTION SERVICES														
IDP/ Ref No.	Strategic Focus Area (SFA)	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator type	Baseline (Actual 2017/2018)	5 Year Target	2019/20	Portfolio of evidence (POE)	Funding Source	Service Delivery and Budget Implementation Plan (SDBIP 2019/20)				Weight
										Q1	Q2	Q3	Q4	
TBC	Good governance and Compliance	Effective Management and Functional Supervision of the Department: Community Services	Percentage of indicators of the Department: Community Services achieved, measured quarterly	Outcome	New indicator	90% per annum	90%	Ignite dashboard report per Department/ Section	SM	90%	90%	90%	90%	2
TBC	Good governance and Compliance	Effective Management and Functional Supervision of the Section: Community Development	Percentage of indicators of the Section: Community Development achieved, measured quarterly	Outcome	New indicator	90% per annum	90%	Ignite dashboard report per Department/ Section	SM	90%	90%	90%	90%	2
KPI025	SFA 3: Safe Valley	Revised Disaster Management Plan submitted to the MayCo	Number of Revised Disaster Management Plans submitted to the MayCo by 31 May	Output	1	1 per annum	1	Proof of submission of the Disaster Management Plan to the MayCo	SM	N/A	N/A	N/A	1	4
KPI026	SFA 3: Safe Valley	Revised Safety and Security Strategy submitted to the MayCo	Number of Revised Safety and Security Strategies submitted to the MayCo by 30 June	Output	New indicator	1 per annum	1	Proof of submission of the Revised Safety and Security Strategy to the MayCo	SM	N/A	N/A	N/A	1	5
KPI027	SFA 3: Safe Valley	Revised Traffic Management Plan submitted to the MayCo	Number of Revised Traffic Management Plans submitted to the MayCo by 30 September	Output	0	1 per annum	1	Proof of submission of the Revised Traffic Management Plan to the MayCo	SM	1	N/A	N/A	N/A	2

DIRECTOR: COMMUNITY AND PROTECTION SERVICES														
IDP/ Ref No.	Strategic Focus Area (SFA)	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator type	Baseline (Actual 2017/2018)	5 Year Target	2019/20	Portfolio of evidence (POE)	Funding Source	Service Delivery and Budget Implementation Plan (SDBIP 2019/20)				Weight
										Q1	Q2	Q3	Q4	
KPI078	Green and Sustainable Valley	Submission of the Revised Facility Management Plan to the MayCo	Number of Revised Facility Management Plans submitted to the MayCo by 31 May	Output	New indicator	1 per annum	1	Proof of submission of the Revised Facility Management Plan to the MayCo	SM	N/A	N/A	N/A	1	4
KPI079	Green and Sustainable Valley	Submission of a Tree Management Policy to the MayCo	Number of Tree Management Policies submitted to the MayCo by 30 September	Output	New indicator	1 per annum	1	Proof of submission of the Tree Management Policy to the MayCo	SM	1	N/A	N/A	N/A	4
TBC	Good governance and Compliance	Spend the Directorate: Community and Protection Services approved Capital Budget	Percentage of approved Capital Budget of the Directorate: Community and Protection Services actually spent by 30 June	Input	75.70%	90% per annum	90%	Report from the financial system	SM	10%	30%	60%	90%	20
TBC	Good governance and Compliance	Capital spending committed on the financial management system	Percentage the approved Capital Budget committed by on the financial system by 31 March (30% by September, 60% by December and 90% by March)	Input	New indicator	90% per annum	90%	Report from the financial system	SM	30%	60%	90%	N/A	3


 Director: Community and Protection Services
 Mr Gary Boshoff


 Municipal Manager:
 Ms Geraldine Mettler

DIRECTOR: COMMUNITY AND PROTECTION SERVICES														
IDP/ Ref No.	Strategic Focus Area (SFA)	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator type	Baseline (Actual 2017/2018)	5 Year Target	2019/20	Portfolio of evidence (POE)	Funding Source	Service Delivery and Budget Implementation Plan (SDBIP 2019/20)				Weight
										Q1	Q2	Q3	Q4	
TBC	Good governance and Compliance	Submission of final bid specifications for all capital projects to the Bid Specification Committee (BSC) (2019/20)	Percentage of final bid specifications for all capital projects submitted to the BSC by 30 September (50% by 31 July and 100% by 30 September)	Output	New indicator	100% per annum	100%	Reconciliation report from SCM	SM	100%	N/A	N/A	N/A	5
TBC	Good governance and Compliance	Submission of final bid specifications for all capital projects to the Bid Specification Committee (BSC) (2020/21)	Percentage of final bid specifications for all capital projects submitted to the BSC by 30 June (50% by 31 March 2020 and 100% by 30 June 2020. For the 2020/21 financial year)	Output	New indicator	100% per annum	100%	Reconciliation report from SCM	SM	N/A	N/A	50%	100%	5
TBC	Good governance and Compliance	Submission of detailed procurement needs for all operational projects to the Supply Chain Management (SCM) Department	Number of quarterly detailed procurement needs submitted to SCM 10 days before start of the quarter	Output	New indicator	4 per annum	4	Proof of submission to SCM	WS	1 (1)	1 (2)	1 (3)	1 (4)	3
TBC	Good governance and Compliance	Performance agreements signed with all identified personnel	Number of performance agreements signed by 31 August	Output	100%	3 per annum	3	Signed performance agreements submitted to the PMS Unit	SM	3	N/A	N/A	N/A	3


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DIRECTOR: COMMUNITY AND PROTECTION SERVICES

IDP/ Ref No.	Strategic Focus Area (SFA)	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator type	Baseline (Actual 2017/2018)	5 Year Target	2019/20	Portfolio of evidence (POE)	Funding Source	Service Delivery and Budget Implementation Plan (SDBIP 2019/20)				Weight
										Q1	Q2	Q3	Q4	
TBC	Good governance and Compliance	Conduct formal performance evaluations with all identified personnel	Number of formal performance evaluations conducted with all identified personnel by 30 June	Output	100%	6 per annum	6	Ignite performance evaluations reports	SM	N/A	3 (3)	N/A	3 (6)	3
TBC	Good governance and Compliance	Develop Annual Departmental Risk Register	Number of Annual Risk Registers developed by 31 July	Output	New indicator	1 per annum	1	Annual Departmental Risk Register submitted to the Risk Management Unit	SM	N/A	N/A	N/A	1	2
TBC	Good governance and Compliance	Evaluation of the Departmental Risk Register	Number of Departmental Risk Registers evaluated by 31 May	Output	New indicator	2 per annum	2	Proof of risk evaluations submitted to the Risk Management Unit	SM	N/A	1 (1)	N/A	1 (2)	3
TBC	Good governance and Compliance	Implementation of Council resolutions	Percentage of resolutions implemented measured quarterly	Output	70%	70% per annum	100%	Council Resolution Register	SM	70%	70%	70%	70%	4
TBC	Good governance and Compliance	Attendance of quarterly Occupation Health and Safety (OHS) meetings	Number of quarterly OHS meetings attended by the Director or seconded	Output	New indicator	4 per annum	4	OHS attendance registers	SM	1 (1)	1 (2)	1 (3)	1 (4)	4


 Director: Community and Protection Services
 Mr Gary Boshoff


 Municipal Manager:
 Ms Geraldine Mettler

Part 2: Competency Requirements (20%)

Ref	Leading and Core Competencies	(January) 1 st Assessment	(July) Final Assessment	Weights	Comments
2.1	Strategic direction and leadership			1.66%	
2.2	People management			1.66%	
2.3	Programme and project management			1.66%	
2.4	Financial management			1.66%	
2.5	Change leadership			1.67%	
2.6	Governance leadership			1.67%	
2.7	Moral competence			1.67%	
2.8	Planning and organising			1.67%	
2.9	Analysis and innovation			1.67%	
2.10	Knowledge and information management			1.67%	
2.11	Communication			1.67%	
2.12	Results and quality focus			1.67%	
Total				20%	

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 Director: Community and Protection Services
 Mr Gary Boshoff

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 Municipal Manager:
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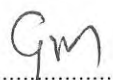
Annexure B

Competency Framework

DIRECTOR: COMMUNITY AND PROTECTION SERVICES


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Director: Community and Protection Services
Mr Gary Boshoff

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Municipal Manager:
Ms Geraldine Mettler

CLUSTER :	LEADING COMPETENCIES			
COMPETENCY NAME :	Strategic Direction and Leadership			
COMPETENCY DEFINITION :	Provide and direct a vision for the institution, and inspire and deploy others to deliver on the strategic institutional mandate.			
ACHIEVEMENT LEVELS				
BASIC	COMPETENT	ADVANCED		SUPERIOR
<ul style="list-style-type: none">Understand Institutional and departmental strategic objectives, but lacks the ability to inspire others to achieve set mandate.	<ul style="list-style-type: none">Give direction to a team in realising the institution's strategic mandate and set objectives.	<ul style="list-style-type: none">Evaluate all activities to determine value and alignment to strategic intent.		<ul style="list-style-type: none">Structure and position the institution to local government priorities.
<ul style="list-style-type: none">Describe how specific tasks link to institutional strategies but has limited influence in directing a strategy.	<ul style="list-style-type: none">Has a positive impact and influence on the morale, engagement and participation of team members.	<ul style="list-style-type: none">Display in-depth knowledge and understanding of strategic planning.		<ul style="list-style-type: none">Actively use in-depth knowledge and understanding to develop and implement a comprehensive institutional framework.
<ul style="list-style-type: none">Has a basic understanding of institutional performance management, but lacks the ability to integrate systems into a collective whole.	<ul style="list-style-type: none">Develop action plans to execute and guide strategy.	<ul style="list-style-type: none">Align strategy and goals across all functional areas.		<ul style="list-style-type: none">Hold self-accountable for strategy execution and results.
<ul style="list-style-type: none">Demonstrate basic understanding of key decision makers.	<ul style="list-style-type: none">Assist in defining performance measures to monitor the progress and effectiveness of the institution.	<ul style="list-style-type: none">Actively define performance measures to monitor the progress and effectiveness of the institution.		<ul style="list-style-type: none">Provide impact and influence through building and maintaining strategic relationships.
	<ul style="list-style-type: none">Displays an awareness of institutional structures and political factors.	<ul style="list-style-type: none">Consistently challenge strategic plans to ensure relevance.		<ul style="list-style-type: none">Create an environment that facilitates loyalty and innovation. Display a superior level of self-discipline and integrity in actions.
	<ul style="list-style-type: none">Effectively communicate barriers to execution to relevant parties.	<ul style="list-style-type: none">Understand institutional structures and political factors, and the consequences of actions.		<ul style="list-style-type: none">Integrate various systems into a collective whole to optimise institutional performance management.
	<ul style="list-style-type: none">Provide guidance to all stakeholders in the achievement of the strategic mandate.	<ul style="list-style-type: none">Empower others to follow the strategic direction and deal with complex situations.		<ul style="list-style-type: none">Uses understanding of competing interests to maneuver successfully to a win/win outcome.
	<ul style="list-style-type: none">Understand the aim and objectives of the institution and relate it to own work.	<ul style="list-style-type: none">Guide the institution through complex and ambiguous concern.Use understanding of power relationships and dynamic tensions among key players to frame communications and develop strategies, positions and alliances.		

CLUSTER :	LEADING COMPETENCIES		
COMPETENCY NAME :	People Management		
COMPETENCY DEFINITION :	Effectively manage, inspire and encourage people, respect diversity, optimise talent and build and nurture relationships in order to achieve institutional objectives.		
ACHIEVEMENT LEVELS			
BASIC	COMPETENT	ADVANCED	SUPERIOR
<ul style="list-style-type: none">Participate in team goalsetting and problem solving.	<ul style="list-style-type: none">Seek opportunities to increase team contribution and responsibility.	<ul style="list-style-type: none">Identify ineffective team and work processes and recommend remedial interventions.	<ul style="list-style-type: none">Develop and incorporate best practice people management processes, approaches and tools across the institution.
<ul style="list-style-type: none">Interact and collaborate with people of diverse backgrounds.Aware of guidelines for employee development, but requires support in implementing development initiatives.	<ul style="list-style-type: none">Respect and support the diverse nature of others and be aware of the benefits of a diverse approach.Effectively delegate tasks and empower others to increase contribution and execute functions optimally.	<ul style="list-style-type: none">Recognise and reward effective and desired behavior.Provide mentoring and guidance to others in order to increase personal effectiveness.	<ul style="list-style-type: none">Foster a culture of discipline, responsibility and accountability.Understand the impact of diversity in performance and actively incorporate a diversity strategy in the institution.
	<ul style="list-style-type: none">Apply relevant employee legislation fairly and consistently.	<ul style="list-style-type: none">Identify development and learning needs within the team.	<ul style="list-style-type: none">Develop comprehensive integrated strategies and approaches to human capital development and management.
	<ul style="list-style-type: none">Effectively identify capacity requirements to fulfill the strategic mandate.	<ul style="list-style-type: none">Inspire a culture of performance excellence by giving positive and constructive feedback to the team.Achieve agreement or consensus in adversarial environments.Lead and unite diverse teams across divisions to achieve institutional objectives.	<ul style="list-style-type: none">Actively identify trends and predict capacity requirements to facilitate unified transition and performance management.

CLUSTER :	LEADING COMPETENCIES			
COMPETENCY NAME :	Program and Project Management			
COMPETENCY DEFINITION :	Able to understand program and project management methodology; plan, manage, monitor and evaluate specific activities in order to deliver on set objectives.			
ACHIEVEMENT LEVELS				
BASIC	COMPETENT	ADVANCED	SUPERIOR	
<ul style="list-style-type: none">Initiate projects after approval from higher authorities.	<ul style="list-style-type: none">Establish broad stakeholder involvement and communicate the project status and key milestones.	<ul style="list-style-type: none">Manage multiple programs and balance priorities and conflicts according to institutional goals.	<ul style="list-style-type: none">Understand and conceptualize the long-term implications of desired project outcomes.	
<ul style="list-style-type: none">Understand procedures of program and project management methodology, implications and stakeholder involvement.	<ul style="list-style-type: none">Define the roles and responsibilities of the project team and create clarity around expectations.	<ul style="list-style-type: none">Apply effective risk management strategies through impact assessment and resource requirements.	<ul style="list-style-type: none">Direct a comprehensive strategic macro and micro analysis and scope projects accordingly to realize institutional objectives.	
<ul style="list-style-type: none">Understand the rational of projects in relation to the institution's strategic objectives.	<ul style="list-style-type: none">Find a balance between project deadline and the quality of deliverables.	<ul style="list-style-type: none">Modify project scope and budget when required without compromising the quality and objectives of the project.	<ul style="list-style-type: none">Influence people in positions of authority to implement outcomes of projects.	
<ul style="list-style-type: none">Document and communicate factors and risk associated with own work.	<ul style="list-style-type: none">Identify appropriate project resources to facilitate the effective completion of the deliverables.	<ul style="list-style-type: none">Involve top-level authorities and relevant stakeholders in seeking project buy-in.	<ul style="list-style-type: none">Lead and direct translation of policy into workable action plans	
<ul style="list-style-type: none">Use results and approaches of successful project implementation as guide.	<ul style="list-style-type: none">Comply with statutory requirements and apply policies in a consistent manner.Monitor progress and use of resources and make needed adjustments to timelines, steps and resource allocation.	<ul style="list-style-type: none">Identify and apply contemporary project management methodologyInfluence and motivate project team to deliver exceptional results.Monitor policy implementation and apply procedures to manage risks.	<ul style="list-style-type: none">Ensures that programs are monitored to track progress and optimal resource utilization, and that adjustments are made as needed.	

CLUSTER :	LEADING COMPETENCIES			
COMPETENCY NAME :	Financial Management			
COMPETENCY DEFINITION :	Able to compile, plan and manage budgets, control cash flow, institute financial risk management and administer procurement processes in accordance with recognized financial practices. Further to ensure that all financial transactions are managed in an ethical manner			
ACHIEVEMENT LEVELS				
BASIC	COMPETENT	ADVANCED	SUPERIOR	
<ul style="list-style-type: none">Understand basic financial concepts and methods as they relate to institutional processes and activities	<ul style="list-style-type: none">Exhibit knowledge of general financial concepts, planning, budgeting and forecasting and how they interrelate	<ul style="list-style-type: none">Take active ownership of planning, budgeting and forecasting processes and provides credible answers to queries within own responsibility.	<ul style="list-style-type: none">Develop planning tools to assist in evaluating and monitoring future expenditure trends.	
<ul style="list-style-type: none">Display awareness into the various sources of financial data, reporting mechanisms, financial governance, processes and systems	<ul style="list-style-type: none">Assess, identify and manage financial risks.	<ul style="list-style-type: none">Prepare budgets that are aligned to the strategic objectives of the institution.	<ul style="list-style-type: none">Set budget frameworks for the institution.	
<ul style="list-style-type: none">Understand the importance of financial accountability	<ul style="list-style-type: none">Assume a cost-saving approach to financial management.	<ul style="list-style-type: none">Address complex budgeting and financial management concerns.	<ul style="list-style-type: none">Set strategic direction for the institution on expenditure and other financial processes.	
<ul style="list-style-type: none">Understand the importance of asset control.	<ul style="list-style-type: none">Prepare financial reports based on specified formats.	<ul style="list-style-type: none">Put systems and processes in place to enhance the quality and integrity of financial management practices.	<ul style="list-style-type: none">Build and nurture partnerships to improve financial management and achieve financial savings.	
	<ul style="list-style-type: none">Consider and understand the financial implications of decisions and suggestions.	<ul style="list-style-type: none">Advise on policies and procedures regarding asset control.	<ul style="list-style-type: none">Actively identify and implement new methods to improve asset control.	
	<ul style="list-style-type: none">Ensure that delegation and instructions as required by National Treasury guidelines are reviewed and updated.Identify and implement proper monitoring and evaluation practices to ensure appropriate spending against budget.	<ul style="list-style-type: none">Promote National Treasury's regulatory framework for Financial Management.	<ul style="list-style-type: none">Display professionalism in dealing with financial data and processes.	

CLUSTER :	LEADING COMPETENCIES		
COMPETENCY NAME :	Change Leadership		
COMPETENCY DEFINITION :	Able to direct and initiate institutional transformation on all levels in order to successfully drive and implement new initiatives and deliver professional and quality services to the community.		
ACHIEVEMENT LEVELS			
BASIC	COMPETENT	ADVANCED	SUPERIOR
<ul style="list-style-type: none">• Display an awareness of change interventions and the benefits of transformation initiatives.	<ul style="list-style-type: none">• Perform an analysis of the change impact on the social, political and economic environment.	<ul style="list-style-type: none">• Actively monitor change impact and results and convey progress to relevant stakeholders.	<ul style="list-style-type: none">• Sponsor change agents and create a network of change leaders who support the interventions.
<ul style="list-style-type: none">• Able to identify basic needs for change.	<ul style="list-style-type: none">• Maintain calm and focus during change.	<ul style="list-style-type: none">• Secure buy-in and sponsorship for change initiatives.	<ul style="list-style-type: none">• Actively adapt current structures and processes to incorporate the change interventions.
<ul style="list-style-type: none">• Identify gaps between the current and desired state.	<ul style="list-style-type: none">• Able to assist team members during change and keep them focused on the deliverables.	<ul style="list-style-type: none">• Continuously evaluate change strategy and design and introduce new approaches to enhance the institution's effectiveness.	<ul style="list-style-type: none">• Mentor and guide team members on the effects of change, resistance factors and how to integrate change.
<ul style="list-style-type: none">• Identify potential risk and challenges to transformation, including resistance to change factors.	<ul style="list-style-type: none">• Volunteer to lead change efforts outside of own work team.	<ul style="list-style-type: none">• Build and nurture relationships with various stakeholders to establish strategic alliance in facilitating change.	<ul style="list-style-type: none">• Motivate and inspire others around change initiatives.
<ul style="list-style-type: none">• Participate in change programs and piloting change interventions.	<ul style="list-style-type: none">• Able to gain buy-in and approval for change from relevant stakeholders.	<ul style="list-style-type: none">• Take the lead in impactful change programs.	
<ul style="list-style-type: none">• Understand the impact of change interventions on the institution within the broader scope of local government.	<ul style="list-style-type: none">• Identify change readiness levels and assist in resolving resistance to change factors.	<ul style="list-style-type: none">• Benchmark change interventions against best change practices.	
	<ul style="list-style-type: none">• Design change interventions that are aligned with the institution's strategic objectives and goals.	<ul style="list-style-type: none">• Understand the impact and psychology of change and put remedial interventions in place to facilitate effective transformation.• Take calculated risk and seek new ideas from best practice scenarios and identify the potential for implementation.	

CLUSTER :	LEADING COMPETENCIES			
COMPETENCY NAME :	Governance Leadership			
COMPETENCY DEFINITION:	Able to promote, direct and apply professionalism in managing risk and compliance requirements and apply a thorough understanding of governance practices and obligations. Further, able to direct the conceptualization of relevant policies and enhance cooperative governance relationships.			
ACHIEVEMENT LEVELS				
BASIC	COMPETENT	ADVANCED	SUPERIOR	
<ul style="list-style-type: none">• Display a basic awareness of risk, compliance and governance factors but require guidance and development in implementing such requirements.	<ul style="list-style-type: none">• Display a thorough understanding of governance and risk and compliance factors and implement plans to address these.	<ul style="list-style-type: none">• Able to link risk initiatives into key institutional objectives and drivers.	<ul style="list-style-type: none">• Demonstrate a high level of commitment in complying with governance requirements.	
<ul style="list-style-type: none">• Understand the structure of cooperative government but requires guidance on fostering workable relationships between stakeholders.	<ul style="list-style-type: none">• Demonstrate understanding of the techniques and processes for optimising risk taking decisions within the institution.	<ul style="list-style-type: none">• Identify, analyse and measure risk, create valid risk forecasts and map risk profiles.	<ul style="list-style-type: none">• Implement governance and compliance strategy to ensure achievement of institutional objectives within the legislative framework.	
<ul style="list-style-type: none">• Provide input into policy formulation.	<ul style="list-style-type: none">• Actively drive policy formulation within the institution to ensure the achievement of objectives.	<ul style="list-style-type: none">• Apply risk control methodology and approaches to prevent and reduce risk that impede on the achievement of institutional objectives.	<ul style="list-style-type: none">• Able to advise local government on risk management, best practice interventions and compliance management.	
		<ul style="list-style-type: none">• Demonstrate a thorough understanding of risk retention plans.• Identify and implement comprehensive risk management systems and processes.• Implement and monitor the formulation of policies, identify and analyse constraints and challenges with implementation and provide recommendations for improvement.	<ul style="list-style-type: none">• Able to forge positive relationships on cooperative governance level to enhance the effectiveness of local government.t• Able to shape, direct and drive the formulation of policies on a macro level.	

CLUSTER :	CORE COMPETENCIES			
COMPETENCY NAME :	Moral Competence			
COMPETENCY DEFINITION :	Able to identify moral triggers, apply reasoning that promotes honesty and integrity and consistently display behavior that reflects moral competence			
ACHIEVEMENT LEVELS				
BASIC	COMPETENT	ADVANCED	SUPERIOR	
<ul style="list-style-type: none">Realise the impact of acting with integrity, but requires guidance and development in implementing principles.	<ul style="list-style-type: none">Conduct self in alignment with the values of local government and the institution.	<ul style="list-style-type: none">Identify, develop and apply measures of self-correction.	<ul style="list-style-type: none">Create an environment conducive of moral practices.	
<ul style="list-style-type: none">Follow basic rules and regulations of the institution.Able to identify basic moral situations, but requires guidance and development in understanding and reasoning with moral intent.	<ul style="list-style-type: none">Able to openly admit own mistakes and weaknesses and seek assistance from others when unable to deliver.Actively report fraudulent activity and corruption with local government.	<ul style="list-style-type: none">Able to gain trust and respect through aligning actions with commitments.Make proposals and recommendations that are transparent and gain the approval of relevant stakeholders.	<ul style="list-style-type: none">Actively develop and implement measures to combat fraud and corruption.Set integrity standards and shared accountability measures across the institution to support the objectives of local government.	
	<ul style="list-style-type: none">Understand and honor the confidential nature of matters without seeking personal gain.	<ul style="list-style-type: none">Present values, beliefs and ideas that are congruent with the institution's rules and regulations.	<ul style="list-style-type: none">Take responsibility for own actions and decisions, even if the consequences are unfavorable.	
	<ul style="list-style-type: none">Able to deal with situations of conflict of interest promptly and in the best interest of local government.	<ul style="list-style-type: none">Takes an active stance against corruption and dishonesty when noted.Actively promote the value of the institution to internal and external stakeholders.Able to work in unity with a team and not seek personal gain.Apply universal moral principles consistently to achieve moral decisions.		

CLUSTER :	CORE COMPETENCIES			
COMPETENCY NAME :	Planning and Organising			
COMPETENCY DEFINITION :	Able to plan, prioritise and organise information and resources effectively to ensure the quality of service delivery and build efficient contingency plans to manage risk.			
ACHIEVEMENT LEVELS				
BASIC	COMPETENT	ADVANCED		SUPERIOR
<ul style="list-style-type: none">• Able to follow basic plans and organise tasks around set objectives.	<ul style="list-style-type: none">• Actively and appropriately organise information and resources required for a task.	<ul style="list-style-type: none">• Able to define institutional objectives, develop comprehensive plans, integrate and coordinate activities and assign appropriate resources for successful implementation.		<ul style="list-style-type: none">• Focus on broad strategies and initiatives when developing plans and actions.
<ul style="list-style-type: none">• Understand the process of planning and organising but requires guidance and development in providing detailed and comprehensive plans.	<ul style="list-style-type: none">• Recognise the urgency and importance of tasks.	<ul style="list-style-type: none">• Identify in advance required stages and actions to complete tasks.		<ul style="list-style-type: none">• Able to protect and forecast short, medium and long term requirements of the institution and local government.
<ul style="list-style-type: none">• Able to follow existing plans and ensure that objectives are met.	<ul style="list-style-type: none">• Balance short and long-term plans and goals and incorporate into the team's performance objectives.	<ul style="list-style-type: none">• Schedule realistic timelines, objectives and milestones for tasks and projects.		<ul style="list-style-type: none">• Translate policy into relevant projects to facilitate the achievement of institutional objectives.
<ul style="list-style-type: none">• Focus on short-term objectives in developing plans and action.s	<ul style="list-style-type: none">• Schedule tasks to ensure they are performed within budget and with efficient use of time and resources.	<ul style="list-style-type: none">• Produce clear, detailed and comprehensive plans to achieve institutional objectives.		
<ul style="list-style-type: none">• Arrange information and resources required for a task, but require further structure and organization.	<ul style="list-style-type: none">• Measures progress and monitor performance results.	<ul style="list-style-type: none">• Identify possible risk factors and design and implement appropriate contingency plans.• Adapt plans in light of changing circumstances.• Prioritise tasks and projects according to their relevant urgency and importance.		

CLUSTER :	CORE COMPETENCIES		
COMPETENCY NAME :	Analysis and Innovation		
COMPETENCY DEFINITION :	Able to critically analyse information, challenges and trends to establish and implement fact-based solutions that are innovative to improve institutional processes in order to achieve key strategic objectives		
ACHIEVEMENT LEVELS			
BASIC	COMPETENT	ADVANCED	SUPERIOR
<ul style="list-style-type: none">Understand the basic operation of analysis, but lack detail and thoroughness.	<ul style="list-style-type: none">Demonstrate logical problem solving techniques and approaches and provide rationale for recommendations.	<ul style="list-style-type: none">Coaches team members on analytical and innovative approaches and techniques.	<ul style="list-style-type: none">Demonstrate complex analytical and problem solving approaches and techniques.
<ul style="list-style-type: none">Able to balance independent analysis with requesting assistance from others.	<ul style="list-style-type: none">Demonstrate objectivity, insight and thoroughness when analysing problems.	<ul style="list-style-type: none">Engage with appropriate individuals in analysing and resolving complex problems.	<ul style="list-style-type: none">Create an environment conducive to analytical and fact-based problem solving.
<ul style="list-style-type: none">Recommend new ways to perform tasks within own function.	<ul style="list-style-type: none">Able to break down complex problems into manageable parts and identify solutions.	<ul style="list-style-type: none">Identify solutions on various areas in the institution.	<ul style="list-style-type: none">Analyse, recommend solutions and monitor trends in key challenges to prevent and manage occurrence.
<ul style="list-style-type: none">Propose simple remedial interventions that marginally challenges the status quo.	<ul style="list-style-type: none">Consult internal and external stakeholders on opportunities to improve processes and service delivery.	<ul style="list-style-type: none">Formulate and implement new ideas throughout the institution.	<ul style="list-style-type: none">Create an environment that fosters innovative thinking and follows a learning organisation approach.
<ul style="list-style-type: none">Listen to the ideas and perspectives of others and explore opportunities to enhance such innovative thinking.	<ul style="list-style-type: none">Clearly communicate the benefits of new opportunities and innovative solutions and stakeholders.	<ul style="list-style-type: none">Able to gain approval and buy-in for proposed interventions from relevant stakeholders.	<ul style="list-style-type: none">Be a thought leader on innovative customer service delivery and process optimization.
	<ul style="list-style-type: none">Continuously identify opportunities to enhance internal processes.	<ul style="list-style-type: none">Identify trends and best practices in process and service delivery and propose institutional application.	<ul style="list-style-type: none">Play an active role in sharing best practice solutions and engage in national and international local government seminars and conferences.
	<ul style="list-style-type: none">Identify and analyse opportunities conducive to innovative approaches and propose remedial intervention.	<ul style="list-style-type: none">Continuously engage in research to identify client needs.	

CLUSTER :	CORE COMPETENCIES			
COMPETENCY NAME :	Knowledge and Information Management			
COMPETENCY DEFINITION :	Able to promote the generation and sharing of knowledge and information through various processes and media, in order to enhance the collective knowledge base of local government			
ACHIEVEMENT LEVELS				
BASIC	COMPETENT	ADVANCED	SUPERIOR	
<ul style="list-style-type: none">Collect, categorise and track relevant information required for specific tasks and projects.	<ul style="list-style-type: none">Use appropriate information systems and technology to manage institutional knowledge and information sharing.	<ul style="list-style-type: none">Effectively predict future information and knowledge management requirements and systems.	<ul style="list-style-type: none">Create and support a vision and culture where team members are empowered to seek, gain and share knowledge and information.	
<ul style="list-style-type: none">Analyse and interpret information to draw conclusions.	<ul style="list-style-type: none">Evaluate data from various sources and use information effectively to influence decisions and provide solutions.	<ul style="list-style-type: none">Develop standards and processes to meet future knowledge management needs.	<ul style="list-style-type: none">Establish partnerships across local government to facilitate knowledge management.	
<ul style="list-style-type: none">Seek new sources of information to increase the knowledge base.	<ul style="list-style-type: none">Actively create mechanisms and structures for sharing information.	<ul style="list-style-type: none">Share and promote best-practice knowledge management across various institutions.	<ul style="list-style-type: none">Demonstrate a mature approach.	
<ul style="list-style-type: none">Regularly share information and knowledge with internal stakeholders and team members.	<ul style="list-style-type: none">Use external and internal resources to research and provide relevant and cutting-edge knowledge to enhance institutional effectiveness and efficiency.	<ul style="list-style-type: none">Establish accurate measures and monitoring systems for knowledge and information management.Create a culture conducive of learning and knowledge sharing.Hold regular knowledge and information sharing sessions to elicit new ideas and share best practice approaches.	<ul style="list-style-type: none">Recognise and exploit knowledge points in interactions with internal and external stakeholders.	

CLUSTER :	CORE COMPETENCIES			
COMPETENCY NAME :	Communication			
COMPETENCY DEFINITION :	Able to share information, knowledge and ideas in a clear, focused and concise manner appropriate for the audience in order to effectively convey, persuade and influence stakeholders to achieve the desired outcome.			
ACHIEVEMENT LEVELS				
BASIC	COMPETENT	ADVANCED	SUPERIOR	
<ul style="list-style-type: none">Demonstrate an understanding for communication levers and tools appropriate for the audience, but requires guidance in utilising such tools.	<ul style="list-style-type: none">Express ideas to individuals and groups in formal and informal settings in a manner that is interesting and motivating.	<ul style="list-style-type: none">Effectively communicate high-risk and sensitive matters to relevant stakeholders.	<ul style="list-style-type: none">Regarded as a specialist in negotiations and representing the institution.	
<ul style="list-style-type: none">Express ideas in a clear and focused manner, but does not always take the audience into consideration.	<ul style="list-style-type: none">Able to understand, tolerate and appreciate diverse perspectives, attitudes and beliefs.	<ul style="list-style-type: none">Develop a well-defined communication strategy.	<ul style="list-style-type: none">Able to inspire and motivate others through positive communication that is impactful and relevant.	
<ul style="list-style-type: none">Disseminate and convey information and knowledge adequately.	<ul style="list-style-type: none">Adapt communication content and style to suit the audience and facilitate optimal information transfer.	<ul style="list-style-type: none">Balance political perspectives with institutional needs when communicating viewpoints on complex issues.	<ul style="list-style-type: none">Creates an environment conducive to transparent and productive communication and critical appreciate conversations.	
	<ul style="list-style-type: none">Deliver content in a manner that gains support, commitment and agreement from relevant stakeholders.	<ul style="list-style-type: none">Able to effectively direct negotiations around complex.	<ul style="list-style-type: none">Able to coordinate negotiations at different levels within local government and externally.	
	<ul style="list-style-type: none">Compile clear, focused, concise and well-structured written documents.	<ul style="list-style-type: none">Market and promote the institution to external stakeholders and seek to enhance a positive image of the institution.Able to communicate with the media with high levels of moral competence and discipline.		

CLUSTER :	CORE COMPETENCIES		
COMPETENCY NAME :	Results and Quality Focus		
COMPETENCY DEFINITION :	Able to maintain high quality standards, focus on achieving results and objectives while consistently striving to exceed expectations and encourage others to meet quality standards. Further, to actively monitor and measure results and quality against identified objectives.		
ACHIEVEMENT LEVELS			
BASIC	COMPETENT	ADVANCED	SUPERIOR
<ul style="list-style-type: none">Understand quality of work but requires guidance in attending to important matters.	<ul style="list-style-type: none">Focus on high-priority actions and does not become distracted by lower-priority activities.	<ul style="list-style-type: none">Consistently verify own standards and outcomes to ensure quality output.	<ul style="list-style-type: none">Coach and guide others to exceed quality standards and results.
<ul style="list-style-type: none">Show a basic commitment to achieving the correct results.	<ul style="list-style-type: none">Display firm commitment and pride in achieving the correct results.	<ul style="list-style-type: none">Focus on the end result and avoids being distracted	<ul style="list-style-type: none">Develop challenging, client-focused goals and sets high standards for personal performance.
<ul style="list-style-type: none">Produce the minimum level of results required in the role.	<ul style="list-style-type: none">Set quality standards and design processes and tasks around achieving set standards.	<ul style="list-style-type: none">Demonstrate a determined and committed approach to achieving results and quality standards.	<ul style="list-style-type: none">Commit to exceed the results and quality standards, monitor own performance and implement remedial interventions when required.
<ul style="list-style-type: none">Produce outcomes that is of a good standard.	<ul style="list-style-type: none">Produce output of high quality.	<ul style="list-style-type: none">Follow task and projects through to completion.	<ul style="list-style-type: none">Work with team to set ambitious and challenging team goals, communicating long- and short term expectations.
<ul style="list-style-type: none">Focus on the quantity of output but requires development in incorporating the quality of work.	<ul style="list-style-type: none">Able to balance the quantity and quality of results in order to achieve objectives.	<ul style="list-style-type: none">Set challenging goals and objectives to self and team and display commitment to achieving expectations.	<ul style="list-style-type: none">Take appropriate risks to accomplish goals.
<ul style="list-style-type: none">Produce quality work in general circumstances, but fails to meet expectation when under pressure.	<ul style="list-style-type: none">Monitors progress, quality of work and use of resources; provide status updates and make adjustments as needed.	<ul style="list-style-type: none">Maintain a focus on quality outputs when placed under pressure.	<ul style="list-style-type: none">Overcome setbacks and adjust action plans to realise goals.
		<ul style="list-style-type: none">Establishing institutional systems for managing and assigning work, defining responsibilities, tracking, monitoring and measuring success, evaluating and valuing the work of the institution.	<ul style="list-style-type: none">Focus people on critical activities that yield a high impact.



STELLENBOSCH

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Annexure C

Personal Development Plan

DIRECTOR: COMMUNITY AND PROTECTION SERVICES



 Director: Community and Protection Services
Mr Gary Boshoff



 Municipal Manager:
Ms Geraldine Mettler

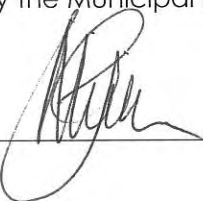
Skills Performance Gap	Outcomes Expected	Suggested training and /or development activity	Suggested mode of delivery	Suggested Time Frames	Work opportunity created to practice skill/development area	Support Person
1.						
2.						
3.						

Signed and accepted by the Employee



Date: 30/7/19

Signed by the Municipal Manager on behalf of the Municipality



Date: 30/7/19

10.3.4	MONTHLY FINANCIAL STATUTORY REPORTING: DEVIATIONS FOR JULY 2019
--------	--

Collaborator No: **8/1**
 BUDGET KPA Ref No: **Good Governance and Compliance**
 Meeting Date: **28 August 2019**

1. SUBJECT: MONTHLY FINANCIAL STATUTORY REPORTING: DEVIATIONS FOR JULY 2019

2. PURPOSE

To comply with Regulation 36(2) of the Municipal Supply Chain Management Regulations and Section 36 of the Supply Chain Management Policy 2019/2020 to report the deviations to Council.

3. DELEGATED AUTHORITY

Council

FOR NOTING.

4. EXECUTIVE SUMMARY

Regulation 36(2) of the Municipal Supply Chain Management Regulations and Section 36 of the Supply Chain Management Policy (2019/2020) stipulate that SCM deviations be reported to Council. In compliance thereto, this report presents to Council the SCM deviations that occurred during July 2019.

5. FOR NOTING

the deviations as listed for the month of July 2019.

6. DISCUSSION / CONTENTS

6.1 Background/Legislative Framework

The regulation applicable is as follows:

GNR.868 of 30 May 2005: Municipal Supply Chain Management Regulations

Deviation from and ratification of minor breaches of, procurement processes

36. (1) A supply chain management policy may **allow the accounting officer—**
 (a) To **dispense with the official procurement processes** established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only—
 (i) in an emergency;
 (ii) if such goods or services are produced or available from a single provider only;
 (iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;
 (iv) acquisition of animals for zoos; or
 (v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and
 (b) to ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.

(2) The accounting officer must record the reasons for any deviations in terms of sub regulation (1) (a) and (b) and **report them to the next meeting of the council**, or board of directors in the case of a municipal entity, and include as a note to the annual financial statements.

6.1. Discussion

Reporting the deviations as approved by the Accounting Officer for July 2019:

The following deviations were approved with the reasons as indicated below:

DEVIATION NUMBER	CONTRACT DATE	NAME OF CONTRACTOR	CONTRACT DESCRIPTION	REASON	SUBSTANTIATION WHY SCM PROCESS COULD NOT BE FOLLOWED	TOTAL CONTRACT PRICE R
D/SM 01/20	11 July 2019	The Vissershok Waste Management Facility (Pty) Ltd	Provision of licenced waste disposal facilities from 1 July - 30 June 2020	Emergency.	A formal tender process was followed for the provision of licenced waste disposal facilities. The tender was cancelled due to no acceptable offers. After the cancellation of the tender, the municipality had to approve a deviation to take waste to a suitable, licensed waste disposal facility. Other than the City of Cape Town's disposal sites, this is the only other facility. This facility is much more cost-effective than the CoCT facilities. It is a legislated required that all waste disposed of at a landfill be transferred to a licensed facility, and these are the only facilities available within a 40km radius (as the crow flies). The CoCT is also reluctant to accept outside waste, as this will impact on the lifespan of their own facilities.	Rates R 421.44 (excluding Vat) per ton
D/SM 02/20	15 July 2019	Tyanco SA Pty Ltd	Repair work of Wendy houses damaged by strong winds and heavy rainfall at Mountain View, Jamestown	Emergency	On Friday night the 21st of June 2019 strong winds and heavy rains damaged 4 Wendy houses in Mountain View. Approximately 18 people were left destitute until Monday the 24th of June 2019.	R15 370 (excluding Vat)

					Tyanco SA (Pty) (Ltd) who are registered on the Central Supplier Database (CSD) was approached to submit an urgent quotation to undertake the repair work for the damaged Wendy Houses by latest Monday 24 June 2019 , due to the fact that the families had to vacate from the temporary accommodation by 24 June 2019.	
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6.3 Financial Implications

As per the table above

6.4 Legal Implications

The regulation applicable is:

GNR.868 of 30 May 2005: Municipal Supply Chain Management Regulations: Deviations from and ratification of minor breaches of, procurement processes.

6.5 Staff Implications

No staff implications

6.6 Previous / Relevant Council Resolutions

None

6.7 Risk Implications

That the market may not be tested.

The measures in place to deal with deviations mitigate the risk to an acceptable level.
The auditor general also audit the deviations during the yearly audit

6.8 Comments from Senior Management

The item was not circulated for comment except to Municipal Manager

6.8.1 Municipal Manager

Supports the item.

FOR FURTHER DETAILS CONTACT:

NAME	Kevin Carolus
POSITION	CFO
DIRECTORATE	Finance
CONTACT NUMBERS	021 808 8528
E-MAIL ADDRESS	Kevin.Carolus@ Stellenbosch.gov.za
REPORT DATE	06 August 2019

11.	ITEMS FOR CONSIDERATION FROM THE EXECUTIVE MAYOR OR MAYORAL COMMITTEE: [ALD. G VAN DEVENTER (MS)]
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11.1	COMMUNITY AND PROTECTION SERVICES: (PC : CLLR Q SMIT)
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NONE

11.2	CORPORATE SERVICES: (PC: CLLR AR FRAZENBURG)
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11.2.1	PROPOSED RENEWAL OF LEASE AGREEMENT: PORTION OF ERF 62, KAYAMANDI: DEPARTMENT OF PUBLIC WORKS: POLICE STATION
---------------	--

Collaborator No: 656131
IDP KPA Ref No: *Good Governance*
Meeting Date: 14 August 2019

1. SUBJECT: PROPOSED RENEWAL OF LEASE AGREEMENT: PORTION OF ERF 62, KAYAMANDI: DEPARTMENT OF PUBLIC WORKS: POLICE STATION

2. PURPOSE

To obtain the necessary approval from Council to renew the Lease Agreement between Stellenbosch Municipality and the National Department of Public Works in relation to a portion of erf 62, Kayamandi (Police Station).

3. DELEGATED AUTHORITY

For decision by Municipal Council.

4. EXECUTIVE SUMMARY

Stellenbosch Municipality and the National Department concluded a Lease Agreement in relation to a portion of erf 62, Kayamandi during the 1990's. The agreement has subsequently been renewed a number of times. The last renewal was concluded in February 2015. This agreement, however, has lapsed on 31 August 2017. SAPS are still using the property as a police station. Council must now consider their request for the renewal of the Lease Agreement for a period of 9 years and 11 months.

5. RECOMMENDATIONS

- (a) that the portion of erf 62, used as a police station, be identified as land not needed for municipal purposes during the proposed lease period;
- (b) that approval be granted for the renewal of the Lease Agreement for a period of 9 years and 11 months;
- (c) that it be noted that leasing property to another sphere of government/organ of state is exempted from following a public participation process;
- (d) that Council considers the request of the department to rent the property at an amount of R 6121.99 per month, escalating at 5% per annum, and
- (e) that the Municipal Manager be authorised to sign the lease agreement.

6. DISCUSSION / CONTENT**6.1 Background****6.1.1 Current Lease Agreement**

Stellenbosch Municipality concluded a Lease Agreement in relation for a portion of erf 62, Kayamandi with the National Department of Public Works (NDPW) in the late 1990's. This agreement has been renewed a number of times, the last time in 2015. This agreement, a copy of which is attached as **APPENDIX 1**, has lapsed on 31 August 2017.

Over the past two years the NDPW insisted that Stellenbosch Municipality must submit a tender for the renewal of the lease, whilst we argued that they must apply for the renewal of the lease.

6.1.2 Request for renewal

A formal request for renewal has now been received from the Department, requesting a 9 year and 11 months lease agreement to be concluded at a monthly rental of R 6121.99, escalating at 5% per annum, hereto attached as **APPENDIX 2**.

6.2. Discussion**6.2.1 Legal requirements****6.2.1.1 Asset Transfer Regulations (ATR)**

In terms of Regulation 34, a municipality may grant a right to use, control or manage a capital asset but only after:

- 1) a) The accounting officer has, in terms of Regulation 35, concluded a public participation process* regarding the proposed granting of the right; and
b) The municipal Council has approved in principle that the right may be granted.
- 2) Sub-regulation (1)(a) must, however be complied with only if:
 - a) the capital asset in respect of which the proposed right is to be granted has a value in excess of R10m; and
 - b) a long term right is proposed.

* Please note that the property under discussion does not fall into this category, therefore no public participation process is requested.

Further, in terms of Regulation 40, an approval in principle in terms of Regulation 34(1)(b) or 37(1)(b) that a right to use, control or manage a capital asset may be granted, may be given subject to any conditions, including conditions specifying:-

- a) The type of right that may be granted, the period for which it is to be granted and the way in which it is to be granted;
- b) The minimum compensation to be paid for the right, and
- c) A framework within which direct negotiations *for the granting of the right must be conducted, if granting of the right is subject to direct negotiations.

Further, in terms of Regulation 41 (1), if approval in principle has been given in terms of regulation 34 (1)(b) or 37 (1) (b), that the right to use, control or manage a capital asset may be granted, the relevant municipality may grant the right only in accordance with the disposal management system* of the municipality, irrespective of:-

- a) the value of the asset; or
- b) the period for which the right is granted; or
- c) whether the right is to be granted to a private sector party or organ of state.

Council-owned property is deemed to be the Municipality's disposal Management policy. However, in terms of sub-regulation (2) (e), the disposal management system does not apply to the granting of a right to use, control or manage a capital asset if such right is granted to another organ of state, provided that the capital asset is determined by resolution of the council of the municipality, to be surplus to the requirements of the municipality.

From the above it is clear that Council may approve the granting of a right to lease without following a public competitive process.

6.3 Financial Implications

Rental of R 6121.99 per month, escalating at 5% per annum. Council upgraded the property during the 2018/19 financial year.

6.4 Legal Implications

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

6.5 Staff Implications

None

6.6 Risk Implications

Risks are addressed through the recommendations.

6.7 Comments from Senior Management

None requested.

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2019-08-14: ITEM 7.2.1

- (a) that the portion of erf 62, used as a police station, be identified as land not needed for municipal purposes during the proposed lease period;
- (b) that approval be granted for the renewal of the Lease Agreement for a period of 9 years and 11 months;
- (c) that it be noted that leasing property to another sphere of government/organ of state is exempted from following a public participation process;
- (d) that Council considers the request of the department to rent the property at an amount of R 6121.99 per month, escalating at 6% per annum, and
- (e) that the Municipal Manager be authorised to draft and sign an appropriate new lease agreement.

ANNEXURES:

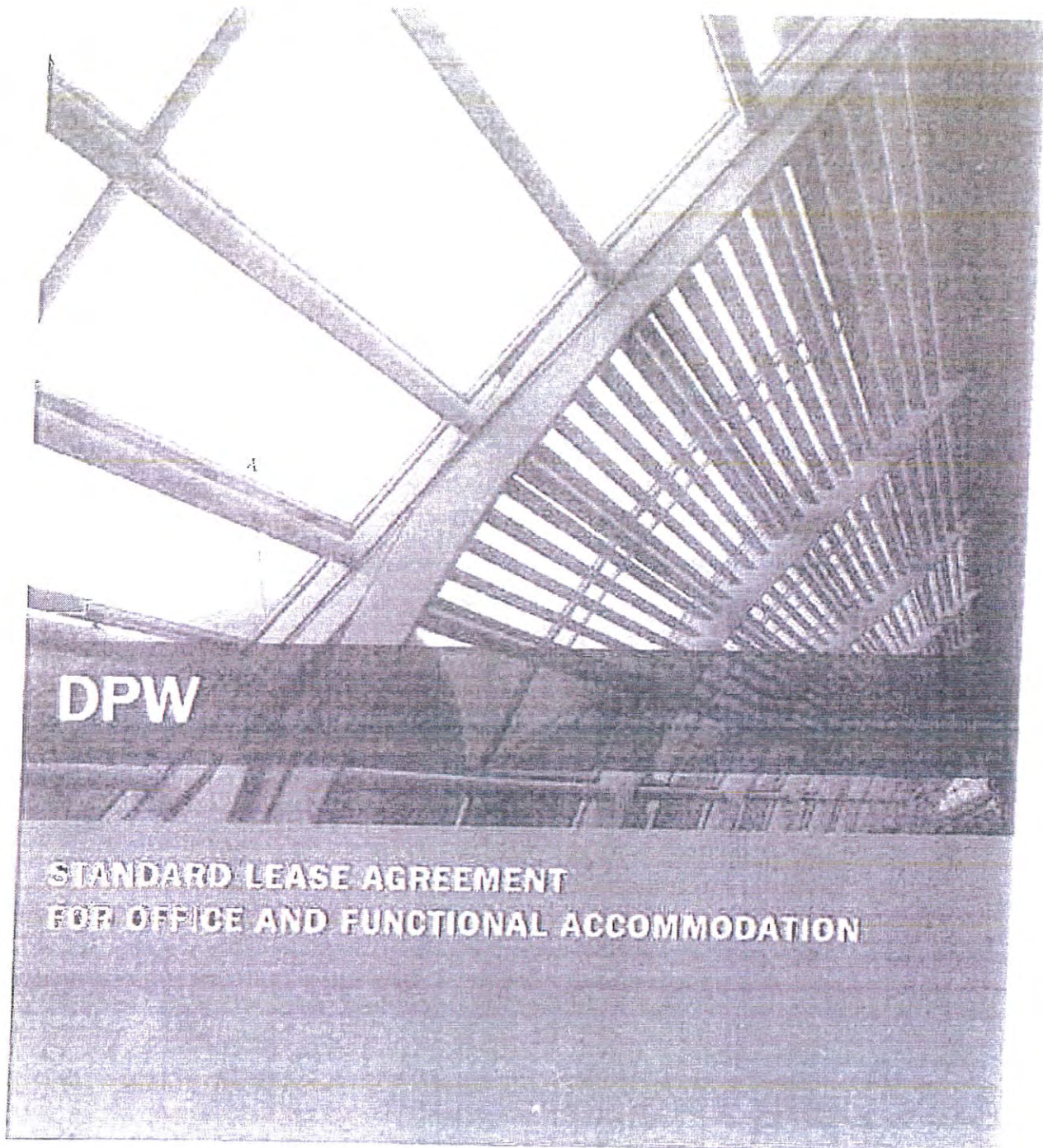
Appendix 1: Lease Agreement

Appendix 2: Request for renewal

FOR FURTHER DETAILS CONTACT:

NAME	Piet Smit
POSITION	Manager: Property Management
DIRECTORATE	Corporate Services
CONTACT NUMBERS	021-8088189
E-MAIL ADDRESS	Piet.smit@ Stellenbosch.gov.za
REPORT DATE	2019-07-05

APPENDIX 1



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THE GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA
DEPARTMENT OF PUBLIC WORKS
THE GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA
DEPARTMENT OF PUBLIC WORKS

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LEASE

1 PARTIES

The parties to this agreement are:

the lessor specified in item 1.1 of Schedule A;

AND

The Government of the Republic of South Africa, represented by the Director-General of the Department of Public Works or his/ her delegate duly authorised, hereinafter referred to as the lessee.

2 DEFINITIONS AND INTERPRETATION

2.1 In this agreement, unless the context indicates otherwise, the following words have the meaning assigned to them hereunder:

"adjustment date" - the date referred to in item 8 on Schedule A on which the escalation rate comes into effect;

"the/this agreement" - means the agreement set out in this document together with Schedule A, Schedule B, Schedule C, Schedule D thereto and any other schedules annexed thereto;

"building" - the entire structure known by the name as set out in item 2.2 of Schedule A and situated on the property set out in item 2.4 of Schedule A;

"CPA" - means the Consumer Protection Act, 68 of 2008 and the regulations published thereunder and all amendments thereof, together with all regulations thereunder from time to time;

"commencement date" - the date stipulated in item 7 on Schedule A on which the lease commences;

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"commencement rental" - the rental payable at the commencement of the lease as is stipulated in Schedule B;

"day" - means any day other than a Saturday, Sunday or official public holiday in South Africa;

"escalation rate" - the percentage mentioned in item 9 on Schedule B, which adjusts the rental on every adjustment date;

"expenses" - those disbursements in respect of the premises which are occasioned by the ownership or the operation thereof, including but not limited to, assessment rates, municipal levies, air-conditioning maintenance, lift maintenance and insurance premiums;

"GCC" the General Conditions of Contract, as amended from time to time, issued by the National Treasury of the Government of the Republic of South Africa for purposes of goods and services procurement;

"initial lease period" - means the initial period of the lease, as set out in item 3 of Schedule A hereto;

"lessee" - the Government of the Republic of South Africa, herein represented by the Director-General of the Department of Public Works or duly authorised delegate acting on behalf of any government department or entity as the occupant;

"lessor" - the owner of the premises (or a sub lessor who warrants his authority to enter into this agreement with the lessee and attaches such authorisation hereto) who, if she/he does not sign personally, is herein represented by the person mentioned in item 1.1.4 of Schedule A who by his/her signature hereto warrants that she/he is authorised to sign this agreement on behalf of the lessor;

"exit maintenance" - everything which is required to be done in order for the lessee to return the premises to the lessor, on termination or expiry of this agreement, in the condition they were in at the commencement date, fair wear and tear excepted;

"occupant" - the body defined in item 1.2 of Schedule A, being the body which will physically occupy the premises for the duration of the agreement of the lease;

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2.2 The clause headings of this agreement have been inserted for reference purposes only and shall not be taken into account in its interpretation. Unless the context indicates otherwise, words importing the singular shall include the plural, words importing persons shall include bodies corporate, and, in each instance, also the opposite thereof.

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- 2.3 If a provision in a definition is a substantive provision conferring rights or imposing obligations on any party, effect shall be given to it as if it were a substantive provision in the body of the agreement, notwithstanding that it is in the definitions clause.
- 2.4 Any reference to an enactment, regulation, rule or by-law is to that enactment, regulation, rule or by-law as at the signature date, and as amended or replaced from time to time.
- 2.5 Where any number of days is prescribed, such number shall exclude the first and include the last day, unless the last day falls on a Saturday, Sunday or public holiday in South Africa, in which case the last day shall be the next succeeding day which is not a Saturday, Sunday or public holiday.
- 2.6 The use of the word "including" followed by a specific example/s shall not be construed as limiting the meaning of the general wording succeeding it and the *eiusdem generis* rule shall not be applied in the interpretation of such general wording or such specific example/s.
- 2.7 The expiration or termination of this agreement shall not affect those provisions of this agreement which expressly provide that they will operate after any such expiration or termination or which of necessity must continue to have effect after such expiration or termination, notwithstanding the fact that the clauses themselves do not expressly provide this.
- 2.8 In its interpretation, the *contra proferentem* rule of construction shall not apply (this agreement being the product of negotiations between the parties) nor shall this agreement be construed in favour of or against any party by reason of the extent to which any party or its professional advisors participated in the preparation of this agreement.
- 2.9 The provisions of this agreement shall be subject to the provisions of the SCC and GCC, to the extent that such conditions are applicable to this agreement.
- 2.10 In the event of a conflict between a provision in this agreement and any provision of the GCC, the provisions in the SCC and this agreement shall prevail.

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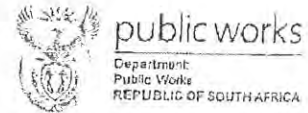
3 THE LEASE

The lessor hereby leases the premises to the lessee who hires the premises on the terms and conditions set out in this agreement, for the occupation of the occupant, it being specifically recorded and notwithstanding anything to the contrary contained in this agreement, that the only persons who are mandated to negotiate, enter into, amend or otherwise agree the terms and conditions of this agreement are lessor and lessee; provided that any terms and conditions which are specifically exercisable by the occupant in terms of this agreement, shall be so exercisable despite this clause 3.

4 DURATION AND RENEWAL

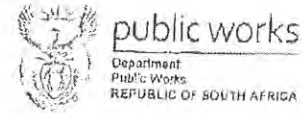
- 4.1 This agreement shall commence on the commencement date and shall endure for the period as specified in item 3 of Schedule A as the initial lease period.
- 4.2 Upon the expiry of the initial lease period, the lessee shall have the option of renewing this agreement for an additional period as specified in item 4 of Schedule A as the secondary lease period upon the terms and conditions contained in this agreement provided that in respect of rental payable from the date on which the secondary lease period commences ("the renewal date"), the parties will agree on a market related rental for the premises; provided that such rental will be based on an escalation rate which is not higher than the increased rate of the last period of the agreement.

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- 4.3 The lessee shall give written notice to the lessor of its intention to exercise the option to renew this agreement (referred to in clause 4.2 above) by no later than 3 months prior to the expiry of the initial lease period. Should the lessee fail to so exercise the option, this agreement shall continue on a month to month basis until such time as either of the parties gives the other a written notice terminating this agreement, in which event, this agreement shall terminate at the end of the month following the month in which the notice was given.
- 4.4 On the expiry of the first period and upon receipt of a written notice from the lessee in terms of clause 3 above, the terms of the contract shall remain for the duration of the extension exercised by the lessee unless otherwise agreed to in writing.
- 4.5 On expiry of the secondary lease period, the lease shall automatically terminate unless the parties agree in writing to a further extension of this agreement.
- 4.6 Should the lessee wish to extend this agreement for a further period after the secondary lease period, the lessee shall give the lessor written notice of its intention to extend this agreement by a further period by no later than 6 months prior to the expiry of the secondary lease period. Should the lessor be agreeable to such an extension, the parties will then enter negotiations to agree on the further period of extension and a market related rental for the premises.
- 4.7 The terms and conditions of lease during the secondary lease period and any further lease period as referred to in 4.5 shall be those contained in this agreement.
- 4.8 All extensions to the lease period in this agreement, and any changes to the terms and conditions of lease during such extended period, shall be concluded in writing and signed by the parties prior to the termination date or expiry of any extended period, as the case may be.


 [Signature]
 [Signature]



5 THE RENTAL

- 5.1 During the initial rental period, with effect from the commencement date, the monthly rental payable by the lessee to the lessor shall be as specified in Schedule B.
- 5.2 The lease commences with the commencement rental. Thereafter the rental shall escalate each year, on each anniversary date of the lease, in accordance with the compounded escalation rate as set out in item 9 on Schedule A.
- 5.3 The rental shall be paid by the lessee to the lessor, monthly in advance on or before the 7th (seventh) day of each and every month.
- 5.4 All payments made by the lessee to the lessor in terms of this agreement, shall be effected by electronic payment directly into the lessor's nominated bank account..
- 5.5 The parties agree that all rentals payable in terms of this agreement shall include value-added tax where such tax is payable. The lessor shall specify such tax for record and tax purposes separately from the basic rental.
- 5.6 The lessee undertakes to pay all VAT, at the standard rate applicable from time to time, leviable on any amounts payable by the lessee in terms of this agreement.
- 5.7 The lessor shall be liable to pay all rates, taxes, other regulatory amounts and levies in respect of the premises to the relevant authority as well as any expenses and increases.

6 USE OF THE PREMISES

- 6.1 The lessee records that she/he will use the premises for the purpose specified in item 5 of Schedule A and for any legitimate Government purpose; provided that the lessee shall give the lessor not less than (3) three months' notice of such intent.
- 6.2 The lessor hereby warrants and undertakes that the premises are fit for use for the purpose set out in item 5 of Schedule A.

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- 6.3 The lessor shall be obliged to obtain such consents and authorisations (excluding trade and other licences) as may be required by competent authorities or title conditions to enable the lessee to use the premises for the purpose referred to in 6.1
- 6.4 The lessor hereby warrants that all permits, licences and/or consents in respect of the conduct of the business at the premises have been granted and/or renewed.

7 OCCUPATION OF THE PREMISES

The lessee warrants the lessee's right to free and undisturbed possession of the premises from the commencement date until termination of this agreement, subject thereto that any delay in taking possession due to avoidable actions or omissions of the lessee, shall not be regarded as a delay on the part of the lessor. The date of occupation shall be the date on which the lessee occupies the premises; which shall also be the date of commencement of the lease

8 CONDITION OF THE PREMISES AT THE COMMENCEMENT DATE AND AT THE TERMINATION DATE

- 8.1 Schedule C contains details of the installations required by the lessee, the party responsible for effecting those installations and the party who bears the costs in respect thereof. Schedule C also contains the obligations, if any, of the lessee in regard to the removal thereof on termination of this agreement. To the extent that any party does not make the installations listed opposite its name in Schedule C, either of the other parties may have such installations made at the reasonable cost thereof and the party which was responsible for such installation shall become liable for such reasonable amount; provided that where the lessor does not make such installation and the lessee or occupant makes such installation on its behalf, the lessee shall be entitled to reduce its rental payment due to the lessor until such time as it has recouped its cost in respect of making the installation on behalf of the lessor.

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- 8.2 The lessee shall in writing (Certification of Occupation- schedule D) accept that the lessor has complied with terms of the agreement and that the building is ready and available and ready for use, inclusive of the date of occupation.
- 8.3 The lessee shall, within 30 days of occupation of the premises, furnish the lessor with three (3) dates and times, which dates must be within twenty-one (21) days of occupation, to convene a meeting to inspect the premises. The lessor shall accept a date, from those furnished, that is suitable to him. At such meeting the parties, including the occupant, shall jointly inspect the premises, so as to ascertain any damage or defect in the premises and the general condition of the premises and to record them in a list which all three parties shall sign.
- 8.4 The lessor shall within thirty (30) days of such inspection repair the defect(s). The lessee shall be entitled to rectify those defects at its own expense and to recover the costs thus incurred in accordance with procedure laid down in sub-clause 8.1 above
- 8.5 Should the lessor fail to comply with his obligations in respect of installations required by the lessee, if any, or fail to repair the damages or defect(s), the lessee shall notify the lessor of such failure and unless the lessor so complies within fourteen (14) days, save in emergencies, the lessee shall be entitled to rectify those matters at his own expense and to recover the costs thus incurred by means of direct deduction from monies due to the lessor.
- 8.6 The lessor shall furnish dates and times at least fourteen working (14) days prior to the expiry of the lease for the inspection of the premises after termination of the lease. Within 14 days after the expiry of this agreement, the lessor shall ensure that the following lists are compiled and delivered to the lessee:
- 8.6.1 A list of all the items where the parties agree that such items are damaged or defective and that the lessee is liable; and
- 8.6.2 A list of the items, which are damaged, or defective and which in the opinion of the lessor the lessee is liable for, whereas the lessee denies liability.

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- ## 9 FIXTURES

9.1 fixtures may be removed by the lessee on condition that the premises are restored to the condition in which they were before the installation of the fixtures, fair wear and tear excepted; or

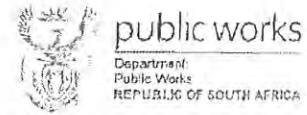
9.2 the lessor may demand that fixtures which have not been thus removed, shall be removed by the lessee, in which event the same requirements regarding the restoration of the premises 9.1 above shall apply.

10.1 Subject to 10.3 below, the lessor shall be responsible for and pay all and any expenses in respect of the premises.

~~REQUIREMENT FOR SIGNATURE OF A PERSON AGREEING TO BE EMPLOYED BY THE COMPANY~~



- 10.2 The lessor shall be responsible for contracting with the suppliers of utilities to the premises referred to in this clause 10.1 above and shall be directly responsible for payment of these charges and any connection fees and deposits in respect thereof.
- 10.3 The lessee shall be responsible for and will pay the cost of all electricity, water and/or gas consumed on the premises for the duration of this agreement. Electricity and water consumed shall be charged according to the relevant meter reading, provided that the consumption of water, electricity and gas in the premises shall be proved *prima facie* by reading of meters or sub-meters and recording same. The lessor shall be responsible for contracting with the suppliers of utilities to the premises referred to in this clause 0 and shall be directly responsible for payment of these charges and any connection fees and deposits in respect thereof.
- 10.4 Notwithstanding the provisions of 5.7, 10.1 and 11.1, the ~~lessee~~ ^{LESSOR} shall be responsible for any increase in the rates and taxes payable by the lessor in respect of the premises after the commencement date.
- 10.5 In the event of the premises being a portion of a building and it consequently being necessary to determine the lessee's *pro rata* share in respect of maintenance or consumption of necessary services, the *pro rata* share of the lessee, for the purpose of this agreement, shall be determined by calculating the area of the premises as a fraction of the total area of the building.
- 10.6 Should the lessor fail to pay expenses or to undertake repairs, the lessee may remind the lessor in writing, and should the lessor still be in default 30 days after receipt of such reminder (or such longer period which the parties may have agreed upon) the lessee shall be entitled to demand specific performance or to pay such expenses or to undertake such repairs and to recover the amounts thus disbursed from the rental due to the lessor by set off or by legal action. A certificate by the lessee of such expenses shall be *prima facie* proof thereof.



11 OBLIGATIONS OF THE LESSOR

In addition to any other obligations contained in this agreement, the lessor shall be responsible:

- 11.1 For the payment of assessment rates and fixed municipal levies not referred to in 10.4 above, including all related increases;
- 11.2 For insuring the premises, including the buildings as provided for in clause 13 below;
- 11.3 For installation and maintenance of mechanical and fire services equipment, including fire detection equipment, fair wear and tear excepted, as further stipulated in clause 14 hereof;
- 11.4 For landscape maintenance of the premises;
- 11.5 To provide, at the lessor's expense, all electric, fluorescent, and incandescent light bulbs required on the property;
- 11.6 For the maintenance of, and for all repairs and replacements becoming necessary from time to time in or to, the roofs and outside walls of the buildings including the maintenance and repair of the structure of the buildings, and all systems, works and installations contained therein;
- 11.7 For maintaining in good order and condition the exterior, roof, gutters and down-pipes of the premises and shall make good any structural defects, other than damage caused by the lessee, (for which the lessee shall be liable, and in respect of which the provisions of this agreement shall apply);
- 11.8 For normal maintenance and repairs (including painting) of both the exterior and interior of the premises, including the cleaning of the exterior of the premises as well as windows, in a high rise building;
- 11.9 For the operation (including maintenance and repairs) of the air-conditioning system and the lifts during normal office hours or during such times as may be agreed upon;

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- 11.10 For water and electricity consumption to the extent that these are not separately metered for the occupant;
- 11.11 For municipal rates (existing and future) levied on ownership (including rates increases);
- 11.12 For installation and maintenance of the fire extinguishing and fire detection equipment as stipulated in clause 13; and
- 11.13 For the replacement of floor covering (carpeting etc) at the expiry of their agreed lifetime.
- 11.14 For submission of valid annual tax certificate;
- 11.15 Compliance with Occupation Health and Safety and Act
- 11.16 Compliance with Department of Labour applicable standards annually – Certification of Occupation
- 11.17 Signing of Facilities Management performance schedule specifying maintenance standards and obligations

12 OBLIGATIONS OF THE LESSEE

In addition to any other obligations contained in this agreement, the lessee shall

- 12.1 not use the premises or allow them to be used, in whole or part, for any purpose other than that of the business;
- 12.2 take good and proper care of the interior of the buildings;
- 12.3 be responsible for all reasonable security, manned or otherwise, necessary to protect the premises;
- 12.4 not cause or commit any unreasonable nuisance on the premises or cause any annoyance or discomfort to neighbours or the public;

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- 12.5 not unreasonably leave refuse or allow it to accumulate in or about the premises;
- 12.6 refrain from interfering with the electrical, plumbing, or gas installations or systems serving the premises;
- 12.7 take all reasonable measures to prevent blockages and obstructions from occurring in drains, sewerage pipes and water pipes serving the premises;
- 12.8 at all times comply with any law, by-law or regulation of the local authority relating to the conduct of its business at the premises and also with the conditions of the title deed under which the premises are held by the lessor;
- 12.9 be permitted to place such electrical or other signage on the exterior of the premises as it may reasonably require;
- 12.10 forthwith disclose in writing to the lessor details of any act, matter or thing, stored or carried out upon the premises which may affect, vitiate or endanger the fire insurance policy in respect of the property or which may result in an increase of the fire insurance premium.
- 12.11 undertake domestic cleaning of the interior of the premises, including domestic services such as the provision of toilet paper, soap, towels, etc.; excluding common areas.
- 12.12 be responsible for the costs of water and electricity consumption to the extent that these are separately metered as fully set out in clause 10 above; and
- 12.13 be responsible for the costs of refuse removal and sanitary services.

13 INSURANCE

- 13.1 The lessor shall comprehensively insure the property and the buildings, and fittings at its replacement value, at the lessor's own risk and cost.

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- 13.2 The lessee and the occupant may not after the commencement of the lease do, or allow anything that is contrary to the provisions of the insurance policy, which will cause an increase in the premiums of any insurance policy held by the lessor over the property, provided that the conditions of the insurance policy will be communicated in writing to the lessee. The lessor will communicate the conditions of insurance policy on the premises in writing to the lessee within seven (7) days of the commencement of the lease agreement.
- 13.3 Should the lessee knowingly do or cause to be done anything that causes an increase in the premiums of such insurance policy, the lessee will be liable for the increase in the premiums occasioned by the actions of the lessee. The lessor shall furnish to the lessee proof from the insurer of such increase before any payment shall be due from the lessee.
- 13.4 The lessor shall not be liable for any damage which the lessee may suffer as a consequence of rain, wind, hail, lightning, fire, earthquake, storm, riots, strikes, actions by enemies of the State or in consequence of the interruption of any facility or service supplies to the premises by third parties, unless such damage could have been prevented by the lessor, his employees or agents.
- 13.5 The lessor shall not be liable for any accident, injury or damage incurred by the lessee, his employees, agents or visitors, in or near the premises, unless this could have been prevented on the part of the lessor, his employees or agents.
- 14 FIRE FIGHTING EQUIPMENT AND LIFTS**
- 14.1 The lessor shall be obliged to install, maintain and operate on the premises fire extinguishing and fire detection equipment complying with the National Building Regulations and Building Standards Act (Act 103 of 1977) as amended, and/or any other applicable legislation.

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14.2 The lessor shall be obliged to maintain the lifts and ensure that regular checks are done in accordance with the Occupational Health and Safety Act (Act 85 of 1993) as amended and /or any other applicable legislation.

14.3 The lessor shall provide the lessee with quarterly reports of regular checks done on the fire extinguishers and lifts to ensure safety and security of the occupants of the premises

15 ALTERATIONS, ADDITIONS AND IMPROVEMENTS

15.1 The lessee shall not make any alterations or additions to any of the buildings, the premises or any part thereof, without the lessor's prior written consent, but the lessor shall not withhold its consent unreasonably to any such alteration or addition. In the event that the lessee does make any such prohibited alterations or additions, it is agreed between the parties that such alterations and/or additions shall be come an immovable part of the respective building or premises to which it is made and shall thus be owned by the lessor. Where such alteration or addition has added value to the buildings, the lessor shall negotiate with the lessee on the monetary amount to be paid to the lessee for making such alteration or addition.

15.2 Notwithstanding the aforesaid, the lessee shall be entitled to make any non- structural alterations or additions to the interior of the premises without the lessor's prior written consent, provided that the lessee may, on the expiration of this agreement, remove such non-structural alterations or additions as it may have made, provided that simultaneously with any such removal, it reinstates the premises or part of the premises in question, at the lessee's cost, to their same condition (fair, wear and tear excepted) as they were in prior to the carrying out of such alterations or additions.

16 DAMAGE TO OR DESTRUCTION OF THE PREMISES

16.1 In the event of the premises being destroyed and therefore rendered totally unfit for occupation, this agreement shall be terminated automatically.

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16.2 In the event of the premises being damaged and remaining partially suitable for the purposes of the lessee, the parties shall be entitled to terminate this agreement by thirty (30) days' notice in writing given to the other party within thirty (30) days after such destruction or damage.

16.3 Should no notice in terms of 16.2 above be given, then this agreement shall continue and the lessor shall be obliged to proceed expeditiously with the work of rebuilding the premises. Should the parties continue with the agreement, the lessee shall be entitled to a reduction in rental to the extent to which the lessee is deprived of the full and beneficial use and occupation of the premises until such time as the premises have been rebuilt or re-instated.

16.4 Should there be any dispute as to the extent to which the premises have been damaged and/or the extent to which the premises are unfit for occupation and capable of being used for the purpose for which they are let, the dispute shall be referred to an expert, who shall act as an expert and not as an arbitrator, and whose decision shall be final and binding on the parties. The parties shall jointly agree on who the expert shall be, failing which the expert shall be appointed by the chairperson of the Law Society of South Africa or his delegate.

17 BREACH

17.1 Subject to any specific provision in this agreement to the contrary, should:

17.1.1 the rental or any other amount payable by the lessee in terms of this agreement not be paid by due date or should the lessee commit or suffer or permit the commission of any breach of any of the remaining conditions of this agreement and fail to pay such rental or amount or to remedy such breach within 30 (thirty) days after receipt of written notice by the lessor requiring it to do so, or such longer period as may be reasonable in the circumstances; or

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Department
Public Works
REPUBLIC OF SOUTH AFRICA

17.2 Subject to due process of law; the lessor shall be entitled to claim specific performance, cancel this agreement and retake possession of the premises (without prejudice to any of its other rights under this agreement or at all) and /or claim damages.

17.2 Should either party breach any obligations in terms of this agreement and fail to remedy such breach within 14 (fourteen) days of written demand from the aggrieved party to do so, or such longer period as may be reasonable in the circumstances, the aggrieved party shall be entitled to cancel this agreement or claim specific performance, in either case, without prejudice to the aggrieved party's rights to claim damages from the offending party.

18 BROAD BASED BLACK ECONOMIC EMPOWERMENT

18.1 The lessor shall sustain the status level in terms of broad based black economic empowerment as claimed in the accepted tender documents and conditions of tender for the duration of the lease period. Failure/Neglect omission on the part of the lessor to sustain the broad based black economic empowerment level may constitute a material breach of the agreement. The lessor is obliged to annually, at the expiry date of the initial status level certificate, confirm that the status has been maintained by the provision of a valid certificate indicating their current status level.

18.2 In the event that the percentage of such status level decreases, the lessor shall be responsible to notify the lessee thereof, in writing, within 14 days of such change of status level.

18.3 In the event that the lessor's status level has decreased and –

18.3.1 the lessor has notified the lessee as required in terms of 18.2 above, the lessee may, in its sole discretion, elect to give the lessor 6 months to ensure that its status level reverts to its initial status level; or

18.3.2 the lessor fails to provide the abovementioned status level certificate or fails to advise the lessee as is required in terms of 18.2 above, the lessor shall be in material breach of this agreement and the lessee may, in addition to any other remedy it may



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Public Works
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have, cancel the agreement and claim the all costs losses and/or damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation.

R. J. J.
N/A
J. J.
C. J.
R. J.
W. J.

19 MANAGEMENT RULES

The lessor will furnish the lessee with all management rules, if any, prior to entering into this agreement.

20 LESSORS RIGHT OF ENTRY AND CARRYING OUT OF WORKS

The lessor's representatives, agents, servants and contractors may at reasonable times and on reasonable notice, without thereby giving rise to any claim or right of action on the part of the lessee or the occupant of the property or any part thereof, enter the property or any of the buildings in order to inspect them, to carry out any necessary repairs, replacements, or other works, or to perform any other lawful function in the bona fide interests of the lessor or the lessee or the occupant, but the lessor shall ensure that this right is exercised with due regard for and a minimum of interference with the beneficial enjoyment of the property by those in occupation thereof, and provided further that such rights will be exercised subject to the lessee's specific security requirements relating to the physical security of the property.

21 NAMING RIGHTS

The lessor shall grant the lessee the right to name the premises if the lessee is the sole or majority user of such premises for the duration of such lease.

22 CESSION, ASSIGNMENT AND SUB-LETTING

The lessee shall not, except with the prior written consent of the lessor, which shall not be unreasonably withheld;

R. J. J.
N/A
J. J.
C. J.
R. J.
W. J.



22.1 cede or assign all or any of the rights and obligations of the lessee under this agreement; or

22.2 sublet the premises in whole or in part; or

22.3 give up possession of the premises or any portion thereof to any third party;

provided that it is an explicit provision of this agreement that the lessee may substitute one occupant with another at its own discretion, taking into consideration any concerns communicated by the lessor.

23 NON-WAIVER

23.1 Neither party shall be regarded as having waived, or been precluded in any way from exercising, any right under or arising from this agreement by reason of such party having at any time granted any extension of time for or having shown any indulgence to the other party with reference to any payment or performance hereunder, or having failed to enforce, or delayed in the enforcement of any right of action against the other party.

23.2 The failure of either party to comply with any non-material provision of this agreement shall not excuse the other parties from performing their obligations hereunder fully and timeously.

24 RIGHT OF FIRST REFUSAL

24.1 The lessor hereby grants to the lessee and the lessee hereby accepts the right of first refusal to purchase the property.

24.2 Pursuant to the right granted by the lessor in favour of the lessee in 24.1, the lessor shall not dispose of any part or whole of the property at any time except in accordance with the following circumstances:

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26 WHOLE AGREEMENT

26.1 This is the entire agreement between the parties.

26.2 Neither party relies, in entering into this agreement, on any warranties, representations, disclosures or expressions of opinion, which have not been incorporated into this agreement as warranties or undertakings.

26.3 No variation, alteration, or consensual cancellation of this agreement shall be of any force or effect unless reduced to writing and signed by the duly authorised representatives of both parties.

27 DOMICILIUM CITANDI ET EXECUTANDI

27.1 The parties respectively choose as *domicilium citandi et executandi* and as the address for the serving of notices the address appearing underneath their names in Schedule A (and the lessor is explicitly barred from serving such notices on officials and offices in the Regions/Provinces).

27.2 Any notice given by one of the parties to the other ("the addressee") which:

27.2.1 is delivered by hand to a responsible person during ordinary business hours at the physical address chosen as the addressee's *domicilium citandi et executandi* shall be deemed to have been received by the addressee on the date of the delivery, until the contrary is proved;

27.2.2 is posted by prepaid registered post from an address within the Republic of South Africa to the addressee at the addressee's *domicilium citandi et executandi*, shall be deemed to have been received by the addressee on the tenth (10th) business day of the date of posting (unless the contrary is proved; or

27.2.3 is faxed to the chosen fax number, will be deemed to have been on the date of despatch received unless the other party proves the contrary.

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27.3 Either party shall be entitled, on 14 days' notice to the other, to change the address of his *domicilium citandi et executandi*.

28 WARRANTY OF AUTHORITY

The parties hereby warrant that each of them has the power, authority and legal right to sign and perform this agreement and that this agreement has been duly authorised by all necessary actions of its directors, to the extent applicable, and constitutes a valid and binding obligation on it in accordance with the terms thereof.

29 SEVERABILITY

Any provision in this agreement which is or may become illegal, invalid or unenforceable in any jurisdiction affected by this agreement shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability and shall be treated *pro non scripto* and severed from the balance of this agreement, without invalidating the remaining provisions of this agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

SIGNED AT Bellville ON THIS THE 18th DAY OF February 2015
WITNESSES

1. BEVERLEY SEPTEMBER [Signature]
FULL NAME AND SIGNATURE

Lorelle Adams [Signature]
FULL NAME AND SIGNATURE

[Signature]
SIGNATURE OF LESSOR/REPRESENTATIVE

Petrus A. G. S. S. S.
FULL NAMES

Duly authorised as per attached resolution. - See Appendix C

[Signature]
[Signature]
[Signature]



public works
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Public Works
REPUBLIC OF SOUTH AFRICA

SIGNED AT Pretoria ON THIS THE 24 DAY OF November 2014.
WITNESSES

1 Dehd C E de klerk 2.

FULL NAME AND SIGNATURE

J. Kleynhans L. KLEYNHANS
FULL NAME AND SIGNATURE

[Signature] 24/11/2014
SIGNATURE OF LESSEE

Mahlingu Govender
FULL NAME

Act Head of PMTE
CAPACITY

Duly authorised as per Departmental delegation dated Circular 10 of 20 Feb 2014



public works
Department
Public Works
REPUBLIC OF SOUTH AFRICA

Digitally signed by Helns Worst
DN: cn=Helns Worst, o=DPW, ou=PMTE,
email=helnsworst@dpw.gov.za, c=ZA
Date: 2014.02.18 13:11:08 +02'00'

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SCHEDULE A TO AGREEMENT OF LEASE



public works

Department:
Public Works
REPUBLIC OF SOUTH AFRICA

1 **The Parties:**1.1 **The Lessor is:**

Stellenbosch Municipality

1.1.1 Registration nr (company) or ID nr (individual):

N/A

1.1.2 VAT reg nr:

1.1.3 of *Domicilium Citandi et executandi*:

17 Plein Street, Stellenbosch, 7600

1.1.4 Herein represented by:

Piet Smit

who hereby warrants he/she is duly authorised to do so by the attached resolution.
Hereinafter referred to as the lessor

1.1.5 Contact person/representative:

Name:

Piet Smit

Tel nr

0218088028

Company

Stellenbosch Municipality

Fax nr

E mail

piet.smit@stellenbosch.gov.za

Postal address:

P.O Box 17, Stellenbosch, 7599

1.2 **The occupant is:**

SA Police Services

Herein represented by:

National Department of Public Works

who hereby warrants he/she is duly authorised to do so by the attached resolution.
Hereinafter referred to as the occupant

1.3 **The Lessee is The Government of the Republic of South Africa**of *Domicilium Citandi et executandi*:

Department of Public Works, Customs Building, Lower Heerengracht Street, Foreshore, Cape Town, 8000

2 **The Premises leased:**2.1 **The Premises:**

Kayamandi Satellite Police Station, Stellenbosch, 7599

as reflected on the diagram annexed hereto marked "Schedule D"

2.2 **The Building name:**

Kayamandi Satellite Police Station, Stellenbosch, 7599

2.3 **The Building address:**

Kayamandi Satellite Police Station, Stellenbosch, 7599

2.4 **The property:**

Kayamandi Satellite Police Station, Stellenbosch, 7599

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- 3 Lease period
- 4 Renewal period
- 5 Use of premises
- 6 The lessee's pro rata share %
- 7 Commencement date
- 8 Adjustment date
- 9 Escalation rate (%)
- | Description | On: Rental | Operating costs |
|-----------------|------------|-----------------|
| Offices | 7.56 | 0.0 |
| Stores | 0.0 | 0.0 |
| Retail | 0.0 | 0.0 |
| Other | 0.0 | 0.0 |
| Open parking | 0.0 | 0.0 |
| Covered Parking | 0.0 | 0.0 |
- 10 Termination date
- 11 Special conditions

In terms of the Revenue Act and the PFMA all suppliers conducting business with the State are required to provide a valid Tax Clearance Certificate. Therefore, should a Landlord be unable to meet this requirement:

- The Landlord shall be given a period not exceeding six (6) months from date of signature to regularize their tax affairs with the South African Revenue Services (SARS)
- If this period lapses before the tax clearance certificate is obtained, DPW will have the right to terminate the agreement;
- DPW and its Client Department (tenant) must have the right to remain in the leased building until the alternative accommodation can be procured.

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SCHEDULE B



public works

Department:
Public Works
REPUBLIC OF SOUTH AFRICA

Period 1

Description	Nr/Area leased	Unit	Base Rent/unit	Expenses /unit	From date	To Date	Commencement Rent (ex VAT)	Monthly Expenses (ex VAT)	monthly rent (ex VAT)	VAT	monthly Rent (incl VAT)
Offices	133	sqm	R 32.16	R -	01 September 2014	31 August 2015	R 4,278.23	R -	R 4,278.23	R -	R 4,278.23
Stores	0	sqm	R -	R -			R -	R -	R -	R -	
Retail	0	sqm	R -	R -			R -	R -	R -	R -	
Other	0	sqm	R -	R -			R -	R -	R -	R -	
Open parking	0	bays	R -	R -			R -	R -	R -	R -	
Covered Parking	0	bays	R -	R -			R -	R -	R -	R -	
Total monthly rent											R 4,278.23

Period 2

Description	Nr/Area leased	Unit	Base Rent/unit	Expenses /unit	From date	To Date	Monthly Base Rent (ex VAT)	Monthly Expenses (ex VAT)	monthly rent (ex VAT)	VAT	monthly Rent (incl VAT)
Offices	133	sqm	R 34.59	R -	01 September 2015	31 August 2016	R 4,601.68	R -	R 4,601.68	R 644.24	R 5,245.92
Stores	0	sqm	R -	R -			R -	R -	R -	R -	
Retail	0	sqm	R -	R -			R -	R -	R -	R -	
Other	0	sqm	R -	R -			R -	R -	R -	R -	
Open parking	0	bays	R -	R -			R -	R -	R -	R -	
Covered Parking	0	bays	R -	R -			R -	R -	R -	R -	
Total monthly rent										R 5,245.92	

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Period 3

Description	Nr/Area leased	Unit	Base Rent/unit	Expenses /unit	From date	To Date	Monthly Base Rent (ex VAT)	Monthly Expenses (ex VAT)	monthly rent (ex VAT)	VAT	monthly Rent (incl VAT)
Offices	133	sqm	R 37.21	R -	01 September 2016	31 August 2017	R 4,949.57	R -	R 4,949.57	R 692.94	R 5,642.51
Stores	0	sqm	R -	R -			R -	R -	R -	R -	R -
Retail	0	sqm	R -	R -			R -	R -	R -	R -	R -
Other	0	sqm	R -	R -			R -	R -	R -	R -	R -
Open parking	0	bays	R -	R -			R -	R -	R -	R -	R -
Covered Parking	0	bays	R -	R -			R -	R -	R -	R -	R -
Total monthly rent											R 5,642.51





Appendix C



STELLENBOSCH
STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

SYSTEM OF DELEGATION/SUB-DELEGATIONS: PROPERTY MANAGEMENT

The powers/functions listed below are hereby delegated/sub-delegated to the Manager: Property Management in terms of Section 59(4) of the Local Government: Municipal Systems Act No 32 of 2000; Section 79(b) of the Local Government: Municipal Finance Management Act and the System of Delegations approved by Council. This System of Delegations/sub-delegations replace the list of Sub-delegations approved by the Municipal Manager on 2010-08-10.

BASIL DAVIDSON

DIRECTOR: PLANNING & DEVELOPMENT

3/9/2012

DATE

DAVE BERETTI

ACTING MUNICIPAL MANAGER

20 9 2012

DATE

1. POWERS/FUNCTIONS DELEGATED BY COUNCIL, SUB DELEGATED BY THE MUNICIPAL MANAGER
 - 1.1 General
 - 1.1.1 To determine the operational policies and procedures in respect of all matters falling within the functional areas of the Department.
 - 1.1.2 To enter into and sign contracts and other documents on behalf of Stellenbosch Municipality insofar as it relates to the functional area of the Department, on condition that such transaction(s) have been approved by Council/delegated authority.
 - 1.2 Procurement
 - 1.2.1 To decide on any procurement of goods and services, subject to the Supply Chain Management Regulations and the Municipality's Supply Chain Management and Procurement Policies, to a value of not more than R200 000.00

- 1.3 Property
- 1.3.1 To, in consultation with the Executive Mayor, lease immovable property from private and public bodies or any person where the value of the lease does not exceeds R50 000 per annum.
- 1.3.2 To authorize the public participation process for the granting of rights to use, control or manage capital assets for the following categories listed
- (i) capital assets less than R5 mil, longer than 3 years;
 - (ii) capital assets more than R5 mil, less than 3 years; and
 - (iii) capital assets less than R5 mil, less than 3 years.
- 1.3.3 To, in consultation with the Executive Mayor, approve the granting of rights to use, manage or control municipal capital assets with a annual contract value of less than R1M and for a period of less than 3 years.
- 1.4 Finance
- 1.4.1 To authorise, after consultation with the relevant Mayoral Committee member, and subject to the provisions of the "MFMA", the virement of funds within any operational or capital vote to an amount not exceeding R10 000-00.
2. STATUTORY POWERS AND FUNCTIONS OF MUNICIPAL MANAGER, DELEGATED BY MUNICIPAL MANAGER
- 2.1 General
- 2.1.1 To administer by-laws on behalf of the Administration, insofar as it relates to functions within his/her functional areas.
- 2.2 Financial
- 2.2.1 Section 63 (1) of the MFMA - Responsible for the management of the assets of the municipality, including the safeguarding and the maintenance of those assets; and the liabilities of the municipalities in relation to his/her department.
- 2.2.2 Section 69 (1) of the MFMA - Ensure that the spending of funds is in accordance with the budget and is reduced as necessary when revenue is anticipated to be less than projected in the budget or in the service delivery and budget implementation plan; and that revenue and expenditure are properly monitored in relation to his/her department.
- 2.3 Staff
- 2.3.1 The power to grant leave of absence to employees in his/her department, other than himself, or to postpone or deny such leave, or call back any member of his personnel herein mentioned from vacation leave.
- 2.3.2 To approve overtime worked by as well as the remuneration thereof to employees within his/her department.

- 2.3.3 To appoint casual workers on a contractual and/or daily basis for the performance of specific tasks and goals, with due regard of the budget and subject thereto that appropriate funds are available after consultation with DS&CS and CFO.
- 2.4 **Property Management**
 - 2.4.1 To initiate, at the request of a service department, the acquisition of land or right in land for any approved municipal scheme or project where provision has been made on an approved budget and reporting thereon to the relevant authority.
 - 2.4.2 To consider applications for fund-raising (street- and house collections), excluding street markets.
 - 2.4.3 Section 182 of Municipal Ordinance. To serve written notice on any person who has erected or cause to be erected or places any obstruction or obstacle on any land in contravention of a public servitude, after consultation with relevant Director or at the request of a Director.
 - 2.4.4 To obtain rights to install municipal services on private land, including the authority to serve the necessary notices and to agree on a reasonable compensation. On condition that other, alternative options have been considered. Compensation to be based on independent valuations (market value).
 - 2.4.5 To sign all documents necessary to effect the transfer or awarding of rights in municipal property.
 - 2.4.6 Section 31 (4)(a) of the Deeds Registries Act, No 47 of 1937. Issuing of certificate confirming ownership of land that has vested in the Municipality as a result of Section 122 of the Municipal Ordinance.
 - 2.4.7 Section 68(1) of the Deeds Registries Act, No 47 of 1937. To apply for duplicate Title Deeds, where original deeds were lost and to sign affidavit.
 - 2.4.8 To consider applications for the temporary use of Council-owned land for construction purposes, not exceeding 12 months, after consultation with relevant Director(s).
 - 2.4.9 To issue a Special Power of Attorney, authorising a consultant to apply for rights on Municipal property, on condition that such special power of attorney does not allocate any rights to such applicant.
 - 2.4.10 To give approval that improvements may be erected/constructed on Council-owned property, in terms of existing Lease Agreements, on condition that such approval is not to the detriment of Stellenbosch Municipality, and that it is supported by internal departments.
 - 2.4.11 Consider applications for the placement of posters and banners on municipal property in terms of Council's policy and approved Tariff Structure.

3. **POWERS/FUNCTIONS DELEGATED BY COUNCIL, SUB-DELEGATED BY DIRECTOR: HOUSING**

- 3.1 **General**
 - 3.1.1 To determine operational policies and procedures in respect of all matters falling within the functional areas of the Department concerned.
 - 3.1.2 Within his or her functional area and in consultation with Legal Services, to enter into and sign contracts and other documents, where he or she has the necessary authority, or where the necessary approvals and/or authorities have been obtained.

3.2 Property Matters

- 3.2.1 To recommend, administer and manage the acquisition, enhancement, alienation, leasing and utilisation of council-owned immovable property and rights in property.
- 3.2.2 To exercise all the rights and obligations of the Municipality as lessor or principal in respect of agreements of lease, servitudes and other legal instruments.
- 3.2.3 To advise council on property transactions.
- 3.2.4 To determine whether or not to cancel leases where the terms and conditions thereof have been breached and to institute legal proceedings for the eviction of lessees consequent upon such cancellation and for the recovery of monies owing to council where such cancellation arose from the lessees default in making timeous payment of such monies.
- 3.2.5 To frame the conditions of lease and to execute all documents and rights in connection with the letting of council's immovable property.
- 3.2.6 To authorise the amount of compensation to be paid by council where applicable to lessees whose leases are terminated before the expiry of the lease, up to an amount of R50 000-00,
- 3.2.7 To authorise the payment of compensation in respect of servitudes for municipal services, not exceeding R50 000-00.
- 3.2.8 To renew an agreement of lease with the existing lessee in respect of immovable property where the lease provides for a renewal, not exceeding a period of 5 years.
- 3.2.9 To approve application for the removal of reversionary claims.
- 3.2.10 To appoint valuers on such terms and conditions as he/she may deem fit, in the event of it being considered necessary and in the interest of the council to obtain independent valuations advice regarding the acquisition or disposal of council land or rights in such land.
- 3.2.11 To authorise projections and projection structures over council's land to frame and conclude relevant agreements and to impose the levying of a fee.
- 3.2.12 To authorise encroachments over council's land, frame and conclude relevant agreements and impose the levying of a fee/tariff.
- 3.2.13 To give possession of land or buildings prior to conclusion of the formal lease agreement provided that the relevant authorities have been obtained and the lessee has indemnified the council in respect of such prior occupation.
- 3.2.14 To permit occupation of municipal land by a purchaser prior to registration in accordance with the conditions of sale, provided that such purchaser deposits with council the purchase price or pays an occupational rental and complies with any other condition that may be relevant in the circumstances.
- 3.2.15 To institute legal or other proceedings for the cancellation of a deed of sale or lease agreement and for the recovery of monies owing to council where such cancellation rose from the purchaser's or lessee's default in complying with the conditions of sale or lease within a reasonable time of conclusion of the sale or lease.
- 3.2.16 To recommend to council the approval of fixed tariffs to be levied in respect of all applications to purchase or lease municipal immovable property, to recover costs such as administration, drafting of agreements, advertisements and encroachments
- 3.2.17 To consider and approve the transfer of land gratuitously ceded to the council or where the council is compelled to take transfer and authorisation of the costs involved in terms of section 31 of the *Deeds Registry Act, 1937 (Act No 47 of 1937)*.



[Handwritten signatures and initials]

- 3.2.18 To authorize the refunding of the pro-rata share of the rates paid in respect of the land as from the date of transfer to or occupation by the council whichever be the earlier in terms of section 31 of the *Deeds Registry Act, 1937* (Act No 47 of 1937).

3.3 Leases

- 3.3.1 To authorise the lease of council-owned land for the purposes of putting up communication infrastructure, subject to approved Tariff Structure and subject to all necessary prescribed approvals having been obtained and procedures complied with.
- 3.3.2 To negotiate/liaise with provincial and state organs regarding land, relocation and related legal matters.

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APPENDIX 2



public works

Department:
Public Works
REPUBLIC OF SOUTH AFRICA

Private Bag X9027, CAPE TOWN, 8000: website: www.publicworks.gov.za

Ref: 6522/5086-- Prop. Code 322840

Stellenbosch Municipality
PO Box 17
STELLENBOSCH
7599

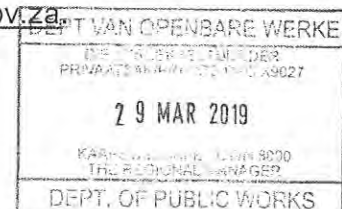
Att: The Municipal Manager

RENEWAL OF LEASE AGREEMENT: STELLENBOSCH: KAYAMANDI POLICE STATION

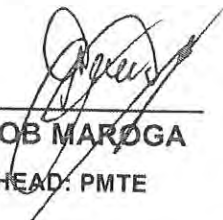
1. Department of Public Works (DPW), together with National Treasury, is currently working on reforms in the leasing environment within the Public Service. The reforms are aimed at, *inter alia*, obtaining value for money for the state for all leases acquired and at the same time align to the requirements of government, which could either be long-term or short-term. To this end, in order to give effect to the reforms currently taking place the current leases that the Department has, that have either expired or about to expire, must be renewed.
2. In the absence of an offer from your Municipality the Department wishes to renew the lease agreement, which expired 31 August 2017, and is on month to month basis until 31 August 2019 in respect of property Kayamandi Police Station, Stellenbosch for a period of nine years eleven months (9years 11 months), on the same terms and conditions, as follows:

Lease Period	Tariff per m ² (VAT incl)	Rent for Offices (VAT incl)	Escalation	Total Rental (VAT incl)
01/04/2019 to 31/03/2020	R46.03	R6 121.99	6%	R73 463.88
01/04/2020 to 31/03/2021	R48.79	R6 489.31	6%	R77 871.71
01/04/2021 to 31/03/2022	R51.72	R6 878.66	6%	R82 544.02
01/04/2022 to 31/03/2023	R54.82	R7 291.39	6%	R87 496.66
01/04/2023 to 31/03/2024	R58.11	R7 728.87	6%	R92 746.46
01/04/2024 to 31/03/2025	R61.60	R8 192.60	6%	R98 311.24
01/04/2025 to 31/03/2026	R65.29	R8 684.15	6%	R104 209.92
01/04/2026 to 31/03/2027	R69.21	R9 205.20	6%	R110 462.51
01/04/2027 to 31/03/2028	R73.36	R9 757.52	6%	R117 090.26
01/04/2028 to 28/02/2029	R77.77	R10 342.07	6%	R124 115.68
GRAND TOTAL				R968 312.34

3. Kindly address any queries directly with the Director Real Estate Management, Ms. N. Hlengwa on (021) 402 2102 or Nolizwi.Hlengwa@dpw.gov.za.



Kind regards


JACOB MAROGA
THE HEAD: PMTE

Duly authorised as per Departmental delegation dated 13 February 2019.

Date: _____



Lessor _____

CAPACITY: _____

Date: _____



public works

Department:
Public Works
REPUBLIC OF SOUTH AFRICA

Private Bag X9027, Cape Town, 8000. Int Code: +27 Tel: 021 402 2315
E-mail: dumisani.gqibela@dpw.gov.za website: www.publicworks.gov.za

To all Landlords

Dear Sir/Madam,

Signing of lease agreement

Subsequent to the conclusion of our lease re-negotiations the Department has since signed the lease agreement and forwarded the same for your signature. We have to this date not received-back the signed copy of the agreement by you and or your entity.

We would like to bring to your kind consideration that in us (Department) continuing to pay the rental on an unsigned agreement, it renders such transaction/s irregular and as such it would have adverse findings against the Department.

Owing to the above, we would be really thankful to you if you could take prompt action in this regard and sign the agreement and send it back to us as we need to be compliant with our legislative obligations and that fully signed agreement is required for the same on urgent basis. Therefore, you are urged to send the signed agreement by **27 May 2019**. Failure to submit the signed agreement as stated above, will lead to the suspension of the rent until the agreement is received.

Thank you.

Regards,

D Gqibela

Acting Director: REMS

Date: 17/05/19

NB: Please direct your queries to the relevant portfolio manager.

11.2.2	APPLICATION BY PROVINCIAL GOVERNMENT OF THE WESTERN CAPE TO ACQUIRE ERF 718, KAYAMANDI FOR THE UPGRADE AND EXPANSION OF THE EXISTING KAYAMANDI CLINIC
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Collaborator No: 656125
IDP KPA Ref No: *Good Governance*
Meeting Date: 14 August 2019

1. SUBJECT: APPLICATION BY PROVINCIAL GOVERNMENT OF THE WESTERN CAPE TO ACQUIRE ERF 718, KAYAMANDI FOR THE UPGRADE AND EXPANSION OF THE EXISTING KAYAMANDI CLINIC

2. PURPOSE

To consider the application from the Provincial Government of the Western Cape to acquire erf 718, Kayamandi, to enable them to upgrade and extend the existing clinic in Kayamandi.

3. DELEGATED AUTHORITY

For decision by the Municipal Council.

4. EXECUTIVE SUMMARY

With the transfer of the clinic function to the Provincial Government of the Western Cape it became evident that the clinic in Kayamandi, which is situated on erven 719 and 720, was encroaching onto erf 718. Erf 718 was allocated to the Seventh Day Adventist Church during 1996, but the property was not yet transferred to them. (Following a recent Council resolution to allocate an alternative site for the church, Erf 1523, Kayamandi was offered to the church, in exchange for erf 718). A formal application to acquire erf 718, Kayamandi, has been received from the Provincial Government of the Western Cape to enable them to extend the clinic in Kayamandi.

5. RECOMMENDATIONS

- (a) that erf 718 Kayamandi be identified as land not needed to provide the minimum level of basic municipal services;
- (b) that Council, in principle, approves the disposal of erf 718 Kayamandi to the Provincial Government of the Western Cape, free of charge, on condition:
 - i) that they be responsible for the rezoning and consolidation of erf 718;
 - ii) that all costs associated with the transfer; including the cost of obtaining vacant occupation, be for the account of the Provincial Government.
- (c) that Council considers whether the erf is donated or sold at a price below market value as it will be used for the benefit of the community;
- (d) that Council's intention to donate/sell erf 718 to the Provincial Government be advertised for public inputs/objections; and
- (e) that, following the public notice, the item be brought back to Council to consider any inputs/objections before making a final decision.

6. DISCUSSION / CONTENT

6.1 Background

Erf 718, measuring 990m² in extent, was awarded to the Seventh Day Adventist Church on 21 May 1996 at a sales price of R10/m². During May 2011, however, it was brought to our attention that the clinic (situated on erven 719 and 720) was encroaching onto Erf 718, and for this reason they could not take transfer of the clinic. The exchange of Erf 1523, Kayamandi, to the Seventh Day Adventist Church in exchange for erf 718, was subsequently approved by Council.

6.2 Discussion

6.2.1 Application to acquire erf 718: Provincial Government of Western Cape

An application to acquire erf 718, Kayamandi, for the purpose of expending and upgrading of the existing clinic, has been received from the Provincial Government of the Western Cape, a copy of which is attached as **APPENDIX 1**.

6.2.2 Location and context

Erf 718, measuring 990m² in extent, is situated in Basi Street, Kayamandi, as shown on Fig 1 and 2 below.



Fig 1: Location and context



Fig 2: Extent of Erf 718

6.2.3 Ownership

The ownership of Erf 718, a portion of erf 707 (General Plan 7888/1991), vests with Stellenbosch Municipality by virtue of Title Deed T59361/2002. See Windeed record attached as **APPENDIX 2**.

6.2.4 Valuation

Hereto attached two valuation reports compiled by Cassie Gerber and Knight Frank during 2015, valuing the property as follows:

Cassie Gerber:	R108 900.00
Knight Frank:	R150 000.00
Weighed average:	R129 450.00

Copies of the valuation reports is attached as **APPENDIX 3** and **4**.

Taking into account the community value to be received in exchange for the land, i.e. an enlarged clinic, benefitting the community at large, it is recommended that the land be made available free of charge or sold at a nominal amount (below market value).

6.3 Legal Implications

In terms of Section 14(2) of the MFMA a Municipality may dispose of a capital asset, but only after the municipal council, in a meeting open to the public –

- (a) has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services; and
- (b) has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset.

In terms of Section 40 of the Municipal Supply Chain Management Regulations, a municipality's supply chain management policy must, *inter alia*, specify the ways in which assets may be disposed of to another organ of state at market related value or, whether free of charge.

Such policy must stipulate that immovable property may be sold only at market related prices, except when the public interest or the plight of the poor demands otherwise.

Stellenbosch Municipality's Supply Chain Management Policy, however, is silent on ways in which assets may be transferred to another organ of state.

In terms of Chapter 3 of the Municipal Asset Transfer Regulations (R878/2008) the transfer of certain assets to another organ of state may be exempted from the provisions of Section 14 of the MFMA.

Sub-regulation 20 (1) (a) to (e) of the Regulations define the circumstances in which such transfer is exempted. The property in question does not fall within these provisions.

In terms of sub-regulation 20 (f)(i), however, section 14 (1) to (5) of the MFMA does not apply if a municipality transfer a capital asset to an organ of state in any other circumstances not provided in (a) to (e) (above) , provided that –

- (i) the capital asset to be transferred is determined by resolution of the Council to be not needed for the provision of the minimum level of basic municipal services and to be surplus to the requirements of the Municipality; and
- (ii) if the capital asset is to be transferred for less than fair market value, the municipality has taken into account, *inter alia* the expected loss or gain that is to result from the proposed transfer.

Further, in terms of Section 29 of the Regulations, the value of a capital asset to be transferred to an organ of state (as contemplated in section 20) must be determined in accordance with the accounting standards that the Municipality is required by legislation to apply in preparing its annual financial statements.

In the absence of such guidelines, any of the following valuation method must be applied:

- (a) Historical cost of the asset*;
- (b) Fair market value of the asset;
- (c) Depreciated replacement cost of the asset; or
- (d) Realizable value of the asset.

From the above it is clear that, although the property under discussion does not fall in the categories described in section 20 (a) to (e) (exempted), Council can indeed regard it as being exempted, provided that the provisions of section 20 (f) (i) and (ii) have been considered.

6.4 Staff Implications

The report has no additional staff implications to the Municipality.

6.5 Previous / Relevant Council Resolutions

None

6.6 Risk Implications

The risks have been addressed in the report.

6.7 Comments from Senior Management

None

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2019-08-14: ITEM 7.2.2

- (a) that Erf 718 Kayamandi be identified as land not needed to provide the minimum level of basic municipal services;
- (b) that Council, in principle, approves the disposal of erf 718 Kayamandi to the Provincial Government of the Western Cape, free of charge, on condition:
 - i) that they be responsible for the rezoning and consolidation of erf 718;
 - ii) that all costs associated with the transfer; including the cost of obtaining vacant occupation, be for the account of the Provincial Government.
- (c) that Council considers whether the erf is donated or sold at a price below market value as it will be used for the benefit of the community;
- (d) that Council's intention to donate/sell erf 718 to the Provincial Government be advertised for public inputs/objections; and
- (e) that, following the public notice, the item be brought back to Council to consider any inputs/objections before making a final decision.

ANNEXURES:

Annexure 1: Application from Provincial Government Western Cape

Annexure 2: Windeed search

Annexure 3: Valuation report from Cassie Gerber

Annexure 4: Valuation report from Knight Frank

FOR FURTHER DETAILS CONTACT:

NAME	Piet Smit
POSITION	Manager: Property Management
DIRECTORATE	CORPORATE SERVICES
CONTACT NUMBERS	021-8088189
E-MAIL ADDRESS	Piet.smit@ Stellenbosch.gov.za
REPORT DATE	2019-08-02

ANNEXURE 1



Bulelwa Jordan
 Immovable Asset Management: Property Acquisitions
 Email: Bulelwa.Jordan@westerncape.gov.za
 Tel: 021 483 8927
 Private Bag X9160 Cape Town 8000

3rd Floor
 Oude Bloemhof Building
 Corner of Plein Street and Rhyneveld Street
 Stellenbosch
 7600

ATTENTION: MR PIET SMIT

APPLICATION TO ACQUIRE ERF 718 STELLENBOSCH FOR THE UPGRADE AND EXPANSION OF THE EXISTING KAYAMANDI CLINIC

An application is hereby made for the acquisition of Erf 718 Stellenbosch, Kayamandi (the Property) 9886m² in extent, for health purposes. The Western Cape Department of Health urgently requires additional land for the upgrading and expansion of the existing Kayamandi Clinic, and has identified the Property for the said purpose.

Please note that, according to Cape Farm Mapper and Google Earth, there appears to be evidence of encroachment on Erf 718 Stellenbosch, by informal dwellings (see attached map).

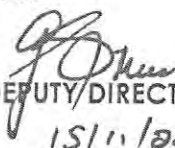
Should approval be granted by the Municipality to dispose of the Property to the WCG, the Department will obtain the required approvals from the delegated authority as per the provisions of the Western Cape Land Administration Act, after which a Deed of Sale will be conclude between the parties.

The Municipality is also requested to provide vacant occupation of the Property to the WCG, should approval be granted for the disposal of the Property to the WCG.

Kindly advise as to the terms and conditions applicable to the acquisition of the above-mentioned Property. The matter is quite urgent and your response will be highly appreciated.

Kind regards

J TITUS

 ACTING DEPUTY DIRECTOR: PROPERTY ACQUISITIONS

DATE: 15/11/2018.

Property	Owner	Deed/Document	LPI Enquiry	Interdict	Document Request	Transfers	Bulk Properties	User Admin	Billing
----------	-------	---------------	-------------	-----------	------------------	-----------	-----------------	------------	---------

Property Enquiry Details








Property enquiry results for "Kaya Mandi" in the Deeds Registry at "CAPE TOWN"

Property detail:

Deeds registry	CAPE TOWN
Property type	ERF
Township	KAYA MANDI
Erf number	718
Portion	0
Province	WESTERN CAPE
Registration division/Administrative district	STELLENBOSCH RD
Local authority	STELLENBOSCH MUN
Previous description	-
Diagram deed number	DU 1000/800
Extent	990.0000 SQM
LPI Code	C06700250000071800000

Title Deeds detail:

No data found for this query!

Owners detail:

No data found for this query!

Endorsements / Encumbrances:

Endorsement / Encumbrance	Holder	Amount	Microfilm reference	Document copy?
GENERAL PLAN FROM	TOWN KAYA MANDI ,ERF 707 ,PRTN 0	-	-	Not available

History:

ANNEXURE 2

WinDeed Database Deeds Office Property

windeed
A LexisNexis® Product

KAYA MANDI, 707, 0 (REMAINING EXTENT) (CAPE TOWN)

GENERAL INFORMATION

Date Requested	2019/02/25 09:16
Deeds Office	CAPE TOWN
Information Source	WINDEED DATABASE
Reference	-

**PROPERTY INFORMATION**

Property Type	ERF
Erf Number	707
Portion Number	0 (REMAINING EXTENT)
Township	KAYA MANDI
Local Authority	CAPE PROV ADMIN
Registration Division	NOT AVAILABLE
Province	WESTERN CAPE
Diagram Deed	-
Extent	9.0846H
Previous Description	-
LPI Code	C06700250000070700000

OWNER INFORMATION**Owner 1 of 1**

Type	LOCAL AUTHORITY
Name	MUN STELLENBOSCH
ID / Reg. Number	-
Title Deed	T59361/2002
Registration Date	2002/07/15
Purchase Price (R)	-
Purchase Date	-
Share	0.00
Microfilm	2004 0879 0468
Multiple Properties	NO
Multiple Owners	NO

ENDORSEMENTS (257)				
#	Document	Institution	Amount (R)	Microfilm
1	I-2430/1990-I	-	800,002,159	0000000*
2	K677/2002RM	-	UNKNOWN	2002 0600 1787
3	K678/2002RM	-	UNKNOWN	2002 0600 1793
4	SUBDIVISION FROM	REG DIV STELLENBOSCH RD ,NAME FARM 1297 ,NO 1297 ,PRTN 0	UNKNOWN	0000000*
5	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 811 ,PRTN 0	UNKNOWN	-
6	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 857 ,PRTN 0	UNKNOWN	-
7	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 933 ,PRTN 0	UNKNOWN	-
8	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 934 ,PRTN 0	UNKNOWN	-
9	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 938 ,PRTN 0	UNKNOWN	-
10	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 818 ,PRTN 0	UNKNOWN	-
11	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 845 ,PRTN 0	UNKNOWN	-
12	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 844 ,PRTN 0	UNKNOWN	-
13	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 713 ,PRTN 0	UNKNOWN	-
14	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 721 ,PRTN 0	UNKNOWN	-
15	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 776 ,PRTN 0	UNKNOWN	-
16	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 708 ,PRTN 0	UNKNOWN	-
17	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 709 ,PRTN 0	UNKNOWN	-
18	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 710 ,PRTN 0	UNKNOWN	-
19	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 711 ,PRTN 0	UNKNOWN	-
20	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 712 ,PRTN 0	UNKNOWN	-
21	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 714 ,PRTN 0	UNKNOWN	-
22	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 715 ,PRTN 0	UNKNOWN	-
23	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 716 ,PRTN 0	UNKNOWN	-
24	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 717 ,PRTN 0	UNKNOWN	-
25	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 718 ,PRTN 0	UNKNOWN	-
26	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 719 ,PRTN 0	UNKNOWN	-
27	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 720 ,PRTN 0	UNKNOWN	-
28	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 722 ,PRTN 0	UNKNOWN	-
29	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 723 ,PRTN 0	UNKNOWN	-
30	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 724 ,PRTN 0	UNKNOWN	-
31	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 725 ,PRTN 0	UNKNOWN	-
32	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 726 ,PRTN 0	UNKNOWN	-
33	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 727 ,PRTN 0	UNKNOWN	-
34	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 728 ,PRTN 0	UNKNOWN	-
35	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 729 ,PRTN 0	UNKNOWN	-
36	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 730 ,PRTN 0	UNKNOWN	-
37	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 731 ,PRTN 0	UNKNOWN	-
38	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 732 ,PRTN 0	UNKNOWN	-
39	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 733 ,PRTN 0	UNKNOWN	-
40	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 734 ,PRTN 0	UNKNOWN	-
41	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 735 ,PRTN 0	UNKNOWN	-
42	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 736 ,PRTN 0	UNKNOWN	-
43	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 737 ,PRTN 0	UNKNOWN	-
44	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 738 ,PRTN 0	UNKNOWN	-
45	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 739 ,PRTN 0	UNKNOWN	-
46	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 740 ,PRTN 0	UNKNOWN	-
47	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 741 ,PRTN 0	UNKNOWN	-
48	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 742 ,PRTN 0	UNKNOWN	-
49	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 743 ,PRTN 0	UNKNOWN	-
50	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 744 ,PRTN 0	UNKNOWN	-
51	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 745 ,PRTN 0	UNKNOWN	-
52	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 746 ,PRTN 0	UNKNOWN	-
53	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 747 ,PRTN 0	UNKNOWN	-
54	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 748 ,PRTN 0	UNKNOWN	-
55	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 749 ,PRTN 0	UNKNOWN	-
56	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 750 ,PRTN 0	UNKNOWN	-
57	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 751 ,PRTN 0	UNKNOWN	-
58	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 752 ,PRTN 0	UNKNOWN	-
59	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 753 ,PRTN 0	UNKNOWN	-
60	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 754 ,PRTN 0	UNKNOWN	-
61	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 755 ,PRTN 0	UNKNOWN	-
62	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 756 ,PRTN 0	UNKNOWN	-
63	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 757 ,PRTN 0	UNKNOWN	-
64	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 758 ,PRTN 0	UNKNOWN	-
65	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 759 ,PRTN 0	UNKNOWN	-
66	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 760 ,PRTN 0	UNKNOWN	-

[illegible]

[illegible]

205	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 905 ,PRTN 0	UNKNOWN	-
206	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 906 ,PRTN 0	UNKNOWN	-
207	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 907 ,PRTN 0	UNKNOWN	-
208	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 908 ,PRTN 0	UNKNOWN	-
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211	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 911 ,PRTN 0	UNKNOWN	-
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221	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 921 ,PRTN 0	UNKNOWN	-
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223	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 923 ,PRTN 0	UNKNOWN	-
224	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 924 ,PRTN 0	UNKNOWN	-
225	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 925 ,PRTN 0	UNKNOWN	-
226	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 926 ,PRTN 0	UNKNOWN	-
227	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 927 ,PRTN 0	UNKNOWN	-
228	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 928 ,PRTN 0	UNKNOWN	-
229	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 929 ,PRTN 0	UNKNOWN	-
230	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 930 ,PRTN 0	UNKNOWN	-
231	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 931 ,PRTN 0	UNKNOWN	-
232	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 932 ,PRTN 0	UNKNOWN	-
233	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 935 ,PRTN 0	UNKNOWN	-
234	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 936 ,PRTN 0	UNKNOWN	-
235	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 937 ,PRTN 0	UNKNOWN	-
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240	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 943 ,PRTN 0	UNKNOWN	-
241	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 944 ,PRTN 0	UNKNOWN	-
242	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 945 ,PRTN 0	UNKNOWN	-
243	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 946 ,PRTN 0	UNKNOWN	-
244	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 947 ,PRTN 0	UNKNOWN	-
245	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 948 ,PRTN 0	UNKNOWN	-
246	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 949 ,PRTN 0	UNKNOWN	-
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250	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 953 ,PRTN 0	UNKNOWN	-
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253	NOW SUBDIVISION	TOWN KAYA MANDI ,ERF 956 ,PRTN 0	UNKNOWN	-
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255	GENERAL PLAN TO	ERF:808-906 G/P:7988/1991	UNKNOWN	0000000*
256	GENERAL PLAN TO	ERF:907-956 G/P:7988/1991	UNKNOWN	0000000*
257	VA5055/2015	MUN STELLENBOSCH	UNKNOWN	-

HISTORIC DOCUMENTS (1)

#	Document	Owner	Amount (R)	Microfilm
1	VA4916/2015	-	UNKNOWN	-

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ANNEXURE 3

**CASSIE GERBER
PROPERTY VALUERS CC**

CK 98/22188/23

**C.L. Gerber, Registered Professional Valuer in Terms of Section 19 of Act 47 of 2000,
Registration No: 1717/4**

P.O. Box 2217
DURBANVILLE
7551

Telephone: (021) 9757240
Fax: 086 558 6933
E-mail-caslg@mweb.co.za
Cell phone- 082 416 2987

VALUATION REPORT

ERF 718, BASSI STREET, KAYAMANDI, STELLENBOSCH

OWNERS: MUNICIPALITY STELLENBOSCH



Market value: As per report, paragraph 12 refers:
Date: 6 May 2015

=====

VALUATION REPORT

ERF 718, BASSI STREET, KAYAMANDI, STELLENBOSCH
OWNERS: MUNICIPALITY STELLENBOSCH

1. Instructions

- 1.1 The Head of the Department of property Management, Stellenbosch, instructed me to value the above-mentioned property.
- 1.2 A market related value for the vacant land before and after the encroachment is required to determine the difference in the selling price.
- 1.1 Market value is defined in this report as a price, which the property might reasonably be expected to sell for, in a transaction between a willing, able and informed seller and a willing, able and informed buyer.

2. Date of valuation

6 May 2015

3. Description of property

Erf 718 an unregistered portion of Erf 707, Kaya Mandi

4. Extent

990m² (The clinic on Erf 719 encroaches on Erf 718 and the extent of Erf 718 is now 823m²)

5. Owner

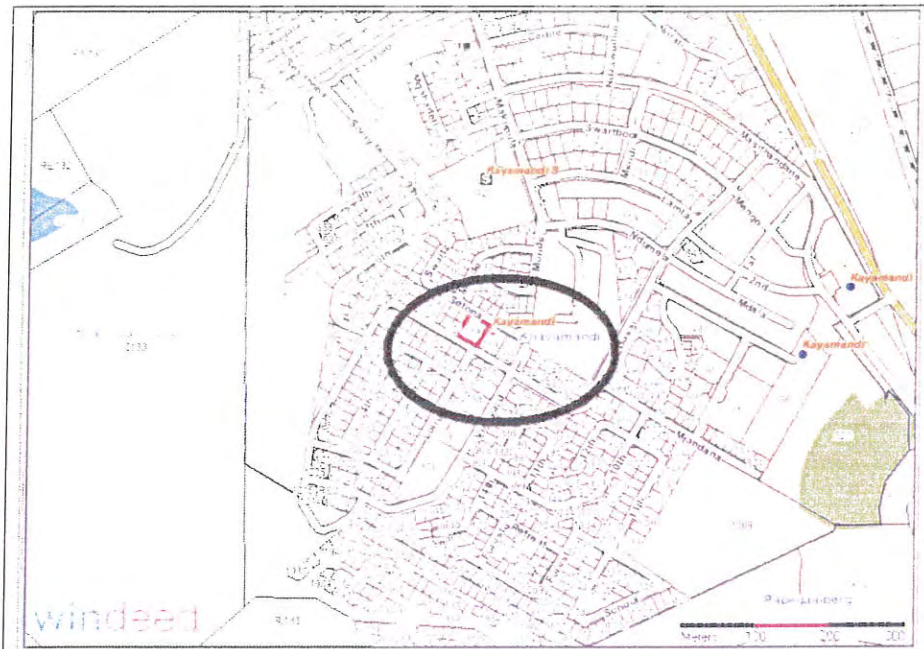
Stellenbosch Municipality (The property was never transferred)

6. Services

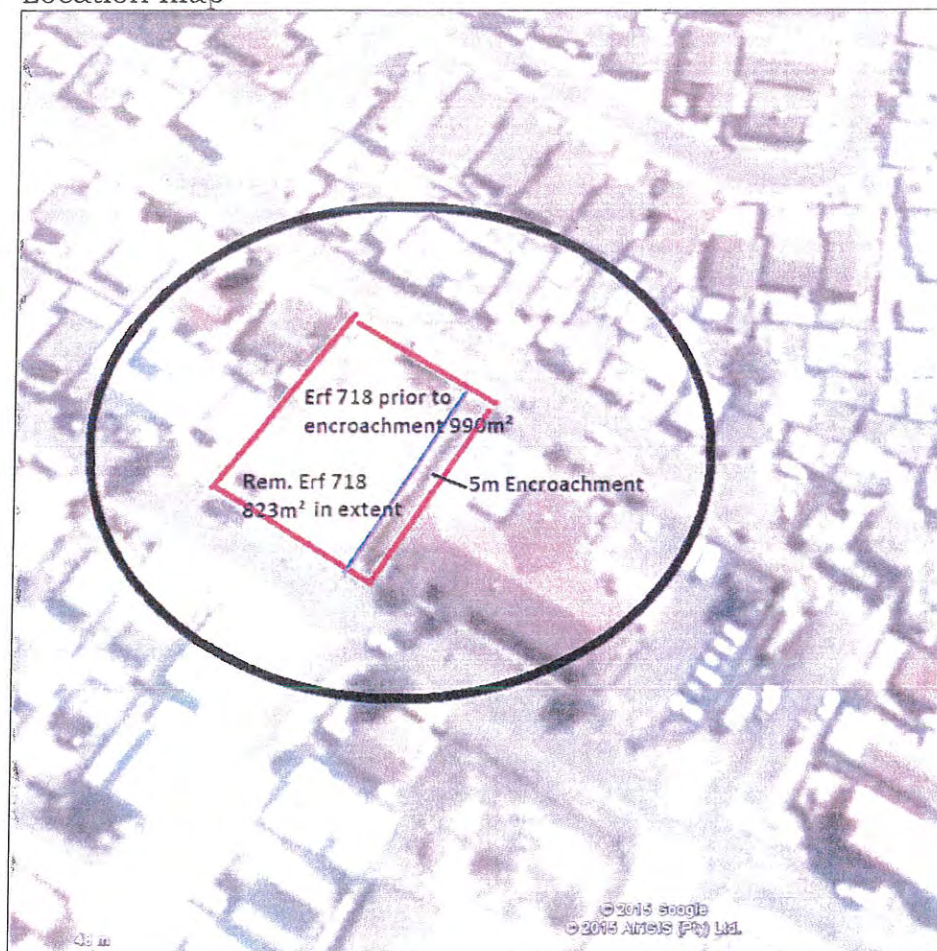
All the necessary municipal services are available.

7. Situation and physical aspects

- 7.1 The property is situated in Bassi Street, Kaya Mandi, Stellenbosch.
Map page 3 below refers:
- 7.2 The property consists of vacant land, which is suitable for building purposes.



Location map



Aerial photo

8. Town Planning

The property is zoned for institutional 1 purpose.

9. Highest and best use

The highest and best use of the properties is for single residential purposes.

10. Improvements

The property consists of vacant land.



Subject property

11. Method of valuation

11.1 It would be appropriate to compare the subject property with similar properties and thus arrive at a market value on the basis of comparison.

11.2 A market research in similar comparable areas was carried out and the following information was obtained:

12. Comparable sales

12.1 The following is a list of transactions of church and crèche sites:

NO	ERF	EXTENT	ZONING	MINIMUM OPPORTUNITIES	MARKET VALUE	VALUE IN TERMS OF POLICY
1	30331	789m ²	Institutional 1 Crèche	4	R88 000	R 22 000
2	30496	662m ²	Institutional 2 Church	3	R 66 000	R 16 500
3	28064	1 071m ²	Institutional 2 Church	5	R110 000	R 27 500
4	28410	1 041m ²	Institutional 1 Crèche	5	R110 000	R 27 500
5	28435	1 243m ²	Institutional 2 Church	6	R132 000	R 33 000
6	28436	1 112m ²	Institutional 1 Crèche	6	R132 000	R 33 000
7	28782	780m ²	Institutional 1 Crèche	4	R88 000	R 22 000
8	28980	847m ²	Institutional 2 Church	4	R88 000	R 22 000
9	27294	1 085m ²	Institutional 1 Crèche	5	R110 000	R 27 500
10	29187	700m ²	Institutional 2 Church	3	R 66 000	R 16 500
11	29195	618m ²	Institutional 1 Crèche	3	R 66 000	R 16 500
12	29433	1 064m ²	Institutional 2 Church	5	R110 000	R 27 500

10.2 The following is a list of vacant residential sites

SUBURB: WALLACEDENE (KRAAIFONTEIN)													
Erf	Portion	Sales Date	Reg. Date	Size	Purch Price	Price per m2	Bond Amt	Bank	Seller Name	Seller ID	Buyer Name	Buyer ID	
30414	3	20120522	20120712	128	26282	204			CITY OF CAPE TOWN		PUTHU ZOLISA	7902055963089	
30412	3	20120522	20120712	128	26282	204			CITY OF CAPE TOWN		PENBENI MCOLISI AUBREY	750115640089	
30413	3	20120522	20120712	128	26282	204			CITY OF CAPE TOWN		MADIBELA THANDIKHAYA	7206115770089	
30409	3	20120522	20120712	122	26282	216			CITY OF CAPE TOWN		MARHARDE MCOLISI BEALTY	7905150705089	
30407	3	20120522	20120712	159	26282	129			CITY OF CAPE TOWN		MASIDHANA MOSIHO PAULINE	7912281170089	
30406	3	20120522	20120712	124	26282	219			CITY OF CAPE TOWN		MWANEI USABALO	8206245587089	
30403	3	20120522	20120712	125	26282	214			CITY OF CAPE TOWN		SAFE ZOLISILE	7910052896089	

13. Conclusions

11.1 Kayamandi is an old established and fully developed township and no sales of vacant land took place in the area. The market research was extended to similar areas in the Peninsula.

11.2 Transaction 10.1 is a list of church and crèche sites, which was sold by the City of Cape Town. The properties are situated in Wallacedene, where the living conditions are very similar to the subject property and, therefore, comparable. The land is about

the same size as the subject property and the purchase prices amount to ±R100.00 per m².

11.3 Transaction 10.2 is a list of smaller sites, which were used for GAP housing and their selling prices average about R285.00 per m². An adjustment for size is necessary.

11.4 Based on the above-mentioned comparable sales with the necessary adjustments for location, size and the scarcity of land in Kayamandi, a price of R110.00 per m², in respect of the subject property, is market related.

12. Valuation calculations

- Market value of the subject property before the encroachment:
990m² @ R110.00/m² = R108 900.00
- Market value of the subject property with the encroachment:
823m² @ R110.00/m² = R90 530.00
- Difference: R18 370.00

The market value of the property does not include VAT.

13. Market value

The market value is as per paragraph 12 above.

14. Certificate

I inspected the subject property described herein. I have no present or prospective interest in the property.

The valuation is independent and impartial and complies with all the ethical standards of the South African Institute of Valuers of which I am a member.

All suppositions and data in this report are to the best of my knowledge, true and correct and I have not attempted to conceal any information.

The valuation has been made to the best of my skill and ability.

I, Casper Louis Gerber, consider the market values of the property before and after encroachment in paragraph 12 to be fair and market related.



C.L. GERBER

Signed at Durbanville on 6 May 2015

QUALIFICATION TO VALUE

I, Casper Louis Gerber, certify with this my qualifications and experience as follows:

- Professional Valuer registered with the South African Council of Valuers in terms of Act 47 of 2000.
- Member of the South African Institute of Valuers since 1974.
- Served as a member on various valuation boards.
- I have been involved in valuing fixed properties since 1965. At present, I am making an average of 15 valuations per month spread over the whole spectrum of the property market.

ANNEXURE 4

Knight Frank



ERF 718 KAYA MANDI

(Encroachment of Erf 719)

VALUATION REPORT

PREPARED FOR PROPERTY MANAGEMENT DEPARTMENT
STELLENBOSCH MUNICIPALITY

JUNE 2015

Knight Frank



30th June 2015

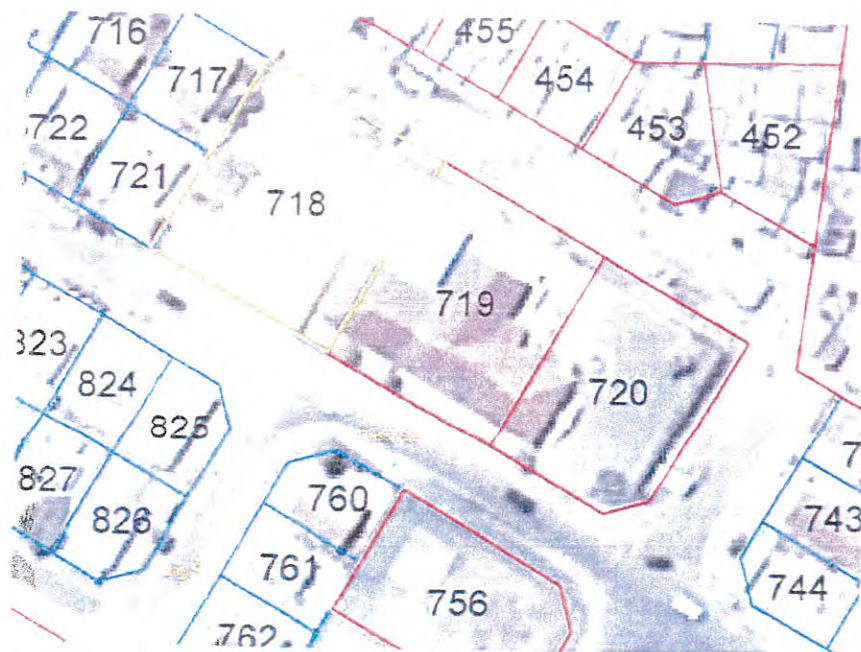
Stellenbosch Municipality
Department of Property Management
3rd Floor, ABSA Building
Plain Street
Stellenbosch 7599

Attention: Mr Piet Smit

Dear Sir,

ERF 718 KAVA MANDI-REIMBURSEMENT OF PORTION ENCROACHED ON BY
ADJOINING CLINIC (ERF 719)

Further to your request to value the portion of Erf 718 which has been encroached on by the Clinic on Erf 719 in order to compensate the owners of Erf 718 in order that transfer can take place. Erf 718 is outlined in yellow below and the portion encroached on is clearly visible on the aerial photo.



Knight Frank



THE 718 EXTANT AREA ENCOMPASSED, OWNERSHIP

The subject property is situated between Setona and Bassi Streets and is currently vacant land used as a short cut between the two streets. It is described as:

Erf 718 Kaya Mandi

In extent: 990 sq metres

We have been informed by yourselves that the area encroached on by the adjoining Clinic (Erf 719) is a rectangular portion, outlined in green below, $\pm 5.0\text{m} \times 33.0\text{m}$ and in extent 167 m², therefore the actual area of Erf 718 is 823 sq metres.



We have also been informed that Mun Stellenbosch agreed to sell Erf 718 to the Seventh Day Adventist Church in 1997 (prior to encroachment) and that the sales price of R11 286.00 was paid in full on 4.9.2002, however the property was never transferred.

MUNICIPAL INFORMATION

General Valuation

The property appears on the 2013 Valuation Roll of Mun Stellenbosch at an amount of R75 000

DETERMINATION OF COMPENSATION FOR THE ENCROACHMENT

We have determined the compensation payable as the difference in the current market value of Erf 718 before and after encroachment; in determining the market value we have taken note of the Municipality's policy of the sale price to Non Profit Organisations (NPO's) such as Church's.

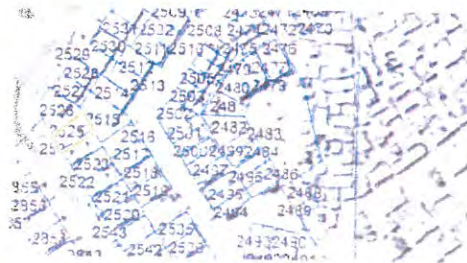
We have used a Market Data /Sales Comparison approach to determine the market value.

Knight Frank



We have researched sales in Kaya Mandi for the last two years and the only sales that are recorded are sales by the Municipality of RDP houses on very small plots (all around 80m²) which were sold to the occupiers for R100 000 including the top structure, for example:

Description:	Erf 2525 Kaya Mandi
Size:	81m ²
Seller/Buyer:	Mun Stellenbosch/VS Vokwana
Date:	24.2.2014
Price:	R100 000 (T4571/2015)



However the subject land is situated in a superior part of Kaya Mandi (see photos below) where the surrounding single residential plots are around 200m² and the value of an improved property is on average around R150 000- R250 000, indicating a plot value of around R35 000 –R50 000 (R175- R250/m²)



Looking up Ling St
Erf 325 on right opposite Erf 713



Basal St

The subject plot is four to five times larger indicating a plot value of R100/m² to R200/m²

Knight Frank



CALCULATION OF COMPENSATION (Assuming that sales to NPO's are typically 20% of the market value)

Value before encroachment

990m ² @ R150/m ²	Value, say R150 000 x 20%	R30 000.00
---	---------------------------	------------

Value after encroachment

823m ² @ R150/m ²	Value, say R125 000 x 20%	R25 000.00
	Difference	R 5 000.00

VALUATION CONCLUSIONS

We are of the opinion that the compensation, as calculated above, for the portion of Erf 718 that has been encroached upon is an amount, ex vat, at or around:

R5 000.00
(Five thousand rand)

We trust that we have fulfilled your instructions and will be glad to answer any queries

Knight Frank Western Cape Pty Ltd

DAT WHITE MRICS FIVSA MRICS
Chartered Valuation Surveyor
Registration No 1770

Cape Town

30.6.2015

15/07/2012

Deeds Office Property

windeed

KAYA MANDI 758, 0 (Cape Town)

GENERAL INFORMATION

Deeds Office	Cape Town
Date Requested	2012/07/18 15:19:27
Information Source	Deeds Office
Reference	

PROPERTY INFORMATION

Property Type	Erf
Erf	758
Portion	0
Township	KAYA MANDI
Local Authority	STELLENBOSCH MUN
Registration Division	STELLENBOSCH RD
Province	WESTERN CAPE
Diagram Deed	DU 1000/800
Extent	947.0000SQM
Previous Description	
LPI Code	006700250000075800000

OWNER INFORMATION

Owner 1 of 1

Person Type	LOCAL AUTHORITY
Name	MUN STELLENBOSCH
Registration Number	
Title Deed	T59361/2002
Registration Date	2002/07/15
Purchase Price (R)	G/P
Purchase Date	-
Share	
Microfilm Reference	2004 0879 0468
Multiple Properties	No
Multiple Owners	No

ENDORSEMENTS (1)

#	Document	Description	Institution	Amount (R)	Microfilm
1	GENERAL PLAN FROM		TOWN KAYA MANDI ERF 707 PRTN 0	Unknown	

HISTORIC DOCUMENTS

No documents to display

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STELLENBOSCH GIS MAP





Image Date: 9/28/2011

2005

33°55'13.44" S 118°50'45.30" E elev: 172 m

© 2012 Airtels (Pty) Ltd

Image © 2012 Google

Eye alt: 397 m

2

18/07/2012

Deeds Office Property

windeed

KAYA MANDI 1079 0 (Cape Town)

GENERAL INFORMATION

Deeds Office Cape Town
 Date Requested 2012/07/18 15:20:44
 Information Source Deeds Office
 Reference

PROPERTY INFORMATION

Property Type Erf
 Erf 1079
 Portion 0
 Township KAYA MANDI
 Local Authority STELLENBOSCH MUN
 Registration Division NOT AVAILABLE
 Province WESTERN CAPE
 Diagram Deed T20814/2012
 Extent 1228 0000SQM
 Previous Description
 LPI Code CC6700250000107900000

OWNER INFORMATION

Owner 1 of 1

Person Type CHURCH
 Name OU APOSTOLIESE KERK
 Registration Number
 Title Deed T20814/2012
 Registration Date 2012/05/09
 Purchase Price (R) 14,022
 Purchase Date 2007/03/26
 Share
 Microfilm Reference
 Multiple Properties No
 Multiple Owners No

ENDORSEMENTS (1)

#	Document	Description	Institution	Amount (R)	Microfilm
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HISTORIC DOCUMENTS (1)

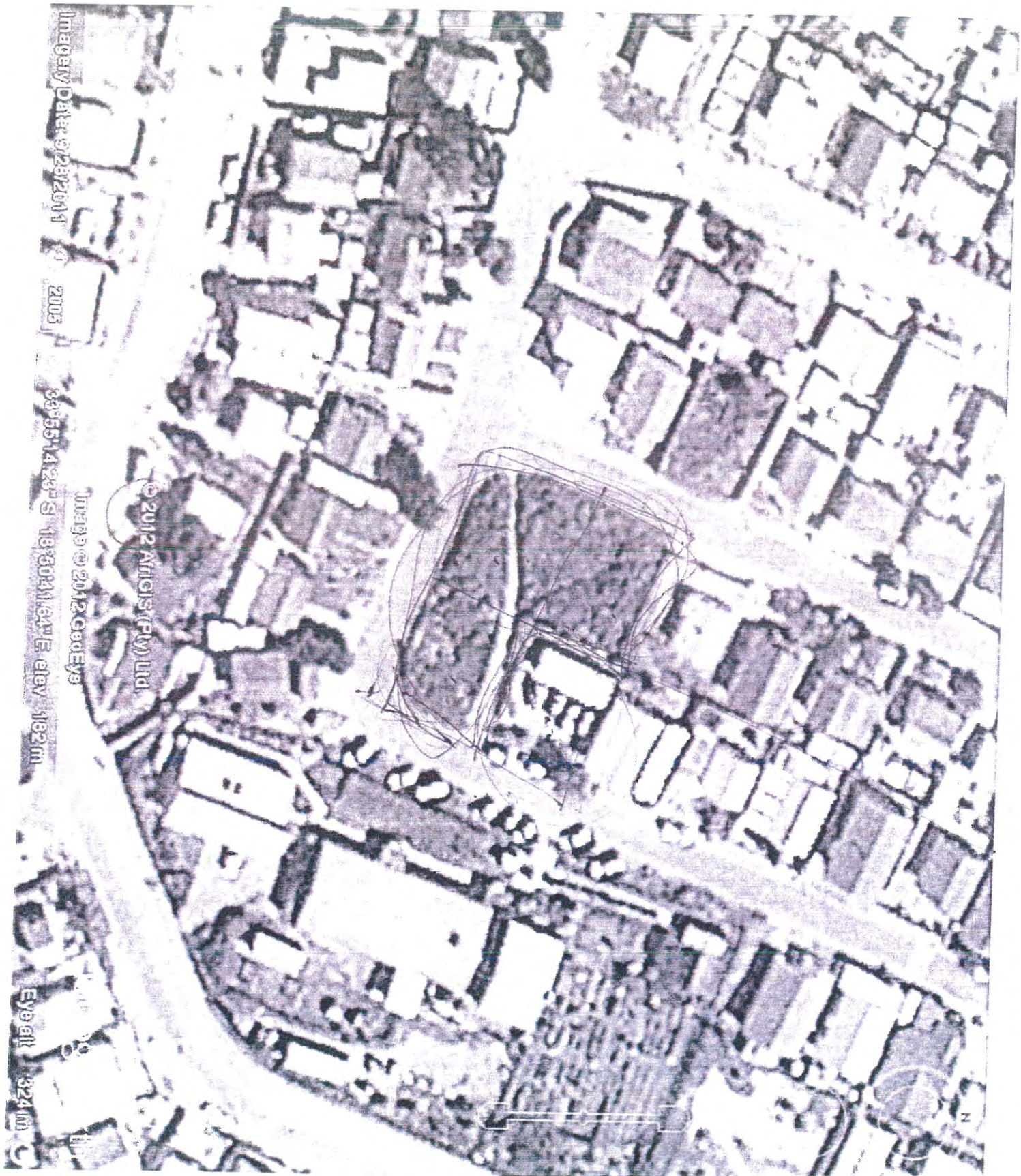
#	Document	Description	Owner	Amount (R)	Microfilm
1	T59362/2002	TRANSFER	MUN STELLENBOSCH	G/P	2002 0600 1804

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STELLENBOSCH GIS MAP





Deeds Office Property

windeed

KAYA MANDI 783, 0 (Cape Town)

GENERAL INFORMATION

Deeds Office	Cape Town
Data Requested	2012/07/18 15:22:35
Information Source	Deeds Office
Reference	

PROPERTY INFORMATION

Property Type	Erf
Erf	783
Portion	0
Township	KAYA MANDI
Local Authority	STELLENBOSCH MUN
Registration Division	STELLENBOSCH RD
Province	WESTERN CAPE
Diagram Deed	DU 1000/800
Extent	212.0000SQM
Previous Description	
LPI Code	C06700250000078300000

OWNER INFORMATION

Owner 1 of 1

Person Type	LOCAL AUTHORITY
Name	MUN STELLENBOSCH
Registration Number	
Title Deed	T59361/2002
Registration Date	2002/07/15
Purchase Price (R)	G/P
Purchase Date	-
Share	
Microfilm Reference	2004 0879 0468
Multiple Properties	No
Multiple Owners	No

ENDORSEMENTS (1)

#	Document	Description	Institution	Amount (R)	Microfilm
1	GENERAL PLAN FROM		TOWN KAYA MANDI ERF 707 PRTN 0	Unknown	

HISTORIC DOCUMENTS

No documents to display

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WinDeed - Deeds and Companies Office Enquiries

Enquiry by Property

as at 13:29 on 18/04/2005

Property
 Erf
 Kaya Mandi
 718
 0

Cape Town
 Erf
 Kaya Mandi
 718
 0

Information

Province	Western Cape
Registration District	Not Available
Local Authority	Stellenbosch MUN
Freehold Description	
Diagram Deed Number	DU 1000/800
Extent	990.0000sqm

Owners

1 of 1

Person Type	Unknown
Name	** For Info Refer To Registrar Of Deeds **

Deed Number
 Deed Date

Registration Date	Unknown
Purchase Price	

Share	UNKNOWN
Purchase Date	

Microfilm Reference	Not Microfilmed
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Multiple Mortgages	No
--------------------	----

Mortgage Reference	No
--------------------	----

Endorsements

1 of 1

Endorsement	GENERAL PLAN FROM Town Kaya Mandi ,Erf 707 ,Prtn 0
-------------	---

Endorsement	Unknown
-------------	---------

Microfilm Reference	Not Microfilmed
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History (None)

End of Report

11.2.3	ADOPTION OF REVISED SYSTEM OF DELEGATIONS
--------	---

Collaborator No:

IDP KPA Ref No: *Good Governance*

Meeting Date: 14 and 20 and 28 August 2019

1. SUBJECT: ADOPTION OF REVISED SYSTEM OF DELEGATIONS

2. PURPOSE

To re-submit the proposed amended System of Delegations for adoption by Council and which will then be replace the existing System of Delegations that was effective from 1 May 2015.

3. DELEGATED AUTHORITY

Council to approve.

4. EXECUTIVE SUMMARY

In terms of section 59 of the Local Government: Municipal Systems Act, 32/2000, a Municipal Council must develop a System of Delegations that will maximize administrative and operational efficiency and provide for adequate checks and balances, and, in accordance with such system, may:

- (a) delegate appropriate powers excluding the powers referred to in section 160(2) of the Constitution, the power to set tariffs, to decide to enter into a service delivery agreement in terms of section 76(b), to approve or amend the Municipality's IDP, and any other provision in legislation conferring the powers to Council alone. The delegations may be made to any of the Municipality's political structures, political office bearers, councillors or staff members;
- (b) instruct any such political structure, political office bearer, councillor, or staff member to perform any of the Municipality's duties; and
- (c) withdraw any delegation or instruction.

Section 59(2)(f) provides, inter alia, that the system of delegations developed in terms of section 59(1) by Council must be reviewed when a new council is elected.

The current system of delegations was approved by the previously elected Council. The current Council did not adopt the System of delegations – the Speaker ruled on 15 August 2016 to “*Note the existing System of Delegations*”. Council has not fulfilled its obligation in terms of section 59(2)(f) to review the system of delegations after its election in 2016. A revised system of delegations has been tabled after the election but was not considered.

The administration and the then portfolio chairperson, Cllr Groenewald, met with representatives from Province to discuss the reservations they had on the set of delegations provided to them by individual councillors. They highlighted the delegations from the Executive Mayor to officials. They advised that delegations from the administration should not take place via the Executive Mayor. That has been in the current proposal and Council delegates directly to officials and not via the Executive Mayor.

We also informed them that the legislation does not require the Executive Mayor to designate powers to Mayco, however in practise in Stellenbosch items are discussed in a formal Mayco and or in a Mayco caucus before decisions are made unless Council is in recess and some designations were made in the document.

The Delegations have been revised in its totality and a new format was used in an attempt to link legislation and the different authorities to whom delegations are made. The changes as discussed at the workshop on 13 February 2018 are included in the attached document.

5. RECOMMENDATIONS

- (a) that Council adopts the attached revised System of Delegations as set out in **APPENDIX 2** as the primary source of the delegations from 1 September 2019;
- (b) that Council takes note that by-laws or policies that are in the process of being revised and that are not included in the delegations will be taken up in the delegations administratively after the approval of the amended by-law or policy, and that the current delegations attached to those by-laws and policies remain in effect till such time it is revised; and
- (c) that all political office bearers, political structures, the Municipal Manager, Directors, Senior Managers, Managers, Heads of Departments and all other identified officials be hereby authorised to exercise on behalf of the Council the delegated powers designated to them in terms of **APPENDIX 2**.

6. DISCUSSION / CONTENTS

6.1 Background

In terms of section 59 of the Local Government: Municipal Systems Act, 32/2000, a Municipal Council must develop a System of Delegations that will maximize administrative and operational efficiency and provide for adequate checks and balances.

6.2 Discussion

In terms of Section 59(2)(f), such System of Delegations must be reviewed when a new Council is elected.

The Local Government elections took place on 3 August 2016 and a System of Delegations was tabled at the first Council meeting on 15 August 2016. The recommendation to adopt the delegations was not approved and the Speaker ruled that Council NOTED the existing System of Delegations. The last time that the delegations were reviewed was in 2015.

In terms of section 59 of the Local Government: Municipal Systems Act, 32/2000, a Municipal Council must develop a System of Delegations that will maximize administrative and operational efficiency and provide for adequate checks and balances, and, in accordance with such system, may:

- (a) delegate appropriate powers excluding the powers referred to in section 160(2) of the Constitution, the power to set tariffs, to decide to enter into a service delivery agreement in terms of section 76(b), to approve or amend the Municipality's IDP, and any other provision in legislation conferring the powers to Council alone. The delegations may be made to any of the Municipality's political structures, political office bearers, councillors or staff members;
- (b) instruct any such political structure, political office bearer, councillor, or staff member to perform any of the Municipality's duties; and

(c) withdraw any delegation or instruction.

The current system of delegations was approved by the previously elected Council in 2015. The current Council did not adopt the System of delegations – the Speaker ruled on 15 August 2016 to Note the existing System of Delegations.

The Delegations must be reviewed in order to align with, amongst others:

- Municipal Assets Transfer Regulations;
- Preferential Procurement Regulations; and
- Cost Containment Regulations.

The Delegations have been revised in totality and a new format was used in an attempt to link legislation and the different authorities to whom delegations are made in order to make it more user friendly. It is therefore not possible to show individual changes as it was changed as a whole.

The Directors all made their inputs in regard to their functional fields. To comply with the legal directive of maximizing administrative and operational efficiency, a high degree of sub-delegations to Directors, Managers, Heads of Departments and other senior employees are provided for. Although every effort was made to ensure that the new proposed system of delegations is accurate and incorporates the delegations, it may be that certain minor administrative overlaps and omissions can be identified.

There are policies and by-laws that are currently under review and those have not been included in the System of Delegations. It is therefore recommended that when a new policy or By-law is approved, the delegations are approved with it and then administratively added to the System of Delegations.

A workshop with Councillors took place on 13 February 2018. The changes as discussed at the workshop are included in the attached document.

6.3 Financial Implications

As per the approved budget.

6.4 Legal Implications

Compliance with Section 59(1) of the Systems Act and various other legislative measures as listed in the definitions and interpretations contained in part 1 of the System of Delegations.

6.5 Staff Implications

If any additional staff has to be appointed permanently it will only be done within the framework of a Council-approved structure and with the necessary budgetary provisions.

6.6 Previous / Relevant Council Resolutions

Council resolution dated 15 August 2016, containing the Speaker's ruling.

6.7 Risk Implications

Delegations must maximize administrative and operational efficiency and provide for adequate checks and balances.

6.8 Comments from Senior Management

The item was discussed at the Director's meeting and the workshop, and the Directors' inputs are contained in the report.

6.8.1 Chief Financial Officer

Agree with the recommendations

6.8.2 Municipal Manager

Agree with the recommendations

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2019-08-14: ITEM 7.2.3

that this item be deferred to a continuation meeting on 20th August 2019.

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2019-08-20: ITEM 7.2.3

- (a) that Council adopts the attached revised System of Delegations as set out in **APPENDIX 2** as the primary source of the delegations from 1 September 2019;
- (b) that Council takes note that by-laws or policies that are in the process of being revised and that are not included in the delegations will be taken up in the delegations administratively after the approval of the amended by-law or policy, and that the current delegations attached to those by-laws and policies remain in effect till such time it is revised; and
- (c) that all political office bearers, political structures, the Municipal Manager, Directors, Senior Managers, Managers, Heads of Departments and all other identified officials be hereby authorised to exercise on behalf of the Council the delegated powers designated to them in terms of **APPENDIX 2**.

ANNEXURES

Appendix 1 – Council resolution dated 15 August 2016.

Appendix 2 – System of Delegations (**Distributed under separate cover**)

FOR FURTHER DETAILS CONTACT:

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DIRECTORATE	Corporate Services
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REPORT DATE	6 August 2019

APPENDIX 1

6.8 ADOPTION OF SYSTEM OF DELEGATIONS

File number : 3/P/7

Report by : Acting Municipal Manager

Compiled by : Director: Strategic & Corporate Services

Delegated Authority : Council

1. LEGAL FRAMEWORK**1.1 System of Delegation**

In terms of Section 59 of the Local Government: Municipal Systems Act, Act 32/2000, a municipal council must develop a system of delegations that will maximize administrative and operation efficiency and provide for adequate checks and balances, and, in accordance with such system may:-

- (a) delegate appropriate powers, excluding a power mentioned in Section 160(2) of the Constitution and the power to set tariffs, to decide to enter into a service delivery agreement in terms of Section 76(b) and to approve or amend the municipality's IDP, to any of the municipality's political structures, political office bearers, councillors, or staff members;
- (b) instruct any such political structure, political office bearer, councillor, or staff member to perform any of the municipality's duties; and
- (c) withdraw any delegation or instruction.

A copy of Council's current approved System of Delegations is **distributed under separate cover as an APPENDIX.**

1.2 Review of Delegations

In terms of Section 59(2)(f), such System of Delegations must be reviewed when a new Council is elected.

In terms of Section 65, whenever it becomes necessary in terms of Section 59(2)(f)(supra) to review a municipality's delegations, the Municipal Manager must submit to Council:-

- (a) a report on the existing delegations issued in terms of section 59; and
- (b) recommendations on any changes to the existing delegations which the Municipal Manager may consider necessary.

If the municipality has an Executive Committee or Executive Mayor, the Municipal Manager must submit such report and any recommendations to the Council through the Executive Committee or Executive Mayor.

RECOMMENDED

that Council adopts the existing System of Delegations.

(ACTING MUNICIPAL MANAGER TO ACTION)

1st COUNCIL MEETING: 2016-08-15: ITEM 6.8

the Speaker **RULED**

that Council NOTES the existing System of Delegations.

(ACTING MUNICIPAL MANAGER TO ACTION)

11.3	FINANCIAL SERVICES: [PC: CLLR P CRAWLEY (MS)]
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NONE

11.4	HUMAN SETTLEMENTS: (PC: CLLR N JINDELA)
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NONE

11.5	INFRASTRUCTURE SERVICES: (PC: CLLR Q SMIT)
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NONE

11.6	PARKS, OPEN SPACES AND ENVIRONMENT: (PC: XL MDEMKA (MS))
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NONE

11.7	PLANNING AND ECONOMIC DEVELOPMENT: (PC:CLLR E GROENEWALD (MS))
11.7.1	ADOPTION OF THE DRAFT LOCAL ECONOMIC DEVELOPMENT STRATEGY FOR PUBLIC PARTICIPATION

Collaborator No:

IDP KPA Ref No: *Good Governance*

Meeting Date: 14 August 2019

1. SUBJECT: ADOPTION OF THE DRAFT LOCAL ECONOMIC DEVELOPMENT STRATEGY FOR PUBLIC PARTICIPATION

2. PURPOSE

To request Council to approve the Draft Local Economic Development Strategy attached as **ANNEXURE 1**.

3. DELEGATED AUTHORITY

COUNCIL

In terms of Section 156 (2) of Constitution of the Republic of South Africa,

"a municipality may make and administer by-laws for the effective administration of matters which it has the right to administer".

Section 152- Objects of local Government- (1) The objects of local government are (c) to promote social and economic development;

and section 153-Developmental duties of municipalities.- A municipality must- (a) structure and manage its administrative and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community; (b) participate in national and provincial development programmes.

It is clear that this pertains to the Local Economic Development Strategy with its objectives of a growing, inclusive and accessible economy that delivers opportunity to all its citizens.

4. EXECUTIVE SUMMARY

The Local Economic Development Strategy adopts a "whole organisation approach" towards economic development and provides a series of catalytic initiatives and programmes which have been identified by stakeholders over a number of years, and which now needs Council's approval for further public participation.

5. RECOMMENDATION

that the draft Economic Development Strategy be approved and published for further inputs from the public for a period of 30 days.

6. DISCUSSION / CONTENTS

6.1 Background

Local Economic Development (LED) is not exclusively a municipal function as defined in the Constitution of the republic of South Africa, 1996.

Instead, it is an obligation imposed on local government in terms of Sections 152 and 153 of The Constitution, which determine amongst others that the objects of local government are to promote social and economic development; to strive, within its financial and administrative capacity, to achieve the objects set out in The Constitution; through amongst others, budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community.

6.2 Discussion

The principle objective of a local economic development strategy is to grow the economy by creating an enabling environment in the realisation of the Municipal strategic objective of a “Valley of Possibilities.”

It represents inputs of numerous sources over a period of time as analysis of and a response to fundamental and evolving challenges facing the Stellenbosch economy.

The strategy heralds in a whole organisation approach, moving away from the departmental approach and the historical silos.

The strategy provides a series of catalytic initiatives which have been proposed together with suggested time frames as a baseline for stakeholders to discuss.

6.3 Financial Implications

None

6.4 Legal Implications

The project aligns with One Cape 2040, the Western Cape Government's Provincial Strategic Plan (PSP), the Western Cape Tourism Strategic Objective 1 (Job Creation and Economic Growth), and the Integrated Development Plan, and Project Khulisa.

6.5 Staff Implications

None

6.6 Previous / Relevant Council Resolutions:

None

6.7 Risk Implications

Risk relates to lack of formalisation of projects with clearly defined inter-departmental project teams, and realistic timelines and budgets.

7. Comments from Senior Management:

7.1 Director: Planning and Economic Development

Supports recommendations

7.2 Municipal Manager

Supports recommendations

RECOMMENDATION FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2019-08-14: ITEM 7.7.1

that the draft Economic Development Strategy be approved and published for further inputs from the public for a period of 30 days.

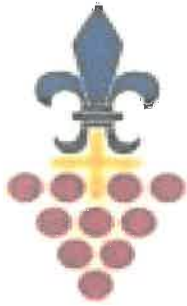
ANNEXURES

Annexure 1 – Draft Local Economic Development Strategy.

FOR FURTHER DETAILS CONTACT:

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REPORT DATE	24-05-2019

ANNEXURE 1



DRAFT LED STRATEGY AND ACTION PLAN

June 2019

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1. LOCAL ECONOMIC DEVELOPMENT OVERVIEW

Local Economic Development (LED) is a means of systematic identification, development and utilization of economic opportunity, to benefit local businesses. As the private sector grows inclusively, poverty is reduced sustainably, and public sector income also increases. LED is therefore a multi-stakeholder effort in support of private sector development.

Whereas Stellenbosch is blessed with much economic prosperity, inclusive economic growth still remains far below potential. Sustained economic growth is still the largest contributor to reduction in poverty. But not all forms of economic growth lead to large scale benefits for the poor. LED pursues an inclusive pattern of economic growth that aims to contribute to reducing poverty consciously and systematically.

Wealth and jobs are created by businesses that are able to compete profitably in fiercely contested markets. Performance however does not just depend on the factors inside the particular firm, but also on externalities such as market demand, market competition, supply conditions and importantly, local business environmental conditions. The eco-system or business environment within which firms find themselves, can to a large extent determine how easy or how difficult it is for an entrepreneur/firm to succeed. A healthy business environment is therefore essential for growth and poverty reduction.

To maximise prospects of sustained economic growth, stakeholders must continually strengthen the systemic competitiveness of the local business environment. Investors seek such a competitive place to do business in. Once they invest (new or expansion) the consequence more often than not are new jobs and growth.

Whereas previous LED strategies may not have had the desired scale of impact, this strategy aims to unite economic stakeholders to cooperate to realise an improved economic future. (Refer to pg 27, Heading 7 –Current Operations) A more systematic and pragmatic approach promises more reliability in execution. Without stakeholder commitment, strategies fail.

The municipality previously embarked on a Participatory Appraisal of Competitive Advantage (PACA) to mobilise stakeholder participation and to leverage their insight and capacities to contribute to an improved economy. The process found many pockets of LED excellence, with numerous existing LED initiatives that should continue. A number of new initiatives were also identified by stakeholders. The PACA process aimed to identify opportunities that:

- Increase the overall size of the economy.
- Make it easier for small enterprises to succeed.
- Grow citizen net worth by increasing property values.
- Build an enabling and responsive public sector.

The portfolio of improvement initiatives, support improvement in the following key sectors:

- Tourism
- Agriculture and Agro-processing
- Knowledge intensive sectors
- Small business and BBBEE

- Property-related developments
- The informal Economy
- Responsive and enabling municipality

Implementation of initiatives has started already and a schedule for implementation is provided. (Refer to pg 32 Appendix A; and pg 34 appendix B. A performance framework to monitor and evaluate progress is under development. For sustained and growing impact, further work is required to build a more effective system of LED governance. This requires strengthening the capacity of leaders of the municipality, organised business and sector bodies in the good practice of economic development cooperation.

German research on the most successful economic regions in world determined that:

"The most successful economic regions turn out to be those in which groups of relevant stakeholders succeed in organizing rapid and effective learning and decision- making processes that actively shape locational and competitive advantages for their economy."

Local Economic Development is a means of systematic identification, development and utilisation of economic opportunity, to benefit local businesses. As the private sector grows inclusively, poverty is reduced sustainably, and public sector income also increases.

Local economic development (LED) is amongst other things, the practice of enabling the creation of sustainable jobs in specific localities or regions.

Government alone cannot create more sustainable jobs due to fiscal constraints- programs such as EPWP for instance are only temporary, and do not create sustainable jobs as funding is constrained.

Sustainable jobs are created in the private sector which makes money from markets. In contrast, the public sector that taxes these businesses and their employees to fund their own activities.

In order to grow the economy, businesses therefore need to increase their revenues by competing better in markets, which are exposed to fierce global competition. The key to growth is therefore competitiveness, not just of individual firms but of complete value chains.

Firm performance therefore does not just depend on the factors inside the particular firm, but also on externalities such as market demand, market competition, supply conditions and local business environmental conditions

The eco-system or business environment within which the firms find themselves, can to a large extent determine how is easy or how difficult it is for an entrepreneur/ firm to succeed.

An enabling, healthy business environment is essential for growth and poverty reduction. Inappropriate regulation, excessive taxation, lack of fair competition, lack of voice and an unstable policy environment restrict investment and the development of markets, stifle entrepreneurship and force many businesses to operate in the informal economy, or indeed locate in more favorable environments.

Development programs should therefore ensure a thorough diagnostic analysis and maintain, as far as possible, a systemic approach and an understanding of the broader causal picture.

In this context, LED is defined as an ongoing process by which key stakeholders and institutions from all spheres of society, the public and private sector as well as civil society, work jointly to create a unique advantage for the locality and its firms, tackle market failures, remove bureaucratic obstacles for local businesses and strengthen the competitiveness of local firms/SMEs.

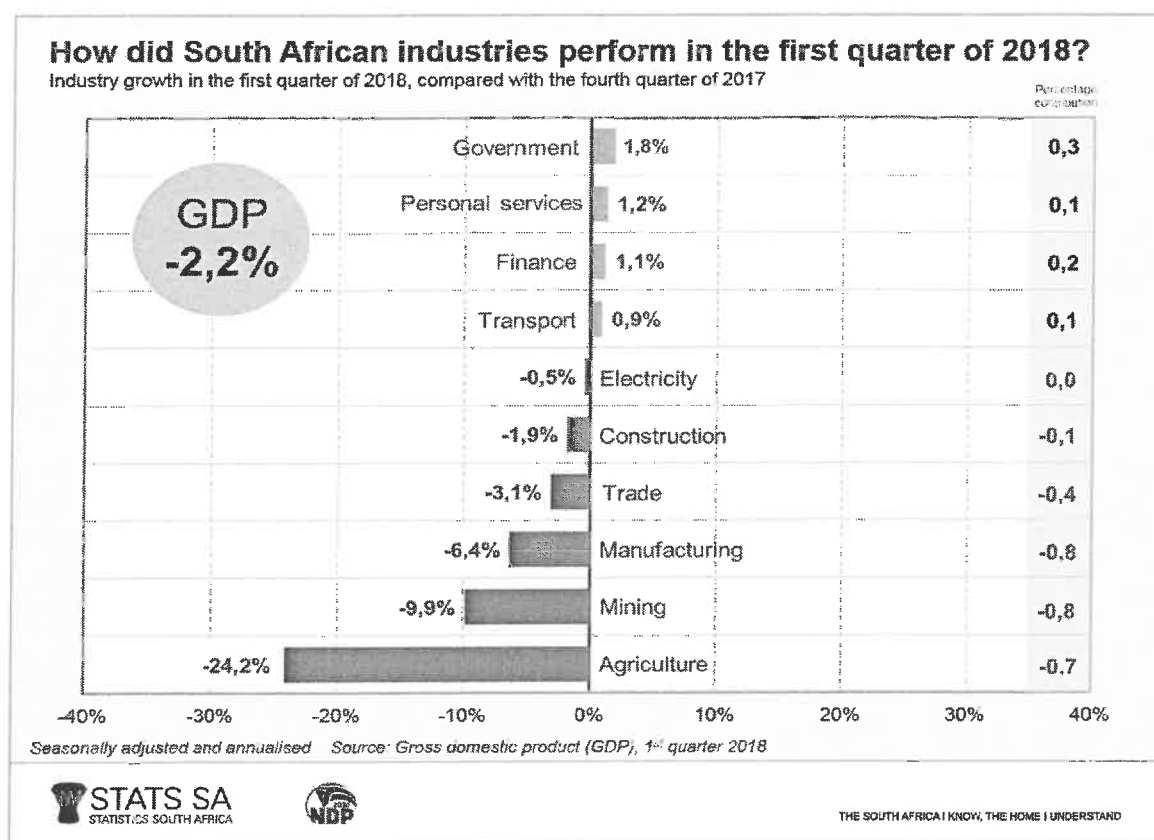
2. THE SOUTH AFRICAN CONTEXT

The broad canvas of the South African economy is well-known. A country freed from the restrictive economic and social policies and practices institutionalised prior to 1994 found itself swimming in the pool of globalisation.

Whilst positioning the country as a developmental state, a position much needed to redress past social and economic injustice, the country was perhaps to be wrong-footed by the macro realities of the globalised system it was being admitted into.

The subsequent global financial crisis, policy and legislative uncertainty, problems in State-owned companies, and weak and politically deferent institutions and organs of state, have inflicted both real and reputational economic damage that will only be addressed through insightful policy direction, and effective administrative execution.

A global GDP of ranking of 41st (nominal) and 31st (PPP); other data are largely unfavourable- GDP growth 1.1%, Gini coefficient 0.65 (2014), population below poverty line est. 55.5% or 30.4 million (Stats SA 2015); unemployment 27.1% (Q3 2016), inflation (CPI) 5.4%. The CIA Worldbook estimates household income or consumption by percentage share as: lowest 10%- 1.2%; highest 10%- 50.1 %



The economy remains the most sophisticated on the continent, and despite recent events holds great potential. However, uncertainty regarding the Mining Charter, property rights, land distribution and transfer without compensation, inefficiency and corruption within both the state and the private sector, do no favours to the economic outlook, and the perceptions of the global investment community .

The broad strokes of the National Development Plan envisage 2030 as set out below:

National Strategic Outcomes	
Goal 1	•Improved quality of basic education.
Goal 2	•A long, healthy life for all South Africans.
Goal 3	•All people in SA are and feel safe.
Goal 4	•Decent employment through inclusive economic growth.
Goal 5	•A skilled and capable workforce to support an inclusive growth path.
Goal 6	•An efficient, competitive and responsive economic infrastructure network.
Goal 7	•Vibrant, equitable and sustainable rural communities with food security for all.
Goal 8	•Sustainable human settlements and improved quality of household life.
Goal 9	•A responsive, accountable, effective and efficient local government system.
Goal 10	•Environmental assets and natural resources that is well protected and continually enhanced.
Goal 11	•Create a better SA and contribute to a better and safer Africa and World.
Goal 12	•An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship.

THE PLAN IN BRIEF

By 2030

- Eliminate income poverty – Reduce the proportion of households with a monthly income below R419 per person (in 2009 prices) from 39 percent to zero.
- Reduce inequality – The Gini coefficient should fall from 0.69 to 0.6.

Enabling milestones

- Increase employment from 13 million in 2010 to 24 million in 2030.
- Raise per capita income from R50 000 in 2010 to R120 000 by 2030.
- Increase the share of national income of the bottom 40 percent from 6 percent to 10 percent.
- Establish a competitive base of infrastructure, human resources and regulatory frameworks.
- Ensure that skilled, technical, professional and managerial posts better reflect the country's racial, gender and disability makeup.
- Broaden ownership of assets to historically disadvantaged groups.
- Increase the quality of education so that all children have at least two years of preschool education and all children in grade 3 can read and write.
- Provide affordable access to quality health care while promoting health and wellbeing.
- Establish effective, safe and affordable public transport.
- Produce sufficient energy to support industry at competitive prices, ensuring access for poor households, while reducing carbon emissions per unit of power by about one-third.
- Ensure that all South Africans have access to clean running water in their homes.
- Make high-speed broadband internet universally available at competitive prices.
- Realise a food trade surplus, with one-third produced by small-scale farmers or households.
- Ensure household food and nutrition security.
- Entrench a social security system covering all working people, with social protection for the poor and other

- groups in need, such as children and people with disabilities.
- Realise a developmental, capable and ethical state that treats citizens with dignity.
- Ensure that all people live safely, with an independent and fair criminal justice system.
- Broaden social cohesion and unity while redressing the inequities of the past.
- Play a leading role in continental development, economic integration and human rights.

Critical actions

1. A social compact to reduce poverty and inequality, and raise employment and investment.
2. A strategy to address poverty and its impacts by broadening access to employment, strengthening the social wage, improving public transport and raising rural incomes.
3. Steps by the state to professionalise the public service, strengthen accountability, improve coordination and prosecute corruption.
4. Boost private investment in labour-intensive areas, competitiveness and exports, with adjustments to lower the risk of hiring younger workers.
5. An education accountability chain, with lines of responsibility from state to classroom.
6. Phase in national health insurance, with a focus on upgrading public health facilities, producing more health professionals and reducing the relative cost of private health care.
7. Public infrastructure investment at 10 percent of gross domestic product (GDP), financed through tariffs, public-private partnerships, taxes and loans and focused on transport, energy and water.
8. Interventions to ensure environmental sustainability and resilience to future shocks.
9. New spatial norms and standards – densifying cities, improving transport, locating jobs where people live, upgrading informal settlements and fixing housing market gaps.
10. Reduce crime by strengthening criminal justice and improving community environments.

3. THE PROVINCIAL CONTEXT

The Western Cape has positioned itself as the best-run Province in South Africa. With consecutive clean audits, a good service delivery track record, and a progressive and pro-business stance with a strong commitment to ease of investment access.

The Provincial Economic Review and Outlook (PERO) serves as economic intelligence for evidence-based policy-making in Municipalities and departments and informs issues of planning, policy-making and budgeting. In this it supports good governance, financial and economic stability, and facilitates the creation of public value.

The Western Cape government has identified five Provincial Strategic Goals (PSGs) to deliver its vision and help realise the objectives of the National Development Plan. These five include:

Provincial Strategic Goals



Critical to success in the above is faster and more inclusive economic growth. This, outlined in the 2015 PERO, requires that all members of society, and particularly the poor and the vulnerable, have access to the benefits of economic growth and development, and also to productive opportunities and markets that bring it about.

A multi-year Provincial initiative, Project Khulisa, serves to direct minds and

efforts around the Provincial Strategic Goal One through three focus areas, namely:

Tourism- cultural, & heritage; focusing marketing plans on specialised markets & business, agri-processing- infrastructure projects, improved regulation, local product promotion, and oil and gas.

The connectivity between tourism and agri-processing and the Stellenbosch economy is immediate and must be given priority and structure through formal projects and initiatives. This is further underlined in the 2016 PERO, which drew attention to a recent development in the inclusive growth concept, namely the "role of the entrepreneurial state in inclusive growth."

In 2017 the PERO highlights the importance of innovation as essential to inclusive growth; without conscious and deliberate infusion of inclusivity into the innovation process it may not be inclusive.

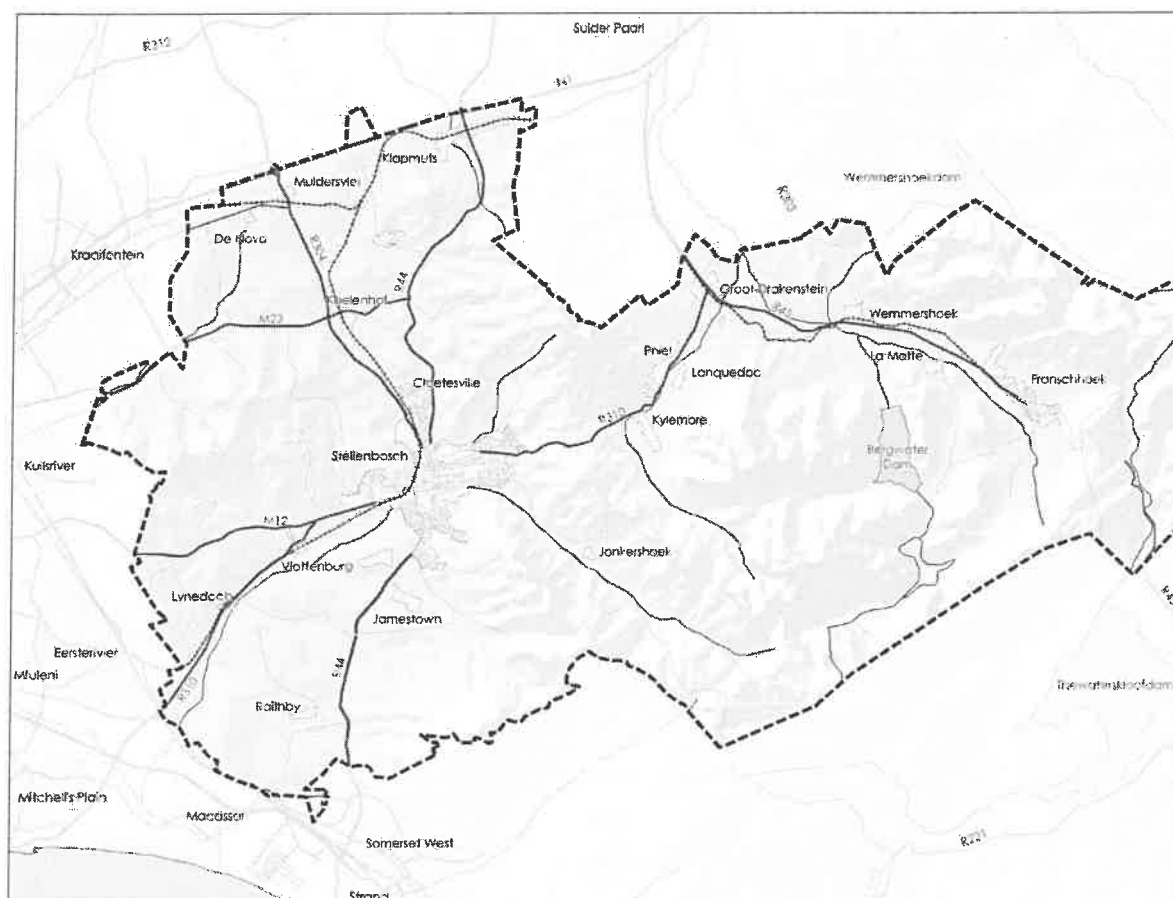
It is argued that for economic growth to be sustainable at a high enough rate to achieve permanent inclusive growth, the growth must be smart. This refers to growth fuelled by innovation focused on improving performance and quality of education outcomes, strengthening research and promoting innovation and knowledge transfer in a digital society.

Only through constant innovation, can an economy increase productivity and competitiveness, and thereby, inclusivity.

In that context, the increased probability of water shortage will necessitate new strategic thinking regarding provision and usage of water. If, as seems the case that water shortages are to be the new normal, a huge opportunity is created to reimagine efficient and sustainable water usage across industry and agriculture.

Global best practice should be interrogated to underpin practicable local intervention. More efficient water usage may enable higher intensity agriculture with less need to add expensive infrastructural capacity.

4. THE STELLENBOSCH CONTEXT



MAP OF GREATER STELLENBOSCH WC024

Stellenbosch Municipality is located in the heart of the Cape Winelands, about 50 km from Cape Town and is flanked by the N1 and N2 main routes. Stellenbosch town is the second oldest town in South Africa.

The municipal area covers approximately 900 km² and has a population of approximately 176 000 people within the town of Stellenbosch and stretching past Jamestown to as far as Raithby in the south, to Bottelary, Koelenhof, and Klapmuts to the north, and over the Helshoogte Pass to Pniel, Kylemore, Groendal and Franschhoek in the east. The Municipal area also includes a number of informal settlements.

Today, the area is known for its extraordinary wines and its fruit. Stellenbosch and Franschhoek are renowned for diverse architectural styles such as Dutch, Georgian and Victorian, which reflect its heritage and traditions, but also divisions of the past.

The town is home to excellent educational institutions, including the University of Stellenbosch and a number of prestigious schools.

It has a strong business sector, 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.

World-class sporting infrastructure is available. Coetzenburg, with its athletics and rugby stadiums, has delivered star performances over many generations. The greater Municipal area is gaining recognition of one of the best mountain biking venues in the world.

The municipal area has a number of theatres, which include the university's Adam Small Theatre, Oude Libertas Amphitheatre, renowned for its summer season of music, theatre and dance, Spier Amphitheatre, as well as Dorpsstraat Theatre and Aan de Braak Theatre.

The area is known for its 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 and wine, and sports festivals. A wide array of accommodation is available for visitors to choose from.

Welfare and community organisations abound and the municipality and university play a leading role in assisting meeting the needs of previously neglected communities.

Stellenbosch is a well-balanced regional economy and is no longer the largest and fastest-growing in the Cape Winelands District (CWD). The region's locational attributes still make it a destination of choice for tourists, business people and workers. **But with careful local government stewardship**

It still enjoys the blessing of a globally respected knowledge sector with research & development capacity as well as a world-class hub for business incubation and innovation.

Other key competitive advantages include a globally competitive wine & deciduous fruit sector with strong linkages to food & beverage processing; a vibrant tourism sector; the economy being integrated with the Cape Metro economy and having a strong brand (i.e. the Cape Winelands).

GDPR performance

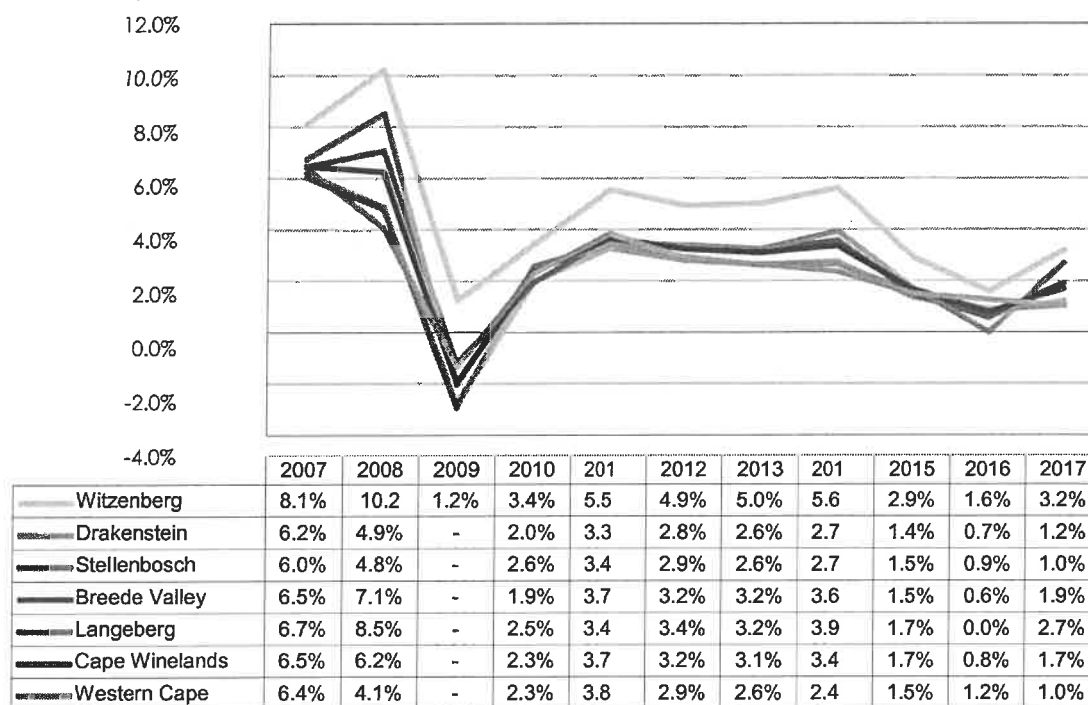
The Stellenbosch municipal economy is driven by the wholesale and retail trade sector; the finance, insurance, real estate and business services sector; and the manufacturing sector.

The manufacturing sector in the Stellenbosch municipal area is highly reliant on the agriculture, forestry and fishing sector, as 40 per cent of manufacturing sector activities are within the food, beverages and

tobacco subsector.

The figure below indicates the GDPR performance per CWD municipal area between 2007 and 2017.

GDPR growth per municipal area, 2007 - 2017



Source: Quantec Research, 2018 (e denotes estimate)

The table below indicates the Stellenbosch municipal area's GDPR performance per sector.

Stellenbosch GDPR performance per sector, 2012 - 2017

Sector	Contribution to GDP (%) 2016	R million value 2016	Trend		Real GDP growth (%)					
			2006 - 2016	2013 - 2017e	2012	2013	2014	2015	2016	2017e
Primary Sector	6.2	908.5	1.1	0.0	0.6	1.6	6.7	-3.8	-9.4	4.9
Agriculture, forestry and fishing	6.0	880.4	1.1	-0.1	0.6	1.5	6.7	-3.9	-9.7	4.8
Mining and	0.2	28.1	1.2	3.9	1.6	3.4	7.1	0.2	0.6	8.0
Secondary Sector	24.0	3 491.8	0.0	-0.2	1.3	0.0	0.2	0.1	-0.3	-1.1
Manufacturing	17.1	2 496.1	-1.0	-1.0	0.5	-1.4	-0.9	-0.6	-0.7	-1.5
Electricity, gas and water	1.4	208.3	0.4	-0.7	1.6	0.7	0.1	-1.6	-2.5	-0.1
Construction	5.4	787.5	5.4	3.4	5.1	6.6	4.8	3.7	1.6	0.5
Tertiary Sector	69.8	10 112.2	3.6	2.6	3.8	3.6	3.1	2.5	2.3	1.4
Wholesale and retail trade, catering and	20.0	2 913.9	3.9	2.7	5.2	3.7	3.1	3.3	3.2	0.3

accommodation										
Transport, storage and communication	10.7	1 564.3	5.4	4.1	4.9	5.2	5.7	3.0	2.9	3.8
Finance, insurance, real estate and business services	21.6	3 144.2	3.6	2.8	3.3	3.1	2.9	3.3	2.5	2.1
General	10.7	1 562.0	2.6	1.2	2.4	3.4	2.5	0.3	0.4	-0.6
Community, social and personal services	6.7	976.5	1.7	1.2	2.4	3.5	1.0	0.4	0.7	0.7
Total Stellenbosch	100	14	2.5	1.7	2.9	2.6	2.7	1.5	0.9	1.0

Source: Quantec Research, 2018 (e denotes estimate)

The Stellenbosch municipal area economy is estimated to have grown slightly faster in 2017 compared to 2016, mainly as a result of higher growth in the agriculture, forestry and fishing sector, which experienced contractions in 2015 and 2016.

It is noted that 2016 data indicate finance, insurance, real estate and business services at 21.6 %, wholesale and retail trade, catering and accommodation at 20%, and manufacturing 17.1% as the three largest sectors, with the first two reflecting positive trend lines, but manufacturing showing a slight decline. Add transport, storage and communication at 10.7%, and these four sectors represent 69% of the Stellenbosch economy.

The decline in the construction sector would seem to correlate with the depressed global economy and may reflect negative investor sentiment toward the local economy. GDP growth has declined and remains flat at around 1% in 2016/17. This reflects trends in the broader South African economy and is concerning, as despite the Western Cape having a good administrative and regulatory environment and a pro-business stance, overall sentiment toward and within South Africa is inhibiting regional growth.

State of the Greater Stellenbosch Area

Demographics			Population Estimates		
	Population			Households	
	176 523			52 374	
Education			Poverty		
	Matric Pass Rate	86.9%		Gini-Coefficient	0.62
	Learner-Teacher Ratio	32.4%			
	Gr 12 Drop-out Rate	23.0%		Human Development Index	0.72
Health			2016		
		P		rima	ry
		14			

	Health Care Facilities	Immunisation Rate	Maternal Mortality Ratio (per 100 000 live births)	Teenage Pregnancies – Delivery rate to women U/18	
	14	85.6%	0.0	4.5%	
Safety & Security		% Change between 2016 & 2017 in # of reported cases/100 000			
	Residential Burglaries	DUI	Drug-related Crimes	Murder	Sexual Offences
	2.4%	35.0%	7.7%	-16.7%	-2.8%
Access to Basic Service Delivery			% HHs with access to basic services, 2016		
Water	Refuse Removal	Electricity	Sanitation	Housing	
98.5% 	71.0% 	90.9% 	98.1% 	65.1% 	
Road Safety		Labour	Socio-economic Risks		
Fatal Crashes	Unemployment		Risk 1	Drought	
Road User Fatalities	11.9% 		Risk 2	Financial Sustainability 	
41 			Risk 3	Sluggish Economic Recovery	
Finance, insurance, real estate and business services		Wholesale and retail trade, catering and accommodation		Manufacturing	
 21.6%	 20.2%		 17.0%		

The table below reveals the employment shares of the different sectors in Stellenbosch and shows the increase in the community services sector as well as the decline in the manufacturing and agricultural sectors.

Stellenbosch employment growth per sector, 2012 - 2017

Sector	Contribution to employm	Number of jobs 2016	Trend		Employment (net change)					
			2006 - 2016	2013 - 2016	2012	2013	2014	2015	2016	2017e
Primary Sector	14.8	11 076	-5 933	1 333	461	557	-601	2 212	-526	-309
Agriculture, forestry and fishing	14.7	11 044	-5 934	1 328	460	557	-603	2 210	-525	-311
Mining and quarrying	0.0	32	1	5	1	0	2	2	-1	2
Secondary Sector	15.7	11 729	267	859	117	316	159	156	110	118
Manufacturing	10.3	7 745	-568	217	-147	192	-42	88	-104	83
Electricity, gas and water	0.2	155	50	24	4	3	5	5	6	5
Construction	5.1	3 829	785	618	260	121	196	63	208	30
Tertiary Sector	69.5	52 072	13 467	7 059	1 160	1 631	1 443	1 799	245	1 941
Wholesale and retail trade, catering and accommodation	24.4	18 284	4 890	3 200	506	496	394	913	227	1 170
Transport, storage and communication	4.1	3 087	1 378	596	222	220	107	247	-160	182
Finance, insurance, real estate and business services	16.7	12 539	3 721	1 911	311	446	374	547	215	329
General	10.3	7 698	1 639	-9	110	-79	367	-155	120	-262
Community, social and personal services	14.0	10 464	1 839	1 361	11	548	201	247	-157	522
Total Stellenbosch	100	74 877	7 801	9 251	1 738	2 504	1 001	4 167	-171	1 750

Source: Quantec Research, 2018 (e denotes estimate)

The following table indicates the skills levels of formally employed workers in the Stellenbosch municipal area. Skills levels can only be determined for formal employment, and in 2016, 73.1 per cent of workers in the local municipal area were formally employed.

Stellenbosch skills level, 2016

Skill level contribution (%)		Average growth (%)		Number of jobs	
Skill level	2016	2006 - 2016	2013 - 2017e	2016	2017e
Skilled	23.8	2.3	1.9	13 030	13 068
Semi-skilled	42.7	2.0	2.4	23 392	23 593
Low-skilled	33.5	-1.0	1.5	18 307	18 128
Total Stellenbosch	100.0	1.0	2.0	54 729	54 789

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

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

5. LOCAL ECONOMIC DEVELOPMENT STRATEGY

Local Economic Development (LED) is not an explicit municipal function as defined in the Constitution of the republic of South Africa, 1996. Instead it is an obligation imposed on local government in terms of Sections 152 and 153 of The Constitution, which determine amongst others that the objects of local government are to promote social and economic development to strive, within its financial and administrative capacity, to achieve the objects set out in The Constitution, Amongst others through budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community.

Stellenbosch Municipality is thus legally compelled to promote social and economic development in its area of jurisdiction and should play the leading role in municipal sector planning. The focus on individual sectors and spatial planning as the key focus areas, rather than on social and economic development results tends to delink economic growth benefits (increase in indicators like GDP, per capita income, etc.) into local economic development benefits (Improvement in the life expectancy rate, infant mortality rate, literacy rate and poverty rate).

Local economic development is the means of systematic identification, development and utilisation of economic opportunity, to benefit local businesses and create opportunities for local communities in order to improve the lives of residents. (Where there is positive link between economic growth and local economic development).

- As the private sector grows inclusively, poverty is reduced sustainably through job creation, and public sector income also increases.
- The growth of the informal economy reduces the demand for jobs while increasing the number of entrepreneurs and potential contributors to the private sector demand.

The health of the entire economy is important. The economy does not divide neatly into 'formal sector' and 'informal sector'. Rather, the different sectors, such as manufacturing, tourism, services, and construction, are on a continuum which has a more formal and a more informal end. The great

challenge to local government, in its support for economic development, is to enable the creation of as many opportunities for work as possible, at different points long the continuum, while ensuring health and safety, orderly planning and management. All work, whether in the more formal or more informal ends of the continuum, has to be valued, and especially when unemployment is as high as reported for the Stellenbosch municipal area, and when there is a highly probable link between unemployment and crime. The numbers of people relying on the informal economy for work can and will increase and the formal economy struggles to grow and make meaningful progress in global markets.

Given the above Local Economic Development is therefore a multi-stakeholder effort in support of creating economic opportunities for both the private sector and the local community.

Strategic approach

The strategic approach to LED is broadly to create opportunities at both ends of the LED continuum in the following ways:

- To maximise prospects of sustained economic growth, stakeholders must be permitted to strengthen their competitiveness and collaboration within the local business environment. Networking, local government responsiveness to business needs, effective service delivery and business oriented organisational structuring will be used to address this aspect
- New business development or investment and expansion of existing businesses will be actively promoted, as the consequence of increased investment more often than not resulting in new jobs and local economic growth. Spatial development framework planning, the Integrated Zoning Scheme, aligned municipal infrastructure services provision and municipal financial management tools will be used to address this aspect.
- It appears that the formal economy is rapidly becoming more informal, as seen in the increase in the number of occupational practices and businesses run from residential premises. The informal economy offers diverse opportunities for absorbing those who have lost their jobs, and for new entrants into the economy. The integrated zoning scheme, aligned municipal infrastructure services provision and municipal financial management tools will be used to address this aspect.
- Create an enabling environment. An enabling environment refers to “a set of policies, institutions, support services and other conditions that collectively improve or create a general business setting where enterprises and business activities can start, develop and thrive.” Spatial Development framework planning, the integrated zoning scheme, aligned municipal infrastructure services provision and municipal financial management tools will be used to address this aspect.
- The formal and informal parts of the economy are mutually interdependent. The good health of one depends on the good health of the other. It is difficult to promote growth of smaller enterprises, if the overall rate of economic growth is slow. Dedicated networking projects to create opportunities for the informal economy to contribute to the demands of the formal economy will be used to address this aspect.

6. 2019 STELLENBOSCH SECTORAL OVERVIEW

Agriculture

Commercial agriculture remains important- need policy certainty regarding tunnels, water rights, and treated effluent water. New reality being created by water scarcity, and should be addressed

Progress is being made with "kleinboere" on farm 502- good relationship formed with DRD&LR and the Farmer Support Unit. Discussions regarding renovation of a pack shed, and regarding a 1-hectare hydroponic installation adjacent to the pack shed in the name of the existing co-op.

Process initiated to award 150h of Municipal agricultural land to suitable applicants.

Small-scale farmers need to access to a value-chain facility- presently washing strawberries at home, with no refrigeration capability, resulting in lower margins and prices.

All Municipal interventions and initiatives should be guided by the principle of setting people up to succeed. It serves little purpose to give people land which has no, or little water, and expect a sustainable business outcome.

It should be noted the most productive small farms in the world are in Holland, and Wageningen University is a world leader in agri-science. Although these farms are small they are farmed on an industrial scale in structures that control heat and expiration, nutrition, energy consumption and the like. This means small plots in South Africa- solvable water constraints aside -need not be marginal at all, but would require the construction of structures which people may resist as visual pollution of the tourism asset.

Intervention	Rank 1 (low)- 5 (high)	Comments
502 Pack house	5	
502 Hydroponic system	5	
Fencing	3	
Elsenberg collaboration	4	
22 farmer initiative.	4	
Hemp		

Ranking scale: 1 important, but longer term- 5 high importance, pursue actively

Infrastructure

On-going projects at varying degrees of formalisation:

- Solid waste site development, and recycling
- Transit-oriented development
- New Municipal offices
- Discussions around traffic congestion, and including the Western bypass option

Sector	Project Description	2017/18 R'000	2018/19 R'000	2019/20 R'000
Sanitation	Extension of WWTW: Stellenbosch	81 277	10 000	-
Sanitation	New Plankenburg Main Outfall Sewer	23 856	26 644	-
Water	1 Water Treatment Works: Paradyskloof	20 000	6 000	-
Water	Bulk Water Supply Pipe Reservoir: Dwarf River (Johannesdal/Kylemore/ Pniel)	19 000	19 000	-
Housing	Idas Valley	16 000	-	-
Water	Relocation/Upgrading main water supply line	15 100	-	-
Electricity	Electricity Network: Pniel	10 300	-	-
Property	New Community Hall Klipmuts	9 000	-	-
Sanitation	Idas Valley Meriman Outfall Sewer	8 000	12 000	-
Sanitation	Bulk Sewer Outfall: Jamestown	7 867	6 356	-

Source: Stellenbosch Municipality, 2017/18 Approved Budget Schedules (SA36)

Intervention	Ranking	Comments

Integrated Public Transport & Non-Motorised Transport

It is suggested that the proposed Western Bypass will cost R750 million and result in a reduction of 7 500 vehicles per day through Stellenbosch.

This may partly address part of the congestion that besets the town. New roads are not easily practicable in the established town, and therefore solutions in that regard are elusive. This suggests that ultimately, an efficient and compelling IPT system will need implementation to trigger behavioural change.

Knowledge and Education

The Municipality has in the past positioned as the Valley of Innovation. Whilst this is a compelling contemporary narrative, it bears further interrogation as to the nature of the competitive advantage in this positioning, and its sustainability.

Whilst it is true that the presence of Stellenbosch University and its Launch Lab and Innovus operations, as well as numerous TVET and other institutions of instruction may speak of innovation and entrepreneurship, it is less clear what the broader effect is.

The Launch Lab, Innovus and Technopark all operate in the fintech space- the modern economy of the Fourth Industrial Revolution, and that there are very successful businesses in these areas.

What is less certain is the real extent to which this can be claimed as a strategic advantage and positioning over other areas. Cape Town has UCT and the Silicon Cape narrative, Kenya has silicon ambitions, so it is difficult to ascertain where Stellenbosch is on an innovation trendline- mirroring the trend of the Cape Town metropolitan region, or displaying a break-out trend.

In an area where large amounts of unskilled and semi-skilled jobs are needed to facilitate inclusive growth, the definition of innovation must surely include inventive ways to address this.

Intervention	Ranking	Comments
CoCollaboration Space	5	Urgent need- speaks to Municipal property section below

Municipal Procurement

- Need to develop local suppliers to a level whereby they are able to participate more actively in bigger parts of the Municipal procurement process.
- Keeping more Municipal spend circulating within the local economy would have a major positive impact on local lives.
- Need to balance artfully and legally the legal need for conformance with the service delivery need of performance.
- Doing new things- especially in the LED/Procurement space will require process to move from mechanistic to results and outcomes driven.
- It is believed that a facility as described in the SMME support section below will function as a place where local entrepreneurs can be hosted and developed in a collaborative environment, in an on-going way.

Intervention	Ranking (Scale 1-5)	Comments
Supplier devp.	5	
Tender information	4	

Municipal Property

A small project was initiated whereby a number of Municipal properties were identified and proposals were called for business plans for the better utilisation of such properties with the purpose of facilitating small business market access and potential to create jobs.

This project is on-going- all proposals have been through an evaluation process, and preferred operators have been identified. The insight gained from this first such initiative will be useful going forward when further exercises are initiated, to make control of intended outcomes even tighter.

It should be noted that the Municipality property portfolio is significant, and needs thorough interrogation as to suitable economic usage. The Municipality currently occupies historic properties which are hardly fit for purpose, and which would be better to market for both economic and heritage outcomes.

Despite owning property the Municipality is a tenant in many buildings around Stellenbosch, and at considerable rent, which begs the question whether a new administrative precinct serving the needs of modern government should not be built. The economic impact of such forethought would be significant.

Intervention	Ranking (Scale 1-5)	Comments
Asset realisation	5	LED hubs

Dorp Str	3	Interest through Wesgro
Technopark	3	Interest through Wesgro
Co-Collaboration Space	4	Need to ID suitable venue

Public Open Space

Three Municipal Open Public Spaces have been identified as prime projects for improved utilisation by the community, but with specific reference to economic opportunity which this will unlock. The three properties identified are Jan Marais Park, the Play Park in Pniel, and the Market in Mark Straat.

Developmental Business Plans have been commissioned for both Jan Marais Park and the Pniel Park, and once completed will be used as the documents for further engagement with the community and the administrative leadership.

The Market street market is proposed as hosting only artisanal crafts and artists. This would include coopers, shoe makers and leather goods, and the kind of food and artisanal products that would historically have been traded in the market.

Intervention	Ranking (Scale 1-5)	Comments
Jan Marais	5	Business Plans in development
Pniel	5	Business Plans in development
Market@market street	4	
Mayors market	4	

SMME Support

It is desirable that the Municipality consider the establishment of a shared space along the lines of the Stellenbosch University LaunchLab, where start-up and small local businesses can crowd in resources, share experiences, and receive guidance and mentorship.

This shared space- not for free- will be able to serve as a base for emerging entrepreneurs, who will share hot desks, meeting rooms, & lecture space.

It should be open 24/7, and should serve as the physical infrastructure that enables interaction between local SMMEs, their customers, and all enterprise development institutions. It should also serve as a space to host coding initiatives as coding skills are fundamental to inclusion in the fourth industrial revolution.

Intervention	Ranking	Comments
Co-creation hub	5	Quick & V.N.B.

Special Purpose Vehicles

For the Municipality to give meaning to "the role of the entrepreneurial state in inclusive growth" much thought will have to be given to the level of active

participation as an investor/operator or as a project driver, to initiate and achieve meaningful inclusive economic opportunity from planned projects and initiatives.

Questions around what the Municipality should initiate, what it should own and in what ownership structure and with what partners, as well as exit strategies all need to be clearly understood.

The capacity and willingness of the Municipality to raise finance within government, and within capital markets needs further consideration.

Intervention	Ranking (Scale 1-5)	Comments
PPP/SPV groundwork	5	

Tourism

As tourism is such an important part of the local economy, and needs attentive oversight for the long term, the aims and objectives of the National Tourism Sector Strategy (NTSS) are shared:

Vision: A rapidly growing tourism economy that leverages South Africa's competitive advantages in nature, culture, and heritage, supported by innovative products and service excellence.

Mission: To increase the direct contribution of tourism to the economy through collaborative planning, and the implementation of agreed priority actions.

Values:

- **Trust-** the multiple partnership relationships shall be built on trust; all parties should have mutual trust that they are all aiming for the same vision and goals.
- **Accountability-** All players shall accept responsibility to deliver actions and objective on which they embark.
- **Respect for our culture and heritage-** All tourism development and activities shall respect all aspects of South Africa's diverse heritage and culture.
- **Responsible tourism-** all tourism development and activities shall deliver on the triple bottom-line, namely economic, social, and environmental sustainability.
- **Transparency and Integrity-** All stakeholders in the industry shall act with the utmost integrity in their dealings with each other, with other role players in South Africa and elsewhere, and with tourists and visitors.
- **Service excellence-** The entire industry, including non-tourism service providers such as retail and Home Affairs, shall consistently strive for service excellence towards all our tourists.
- **Upholding the values of the Constitution-** human dignity and equality shall be respected
- **A commitment to transformation-** The entire industry shall understand and unequivocally support the moral need for transformation.
- **Flexibility and adapting to change-** As a sector we shall be responsive and ready and willing to change and adapt as circumstances require.
- **Collaboration and cooperation between all stakeholders,** in particular in the areas of destination marketing.
- **A commitment to accurate, reliable, timely data and market intelligence** to guide tourism planning and monitoring.

Goals and pillars of the NTSS, set out as:

- Goal: Inclusive and quality growth of the South African Tourism economy
- Pillar 1: Effective Marketing
- Pillar 2: Facilitate Ease of Access
- Pillar 3: The Visitor Experience
- Pillar 4: Destination Management Practice
- Roles, responsibilities and capabilities of provincial and local government in tourism.
- Research, analytics and statistics.
- Inter-departmental support for tourism.
- Standards, guidelines and quality assurance.

By accepted metrics, tourism within the Stellenbosch Municipal area contributes R1.5 billion to GDP, if a 10% share as per the National economy is used. Indeed the figure may well be higher due to the concentration of tourism attractions within the area.

Tourism remains one of the most important sectors due to its ability to attract foreign exchange, but also because of its ability to add jobs relatively quickly.

The tourism sector is sophisticated, world-class and well-resourced and tightly integrated with the wine industry, heritage, knowledge and culture.

The Municipal contribution to its Constitutional obligation towards marketing of tourism within Stellenbosch, takes place through the funding of external bodies performing a Municipal function policy and under which funds are granted to Stellenbosch 360, Franschhoek Wine Valley Tourism, Dwarsrivier Tourism, and Stellenbosch Wine Routes.

The basis of this funding is in historical tourism offices, where tourists could get advice directions and operators could place marketing collateral.

That being said the market and its operations are very different. Back in the day there was no internet, bookings were done by travel agents, and there was reassurance and help in a local tourism bureau.

The world now a different place, and the way people travel is different. A digital expert at the Africa Travel Indaba advised that online travel bookings have stabilised at around 50% of the total. Certain activities are commoditised by the internet- local air tickets and hotels serve as an example. But when complex bookings are required- a barge holiday, or cycling in Provence, or hiking in Nepal, and even at the destination there is strong evidence to suggest human interaction is preferred.

Within the Stellenbosch Local Tourism organisations, a huge store of institutional knowledge resides. That knowledge, combined with savvy marketing plans that promote the greater good of the Greater Stellenbosch, must be leveraged to properly position the Stellenbosch brand and destination, and interrogate the broad development direction of tourism.

Marketing is largely an expense for the private sector. Therefore, the Municipal tourism funding should shape the strategic direction of tourism development and seek to both broaden and increase participation, rather than subsidising already well-resourced private enterprises.

This is not to say that the Municipality should not actively participate. The area of festivals and events can, with compelling offerings, help to improve seasonality. However, once events are seeded, an exit strategy should be in place where commercialisation, with the Municipality owning intellectual property and sponsorships rights, is pursued with staging opportunities being made available to local SMME operators.

Tourism Product Development:

The Municipality is in a position to initiate and coordinate a number of new tourism possibilities within the municipal area, such as:

- The Ida's Valley dam is earmarked for hiking trails
- The Berg River dam must have tourism potential
- Trails- develop mixed use trails for mountain bike touring, hiking and slack-packing, and equitrailing, with the potential for overnight tented camps-catering and security, and inclusion of outlying communities, and connecting towns, which will require coordination and permissions of multiple landowners.
- Business tourism has big potential, and the Municipality should exercise oversight of the development of the sector. Information on available facilities, service providers, accommodation and the like should be made available to accredited organisations.
- Blue Sky projects on the catalytic column of the LED matrix as described earlier include development of a botanical garden at Jan Cilliers/Wemmershoek, with hiking trails, consideration of a regional airport at Klapmuts, and hotel and conference facilities.

Intervention	Ranking	Comments
Dam development	5	
Stb-FHK trail	5	
MTB development	5	
EPWP interns	5	

External Resources

- The Municipality needs to further develop and deepen its economic relationships with multiple-role players. These would include relevant

National and Provincial Departments, as well as SOCs and other state institutions such as:

- WESGRO
- National Department of Trade & Industry
- National Department of Small Business
- Small Enterprise Development Agency
- Small Enterprise Finance Agency
- National Department of Rural Development & Land Reform
- National Youth Development Agency
- National Empowerment Fund, and private sector initiatives such as:
- Shanduka Black Umbrellas
- SAB Foundation
- Ackerman Foundation
- Hollard
- Business Partners

It should be noted that the Stellenbosch Municipality Intergovernmental Relations and International Relations Policy can play an important role in the economic development space.

In areas such as Integrated Public Transport, solid waste management, irrigation technology, urban planning and the like, examples of global best practice can significantly improve local outcomes.

In areas of managing public/private partnerships in infrastructure development, both Malaysia and Australia can provide case histories.

Stellenbosch Investment Promotion agency

Investment and development opportunities within the Municipal area need to be properly packaged and taken to market, with forethought as to the partners and structures envisaged to execute.

There is an urgent need to infuse entrepreneurship and a nimble culture into the Municipal organisation. LED should operate at the interface of government and business, and as such should demonstrate a responsible "can do" attitude. It is true however that LED in the main is regarded as marginal to Municipal operations. LED has the potential, with correct partnerships, to positively shape the future of places and people. Smaller municipalities are convening investment seminars and hosting inviting businesses and government to pursue development opportunities for the greater good.

Intervention	Ranking	Comments
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Open for business dialogue	5	
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Attached as **APPENDIX A** is the package of projects and programmes that were identified during the PACA process and **APPENDIX B: A Local Economic Development Continuum** with projects small to large, and proposed timeframes for the implementation of projects

7. CURRENT OPERATIONS

The municipality's LED strategy is aims to benefit local businesses and create opportunities for local communities in order to improve the lives of residents. Both sides of this continuum are targeted because private growth contributes to economic growth, job creation and a stronger revenue base. On the other end of the continuum, growth in the informal economy reduces the demand for jobs while nurturing entrepreneurial innovation which in turn contributes to the private sector demand for goods and services.

The health of the entire economy is important. The economy does not divide neatly into 'formal sector' and 'informal sector'.

The municipality has undertaken a number of key initiatives to support the growth of the economy on both sides of the economic continuum. Some of the strategies employed is as follows:

STRATEGY 1: Ensure effective local business networking and sector consultation to improve the Municipality's responsiveness to local businesses, entrepreneurs and the economic environment.

Programme:1	Sectoral Meetings
Description	Regular meetings with different sectors of the local economy.
Progress	On-going

STRATEGY 2: Establish a networking and mentoring system to ensure SMME development.

Programme :1	Business Outreach Programme
Description	Regular seminars and workshops facilitated by the Municipality and Private Sector Partners
Progress	On-going

Programme: 2	Mentorship Programmes
Description	Annual mentorship programme in collaboration with a retired business people from Belgium, e.g. Xchange, and local businesses.
Progress	On-going- recruit local mentors, regularise the programme/s.

STRATEGY 3: Proactively identify opportunities for new investment and expansion.

Programme: 1	Red Tape Reduction
Description	Fast-track land development approvals and authorisations to reduce turnaround time for investors
Progress	On-going- need a Red Tape Reduction Unit- re-look and re-engineer municipal processes regarding town planning & approvals – need speedier legitimate outcomes- is a powerful investment incentive to attract business. Placement of such a function within the organisation is critical to legitimacy & success.

Programme: 2 Identification of new niche markets and other opportunities in the local economy.

Description	Inclusion of new economic opportunities in the IDP and Economic Development Strategy identified during the municipal public engagement processes for evaluation of feasibility and implementation with stakeholders.
Progress	<p>The following projects were received for inclusion in the IDP and economic development strategy if there is alignment:</p> <ul style="list-style-type: none"> ✦ Establishing new niche sectors in agri-processing in line with Project Khulisa. It is proposed the cultivation of new & niche agricultural products and beneficiation processes of on municipal agricultural land to contribute towards job creation, economic transformation and development. ✦ Land reform opportunities on public land for agricultural and tourism development in the following areas: <ul style="list-style-type: none"> ○ Klipmuts ○ De Novo ○ Koelenhof ○ Simonsberg ○ Klein Drakenstein ○ Meerlust Forestry ○ Wemmershoek ○ Dassenberg ○ Maasdorp ○ Berg River dam

STRATEGY 4: Create an enabling environment in the informal economy.

Programme 1	Informal Markets
Description	Establish informal trading markets, community markets and farmers' markets at appropriate venues, with a focus on high-intensity pedestrian and tourism routes and places.
Progress	Two markets had been earmarked for the 2018/19- -2020 Groendal and Klipmuts

Programme 2 Local Economic Development Hubs.

Description	Establish local economic development hubs and allow for the outsourcing of the management of the Hubs to improve efficiency and to strengthen local business
-------------	--

	opportunities. These hubs will provide to provide entrepreneurs, start-up businesses or growth-orientated SMME's access to appropriate rental space, affordable businesses services, flexible leases and access to the mainstream economic activities, where better market access could improve their success ratios.
Progress	The rights to lease were awarded for identified three existing properties: The Triangle Building , Franschhoek Victoria Building, Stellenbosch Agricultural Hall, Stellenbosch New Development: Jamestown Economic Development hub

Programme 3	Development of Public Open Spaces
Description	Facilitate the development of recreational attractions in selected natural environments and established cooperatives in local communities to participate in the development, management and marketing of these attractions.
Progress	Two sites has been identified as pilot projects to develop business plans: <ul style="list-style-type: none"> ✦ Jan Marais Park ✦ Pniel River Park

STRATEGY 5: Manage and develop tourism as one of the key economic sectors

Programme 1	Tourism Development
Description	Facilitate the development of tourism attractions in all sectors and at all levels of the local economy.
Progress	<p>A Strategic Tourism Business Plan is in development to:</p> <ul style="list-style-type: none"> ✦ Strategic Tourism Business Plan- to identify and guide processes and role-players to properly develop the natural endowments of the area as transformative tourism catalysts ✦ Integrated route/trail development- MTB, Hiking, Running, horse-riding ✦ Accommodation, food, maintenance and security on trails and routes ✦ Development of activities around, and inclusion of Idas Valley Dam and Berg River dam into route/trail development. ✦ Development of old Donkey Trail over Jonkershoek into Dwarsrivier Valley. ✦ Development of Tourism internships through the EPWP programme <p>Develop "off-road" (non-motorised) connection between Franschhoek and Dwarsrivier and Stellenbosch.</p> <p>Development of open public space as artisanal trading and cultural performance space to enable transformative market access.</p> <p>Co-ordinate and create linkages between role-players in the development of the MICE sector (meetings incentives, conferences and exhibitions), which is a very important mechanism to counter seasonality</p> <p>Sport tourism- this sector covers the high-performance sector- off-season training for high performance teams and individuals from overseas who will stay and train for lengthy periods, as well as adventure sport, rock climbing, paragliding, and recreational sport- trail running, slack-packing</p> <p>New niches has been identified such as mountain bike trails, business conferencing</p>

Programme 2	Development of a Tourism Policy
Description	Ensure implementation of strategies to develop and transform the tourism sector, and ensure equitable and appropriate funding.
Progress	To be commissioned in 2019/20 financial year
Programme 3	Eco-tourism partnerships with private & tourism development framework

STRATEGY 6: Facilitate rural development and farmer support

Programme 1	Access to Municipal Agricultural Land
Description	Facilitate the development of new farming operations for emerging farmers on municipal land and through cooperation with existing farms.
Progress	<p>As part of the Agri-Park project Stellenbosch Council approve the establishment of a Farmers Production Support Unit on a portion of land as part of a 65 hectares of land which is under lease to 10 emerging farmers.</p> <p>Funding of R1,6 million has been allocated by the Department of Agriculture for the implementation of an additional pipeline for the small farmers on the Annandale Road.</p>
Programme 2	Easier agri-diversification
Programme 3	Productive uses of Municipal property

Programme 2	Collaboration
Description	Collaborate with the Departments of Agriculture, Rural Development and Land Affairs around land and farming matters.
Progress	A policy for the Management of Municipal Agricultural Land has been approved by Council. The aim of the policy is to provide access to land to emerging farmers and the establishment of an Advisory Body to advise the Municipality on the development of its agricultural land.

Programme 3	Industrial Parks
Description	As part of the Provincial Strategic Goal to grow the economy and create jobs, the Province has identified agri-processing, light commercial and new economy as key sectors to support in the Western Cape economy.
Progress	Previous studies on ERF 736/5 at Klapmuts, and title to which title vests in Stellenbosch Municipality, is acknowledged and intergovernmental engagements are currently taking place regarding future development and funding. A business case for Erf 736/5 in Klapmuts is being revised in the context of massive development planned by Drakenstein Municipality adjacent to 736/5 north of the N1 Industrial Park sites, as well as other developments in the regional node.

STRATEGY 7: Facilitate the participation of local and small businesses in the provision of municipal services

Programme 1	Implementation of Smart Procurement strategies
Description	A tool for business development and contractor development through the Supply Chain Management process

STRATEGY 8: Facilitate income generating opportunities for the unemployed.	
Programme 1	Expanded Public Works Programme
Description	The provision of income generating opportunities and skills development by making use of labour intensive methods is public funded.
Progress	EPWP funding for the 2018/19 financial year totals R5.722 million, an increase from the R4.820 million in 2017/18 (and R1.758 million in 2016/17). The Municipality created 1 439 part-time jobs in 2016/17 from the EPWP grant allocation, 106 full-time equivalent jobs are planned for 2017/18.

8. CONCLUSION

There is a growing case that economic growth will be led by cities, and not countries. Cape Town, accounting for 9.9% of SA GDP, provides economic and locational competitive advantage to the surrounding towns and cities.

It is imperative that the Municipality agrees on strategically desirable areas of development and even of specific development projects, and the who, what, where, and when are set out in an articulate and actionable plan.

The expectations of Local Economic Development tend toward small projects, which are easily conflated with poverty relief and community development, rather than game-changing possibilities.

Infrastructure is left to the engineers, Spatial Development Frameworks and Integrated Development Plans draw broad guidelines of what may happen and where. However, the LED role of visioning strategic plans for economic development is minimal.

It is accepted that not all balloons that are floated will fly. But a conversation that is iterative and that imagines & interrogates different outcomes is to be encouraged.

For society to succeed, policy-makers and markets must adopt a holistic vision- one that allows ideas, money and opportunity to flow freely and safely, -whether in respect of a derivatives trading desk in the city, or informal markets in Kayamandi- through our inter-connected lives.

"The care of human life and happiness, and not their destruction, is the first and only object of good government." -Thomas Jefferson

APPENDIX A: THE PACKAGE OF PROJECTS IDENTIFIED DURING THE PACA PROCESS

A Municipal Local Economic Development Strategy serves as a means to analyse, identify and develop a common framework of economic opportunity to benefit local businesses and enhance the well-being of the region.

Whilst it is received wisdom that economic development is largely driven through private initiatives, the realities of South Africa as a developmental state with the imperative of addressing poverty, unemployment and inequality, redraw the expectations and roles of both the private sector, and of government and its agencies.

It bears comment that the Municipality, by virtue of its administrative mandate as well as its economic contribution of a budget of R 2 billion annually, should strive to vision and catalyse an appropriate economic development strategy. This may include identifying critical and appropriate actions with Municipal assets, as well taking to market other investment opportunities that it wishes to see implemented.

The L.E.D. dilemma is that broadly speaking, an LED strategy confirms a generic list of common needs- grow the economy, enable access for business on the margins, create jobs, knowledge and digital economy, agriculture and agri-processing, light industry, infrastructure and the like.

It also bears comment that the grail cup of economic development will not appear magically- investment will follow the strategic competitive advantage of a town or region, expect investment readiness, and seek to leverage that to create sustainable value. The identification of realistic competitive advantage is foundational to the development of an executable strategy.

For historical context in the case of Stellenbosch, the 2013 PACA Process and LED Strategy listed twelve initiatives and a 10-point action plan.

The Twelve Initiatives:

1. SDF & Land use Management
2. Integrated Development Plans
3. Stellenbosch Wine Routes, Stellenbosch 360, Franschhoek Tourism
4. Public Transport Plan- Transit-oriented development
5. Municipal infrastructure backlog
6. SMME Services
7. Business Incubators
8. Crime Working group
9. Chambers of Business
10. Shaping Stellenbosch- smart city
11. U.S. sport development programme
12. Church Street development plan

The Projects identified in the PACA

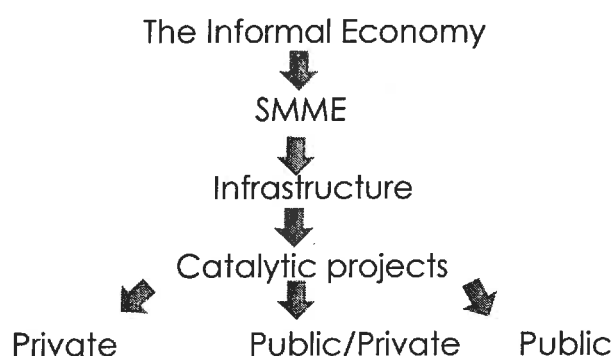
1. Optimal use of Municipal Property
 - Housing
 - Heritage Property- tourism & business potential
 - Agricultural

2. Rhenish complex and Die Braak
 - Transfer to Municipality
 - Tourism Attraction
 - RFP- corporate tenants; hospitality
 - Job creation- development phase and through tenant business
 - Revenue generator
3. Andringa Street Museum
 - New heritage tourism product
 - Hospitality and culture opportunity
4. Integrated Transport Plan
 - Multi-nodal transport system plan finalised 2014
 - Opportunities for green equipment- electric hybrids
5. Spatial Development framework
 - Certainty regarding space for development
 - Certainty regarding types of development
 - Infrastructure requirements
 - Value-chain opportunities
6. Housing requirements
 - Middle-income and gap housing
 - Densification
 - Attractive to corporate workforce
 - Expansion of Municipal rates base
 - Consumer spending remains in Stellenbosch

APPENDIX B: LOCAL ECONOMIC DEVELOPMENT CONTINUUM AND TIMEFRAMES

In 2017, an LED working paper described an LED Continuum as a reference framework for economic development and set it out as follows:

The Local Economic Development Continuum



The working paper posed questions around the Vision for economic development-

- what the clearly understood vision is,
- and the outcomes desired;
- where the vision resides politically and administratively within the organisation,
- who has operational oversight of the implementation,
- and what transversal co-operation would be required to execute across directorates.

Six points were identified as guides to activate catalytic LED action:

1. Actively populate the LED continuum
2. Identify project owners and partners
3. Current needs and opportunities and quick wins
4. Strategic and catalytic projects
5. Mayor meets Business- crowd in private sector knowledge and resources
6. LED action plans: job creation, skills development, empowerment, new business opportunities, sector development.

2019 Projects and programmes

Short term (6- 12 months)

- Economic advisory body; proper sectoral participation
- Investment promotion/development facilitation unit
 - Single point of entry for investors
 - Red tape reduction
 - Business retention and expansion
 - Pro-active and certain SDF
- Municipal farmers/ fresh/local produce market

Link to a "buy local" campaign

Exploit value-chain opportunities for small businesses- packaging, bottling, labelling, marketing, ready-to-cook

Enable aggregation & market entry for informal & SMME

Create scale- access to bigger opportunities

- Small farmers
 - Make land available- process ongoing
 - Re-allocation of irrigation rights
 - Treated effluent WWTW
- Business Development and Support system
 - Appropriate direction to SEDA, SEFA, SETA
 - SCM policy to support local business
- Establishment of informal trading sites and LED hubs
 - Ensure demand for space- critical mass
 - Regularise trading- policy, tariffs and hours
 - Enable access- suitable location to sustain business
 - Proper trader/tenant mix

Medium to long term (3-10 years)

- Investigate the establishment of a Greenfield regional commercial airport. Situated at Klapmuts node- J.V. Stellenbosch, Paarl, and private sector
- Facilitate the establishment of a conference centre
 - 600 pax capacity
 - Conference, exhibition and performance capability
- Suitable hotel to accommodate conference attendees
 - 600 pax
- Develop a government precinct
 - Accommodate three spheres of government
 - Central location to serve community
 - Linked to public transport system
- Create an entity to house portfolio of economic development initiatives
 - Municipal property for development
 - Agricultural value-chain hub
 - Small business hives- light industrial-car service, plumbers,
 - Develop ownership structures that enable long-term commercial upside for the Municipality beyond rates and services- CTICC example
 - Tourism & Hospitality initiatives on Municipal and state-owned land
- Dedicated facility for Business incubation – a Launch Lab for the people
 - Mentoring
 - Collaboration
 - Cluster
 - Entrepreneur development

The LED continuum is updated developed further to include items above that are either being implemented or deemed of interest for further interrogation.

Entrepreneur & Business Dev.	Informal Traders Market	Open Public Space	Commercial Hubs & Small agri	Industrial hives / Shared space	Catalytic Projects
SMME database	Idas Valley	Pniel	Groendal	StartHub	W/Hoek Botanical garden & Trail
SCM Supplier Development	Groendal	Jan Marais Park	Jamestown Plot	Planken brug	Local Airport
Job seekers database	George Blake	Stell 360 market	STB Clinic	Jamestown	Regional Airport
SMME Conference	Cloetesville	Hangbrug	FHK Triangle		Government Precinct
Men at Work	FHK Main Rd	FHK Circus	Ou Landbousaal		Rhenish complex
Mayors Business Forum	Bergzicht	Jonkershoek camp site	Kayamandi Corridor		Conference Center
EPWP	Bird Street		502 Kleinboere		Conference Hotel
					MTB Trail Development & Infrastructure
					Ida's Valley Dam
					Berg River dam
					Klapmuts Erf 736/5 Development Plans
					IGR & IR
					Heritage Property
					Business Tourism

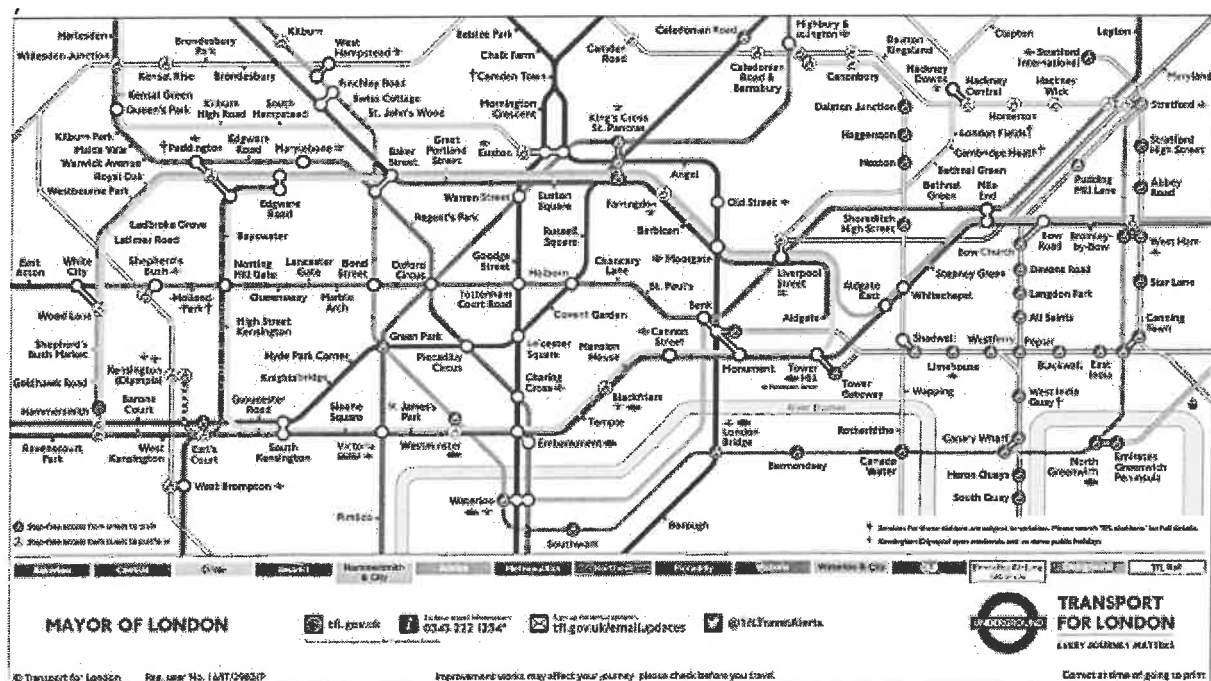
Afterword: A Case for Economic Development-The London Underground

The economic journey requires deep consideration of desired outcomes, and the means, methods and money needed to reach a desired outcome. The economic journey is evolutionary- a never-ending multi-generational and multi-national undertaking.

The economic history of the world is rich with examples of endeavors whose genesis altered the very fabric of life and times. It is worthwhile therefore to reflect on one of these.

Shortly after the opening of the Thames Tunnel in 1843, Charles Pearson, a London solicitor proposed a subway system as part of a city improvement plan. After ten years, Parliament authorised the construction of 6km of underground railway. Work began in 1860, and the line opened three years later.

Today, the London Underground is an iconic representation of economic development. With 270 stations, eleven lines with 400km of track, in 2016-2017 the system carried approximately 4.8 million passengers a day for a passenger year total of 1.379 billion. Consider the start of the journey 150-odd years ago, and where and what it is now- inextricably woven into the economic fabric of city.



Consider further that The Tube is connected to rail system that is connected to Continental Europe by tunnel beneath the English Channel, itself an engineering marvel –first proposed in 1802, attempted in 1880, begun in 1987 and opened in 1994.

The business case for the Channel Tunnel has always been interesting. A Eurotunnel public share issue took place in 1987 at £3.50, rose briefly to £11.00 in

1989, and dropped to a low of in October 1994; Eurotunnel suspended debt repayments in 1995, and underwent a financial re-structuring in 1998.

Two cost-benefit analyses of the tunnel in 2003 and 2006 indicated that there were few impacts on the wider economy and few developments associated with the project, and that the British economy would have been better off had it not been constructed.

Yet, since its opening, more than 80 million vehicles and 185 million passengers have travelled through the tunnel on the Eurotunnel and Eurostar respectively. To give a modern context, apart from £ 12 billion pounds of fresh fruit and veggies a year, a million Amazon parcels ship through the Channel Tunnel every single day.

Who would have foreseen, all those years ago, in 1860 where the journey would lead? In the case of the London Underground, its existence perfectly illustrates the words of Daniel Burnham, an American urban planner and architect of the first American skyscrapers:

“Make big plans; aim high in hope and work, and remembering that a noble, logical diagram once recorded will not die, but long after we are gone be a living thing, asserting itself with ever-growing insistence.”

Sources:

PACA (LED Strategy & Action Plan, June 2014, Stellenbosch Municipality
 Local Economic Development Policy (Draft), June 2017, Stellenbosch Municipality
 Western Cape Provincial Economic Review and Outlook, 2018
 Western Cape Municipal Economic Review and Outlook, 2018
 Making Africa Work; Mills, Obasanjo, Herbst, Davis
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 The United Nations Sustainable Development Goals
 The National Tourism Sector Strategy , 2017
 Stellenbosch Municipality: Fourth Generation Integrated Development Plan; First Review, May 2018

11.7.2	ADOPTION OF THE DRAFT EXPANDED PUBLIC WORKS PROGRAMME POLICY
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Collaborator No:**File no:**

9/2/2

IDP KPA Ref No:

046

Meeting Date:14 August 2019

1. SUBJECT: ADOPTION OF THE DRAFT EXPANDED PUBLIC WORKS PROGRAMME POLICY

2. PURPOSE

To request Council to approve the Expanded Public Works Programme Policy attached as **ANNEXURE 1**.

3. DELEGATED AUTHORITY

COUNCIL

In terms of Section 156 (2) of Constitution of the Republic of South Africa,

"a municipality may make and administer by-laws for the effective administration of matters which it has the right to administrate". In this instance it refers to Draft Expanded Public Works Programme Policy which seeks to set out the strategic objectives, management and implementation management guidelines for the Expanded Public Works Programme in the Stellenbosch Municipal Area.

4. EXECUTIVE SUMMARY

The policy seeks to regulate the functioning of the Expanded Public Works Programme to continue with expanded public works projects within the municipal boundaries, the management thereof, smooth functioning of the programme in compliance with relevant legislation.

5. RECOMMENDATION

that the Draft Expanded Public Works Programme Policy be adopted.

6. DISCUSSION / CONTENTS

6.1 Background

The National Expanded Public Works Programme framework provides that local government develop an Expanded Public Works Policy that is embedded within the Integrated Development Plan. The policy is expected to promote Expanded Public Works principles and the restructuring of local government activities to facilitate and create greater employment opportunities.

6.2 Discussion

This policy is to provide measures to ensure compliance in terms of:

- Contracts management
- Induction / Training
- Time and Attendance
- Data collation

The employment database complements the EPWP implementation by providing an objective method to select beneficiaries for the EPWP, hence the need to review some of the administrative processes within the policy.

6.3 Financial Implications

Implementation of EPWP will most probably lead to additional project costs, but these should be weighed against the social benefits.

6.4 Legal Implications

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

6.5 Staff Implications

The appointment of at least two dedicated EPWP data capturers to provide capacity for the capturing of all projects on the Information Management System of the National Department of Public Works.

6.6 Previous / Relevant Council Resolutions

None

6.7 Risk Implications

Risk relates to inefficiencies in the administration of the programme due to the temporary nature of the Expanded Public Work Programme data capturers.

6.8 Comments from Senior Management

6.8.1 Director: Planning and Economic Development

Supports recommendations

6.8.2 Municipal Manager

Supports recommendations

**RECOMMENDATION FROM THE PLANNING AND ECONOMIC DEVELOPMENT
COMMITTEE TO THE EXECUTIVE MAYOR: 2019-05-17: ITEM 6.1.1**

that the Draft Policy is moved for consideration and adoption by Mayco and Council.

**RECOMMENDATION FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE
EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2019-08-14: ITEM 7.7.2**

that the Draft Expanded Public Works Programme Policy be adopted.

ANNEXURES

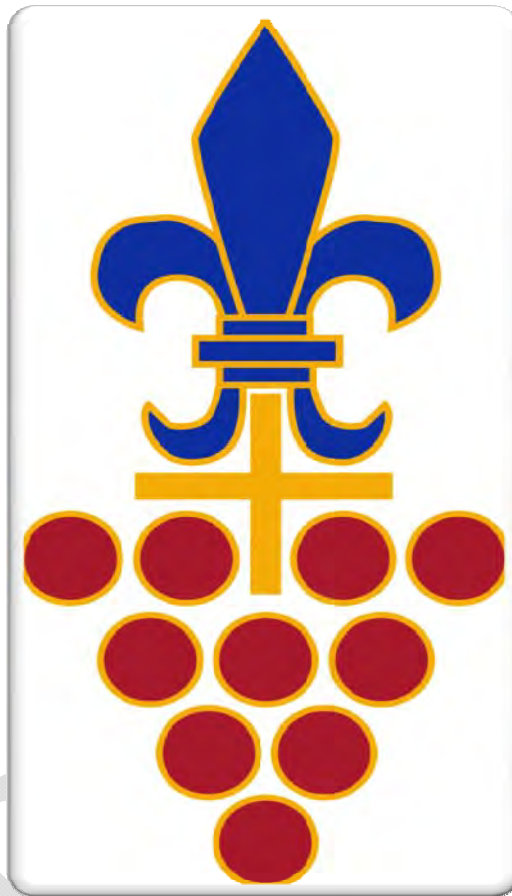
Annexure 1 – Expanded Public Works Programme Policy.

FOR FURTHER DETAILS CONTACT:

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REPORT DATE	06-06-2018

EXPANDED PUBLIC WORKS PROGRAMME POLICY

2019



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DEFINITIONS**1. ADMINISTRATIVE CHAMPION**

An official responsible for advocating and providing leadership and administrative support to EPWP in the municipality and represents his/her directorate/department in the EPWP Steering Committee.

2. CAPITAL EXPENDITURE (CAPEX)

Expenditure used to create new assets or to increase the capacity of existing assets beyond their original design or service potential. CAPEX increases the value of an asset.

3. DEMOGRAPHIC CHARACTERISTICS OF WORKERS

The number of workers that fall within the following categories must be recorded:

Youth (18 –35 years of age)

Women

People with Disabilities

4. ELIGIBLE PUBLIC BODIES

Eligible Public refers to any organisation defined by the legislation as government body; and for the purpose of this document, refers to a province or municipality within the spheres of government that complies with the criteria or legitimacy as set by the National Department of Public Works.

5. EPWP PROJECT

A project registered as an EPWP project on the Management Information System of the National Department of Public Works implemented using EPWP principles and guidelines.

6. FULL TIME EQUIVALENT (FTE'S) EMPLOYMENT

Means 230 person days of work created by an EPWP project or programme, within a financial year.

7. IMPACT ON UNEMPLOYMENT

Degree to which unemployment as measured, is reduced, as a result of the implementation of EPWP.

8. LABOUR BASED CONTRACTS

Contracts aimed at fostering labour intensive work methods.

9. LABOUR INTENSIVE WORK METHODS

Labour-intensive Work Methods is the economically efficient employment of as great a proportion of labour as is technically feasible throughout the project process to achieve the standard demanded by the specification; the result being a significant

increase in employment being generated per unit of expenditure by comparison with conventional equipment-intensive methods.

10. LEARNERSHIPS

A Learnership is structured learning combining classroom learning and on-the-job training. Learnerships are registered and accredited by a SETA.

11. LOCAL EMPLOYMENT

The usage and drawing from the labour pool for economic activity, who resides within the WC024

12. PARTICIPATING PUBLIC BODIES (DEFINITION)

Public bodies across National, Provincial and Local spheres of Government for whom a Full Time Equivalent work opportunities target has been set under the EPWP, in terms of the Implementation Protocol Agreement

13. PERSON DAYS OF EMPLOYMENT

An aggregate of the number of people who worked on a project multiplied by the number of days each person worked.

14. POLITICAL CHAMPION

A dedicated political office bearer or councillor nominated by Council to be responsible for advocating, providing leadership, oversight and political support to EPWP in the municipality.

15. PROJECT BUDGET

The project budget is the approved budget as appeared in the approved business plan

16. PROJECT WAGE RATE

Minimum Daily Wage Rate (whether task-rated or time rated) per individual project.

17. SECTOR COORDINATOR

A Manager or Director appointed by the Municipal Manager to lead and coordinate all the activities of a particular sector e.g. infrastructure.

18. EPWP STEERING COMMITTEE

Body responsible for advocating and implementing EPWP in the municipality. (Consisting of all Directors)

19. TRAINING PERSON-DAYS

The number of Training Person-days is the number of people who attended training multiplied by the number of days of training. A distinction must be made between accredited and non-accredited training person-days.

20. JOBS SEEKERS DATABASE USAGE

Access to the Stellenbosch Municipality database which houses unemployed, indigent, skilled and unskilled persons within the municipal boundaries.

21. WORK OPPORTUNITIES (WO)

Paid work created for an individual on an EPWP project for any period of time (a total of maximum 24 months with a 60 month period), within the employment conditions of the code of good practice for special public works programmes i.e. social sector projects, learnerships.

ACRONYMS

CoGTA	Department of Cooperative Governance & Traditional Affairs
DOL	Department of Labour
DPW	Department of Public Works
DORA	Division of Revenue Act
ED	Directors
EPWP	Expanded Public Works Programme
FTE	Full Time Equivalent
IDP	Integrated Development Plan
KPA	Key performance Area
LIC	Labour Intensive Construction (Methods)
M & E	Monitoring and Evaluation
MIG	Municipal Infrastructure Grant
MIS	Management Information System
MMC	Member Municipal Council
SCM	Supply Chain Management (Procurement Policies)
SETA	Sector Education & Training Authority
SMME	Small Micro and Medium Enterprises
SMA	Stellenbosch Municipal Area

1. INTRODUCTION

Job creation and skills development remain key priorities of the South African Government. The Expanded Public Works Programme (EPWP) is a cabinet endorsed Programme aimed at creating temporary work opportunities for the unemployed to carry out socially useful activities. The programme is implemented by all sphere of government, across four (4) defined sectors, namely the Infrastructure, Social, Non-State and Environment and Culture. Hence a policy needs to be in place to guide Expanded Public Works Programme activities in the municipally

The EPWP Policy should seeks to:

- i. Inform all departments and Units within the Stellenbosch Municipality on how their functions should contribute towards the EPWP.
- ii. Establish Stellenbosch's EPWP as an approved social economic developmental and poverty alleviation programme that promotes SMME development, employment creation and skills development.
- iii. Ensure development integration across all sectors.
- iv. Re-engineer the planning, design and implementation of programmes/projects within the existing municipal operational and capital budgets in order, to maximize greater employment opportunities per unit of expenditure.
- v. The Expanded Publics Works Programme is about the reorientation of line function budgets so that the expenditure by government results in increased employment opportunities and training, particularly for the unemployed and unskilled labour.
- vi. The following main objectives of the programme, inter alia, to create an enabling environment to:
 - Create employment opportunities for the unemployed within local communities through the implementation of an EPWP implementation plan which collectively cuts across the different sectors inter alia, the Infrastructure, Social, Environmental and Economic Sectors.
 - Develop SMME's to execute EPWP work by facilitating the transfer of technical, managerial and financial skills through relevant Sector Education and Training Authority (**SETA**) & Department of Labour(**DOL**) courses, in properly structured learnerships programmes.
 - Maximizes the percentage retained of the total annual budget spent within the local communities in the form of wages. Promote the procurement of goods and services from local manufacturers, suppliers and service providers.
 - Develop skills within communities through EPWP training, by (**SETA**) accredited training providers.

2. PROBLEM STATEMENT

- 2.1 Addressing Unemployment and alleviating poverty are two of the cornerstone challenges which need to be addressed by all three spheres of government being local, provincial and national;
- 2.2 The EPWP Programme seeks to straddle all three spheres of government and provide a framework to address the cornerstone challenges of unemployment and alleviating poverty;
- 2.3 The implementation – on the back of the success of the initial EPWP programme and EPWP II programme – of EPWP III was approved by Cabinet in November 2013 for a five year period 2019/20 to 2013/24;
- 2.4 Funding of the EPWP programme comprises of:
 - 2.4.1 Direct grant funding from national government in the form of a municipal grant, as directed by annual DORA allocations;
 - 2.4.2 Budgetary allocation from the annual divisional operating budgets
- 2.5 EPWP III seeks strategically increased targets and more focused and specific objectives namely employment creation, income support, the development of community assets and the provision of services.
- 2.6 EPWP III seeks to achieve nationally, the creation of 2,557,073 full time jobs and 6,378,438 work opportunities within the designated 5 year period;
- 2.7 EPWP is to be implemented across four defined sectors being:
 - 2.7.1 Infrastructure Sector

EPWP III seeks to promote the use of labour intensive methods in both the construction of and maintenance of public sector infrastructure

In particular the following have been identified focus areas:

- Road Construction and Maintenance;
- Integrated Human Settlements;
- General Construction and Maintenance;
- Storm Water programmes;
- Water and Sanitation Programmes;
- Large Projects with a labour component in excess of R 30 million;
- Infrastructure related projects;
- Municipal street and storm water asset maintenance;
- National youth services promoting the training of youth between the ages of 18 and 35 on artisan trades in the built environment;
- Learnerships aimed at developing contractors and training supervisors in labour intensive methods of construction.

2.7.2 Environment and Culture Sector

The central tenant in this sector is to leverage off our natural, social and cultural heritage in a manner which unlocks medium and long term job opportunities for fostering social cohesion.

In particular the following have been identified focus areas:

- Waste Management – both asset maintenance and working on waste;
- Tourism and the Creative Industries;
- Sustainable land based livelihoods;
- Parks ;;
- Museums and Heritage sites;
- Sustainable Energy;
- Public Open Space Management;
- Environmental Management;
- Cleaning Campaigns;

2.7.3 Social Sector

Seeks to promote programmes which contribute to the improvement of: health services, early childhood development, community crime prevention, school nutrition and other social services.

In particular the following have been identified focus areas:

- Social Services;
- Early Childhood Development;
- Community Safety Programmes;
- Home Care Givers and Pharmaceutical assistants;
- Sport and Recreation;
- HIV Aids and Health Programmes;
- Cemetery Maintenance;
- Law Enforcement, Disaster management and Fire Services;
- Youth Development;
- Food Safety;
- Sport, Parks and Recreation

2.7.4 Non State Sector

Encourages NPO's to approach government with programme's aimed at creating income for large numbers of people through "socially constructive activities in local communities."

In addition EPWP seeks to place emphasis on the identification of the following focus areas:

2.7.5 Cross Cutting Sector programmes

Promotes leveraging of other labour promotion initiatives and training initiatives for officials which will enhance labour orientated programmes

In particular the following have been identified focus areas:

- National Skills Fund;
- Skills development programmes;
- Learnerships

2.7.6 Enterprise development Sector Programmes

Seeks to provide access to opportunities for locally based SMME's in labour orientated contracts.

In particular the following have been identified focus areas:

- Local Economic Development;
- Contractor Development;
- SMME Incubator Programmes

This will be achieved via:

- Capacity building programmes for local communities aimed at facilitating technical skills transfer coupled with managerial and financial skills;
- Set-aside procurement spend for consumption of local goods and services by including the strategic objectives of EPWP III in to the tender specification project stage as well as the tender adjudication stage of the project life cycle.

2.8 The Stellenbosch Municipality has in terms of its Protocol Agreement with the Provincial Government and the National Department of Public Works agreed to the targets as set out below, and to comply with all EPWP III policies and objectives.

Financial Year	Work Opportunities	Full Time Equivalents
2014/15	832	259
2015./16	889	278
2016/17	946	297
2017/18	1027	323
2018/2019	1071	337
Total	4765	1494

- 2.8 The Stellenbosch Municipality will participate in and contribute to EPWP III through:
- 2.8.1 The use of labour intensive methodologies in the origination, technical construction and implementation of programmes and projects in the pursuit of their capital budget;
 - 2.8.2 The use of labour intensive methodologies in the origination, technical construction and implementation of programmes and projects in the pursuit of their operational budget;
 - 2.8.3 The application of EPWP III will be adhered to and contributed to by all Directorates by ensuring registering projects for EPWP implementation, pursuant to their budgetary allocation.

3. STRATEGIC INTENT EPWP III

The rationale behind the EPWP programme is that municipalities should address:

- i. Sustainable livelihoods;
- ii. Skills development;
- iii. The usage of assets and services as a leverage tool for job creation.

Central to all of the above is the notion that municipalities need to “**create greater employment opportunities per unit of expenditure.**” This by its very nature infers that labour intensive or community based service delivery methods need to supersede technology or innovative service delivery for the programme to work.

The employment of labour is to be vested in the “poorest of the poor” with the “lowest of the low” skills pool. Job opportunities are to be created with ancillary training so as to empower the beneficiaries in a manner which could lead to sustainable livelihoods. It is thus incumbent on the Stellenbosch Municipality to:

- 3.1 Create temporary work opportunities through the promotion of labour intensive methodologies in the daily execution of projects and programmes;
- 3.2 To coordinate EPWP implementation across all Directorates;
- 3.3 To set clear targets in the IDP and Service delivery Budget Implementation Plans (SDBIP) for the EPWP implementation;
- 3.4 To drive accountability and responsibility for EPWP focus at all levels of the municipality in the project planning, design and implementation phases;
- 3.5 To establish a defined EPWP methodology that will ensure proper reporting, monitoring and evaluation and ensure good governance.
- 3.6 To provide the catalytic mechanism to kick start the career progression through skills training for the poorest of the poor with low level skills in a manner which provides clear measurement (possible assistance from the University of Stellenbosch or other organisations skilled in this type of measurement) of job execution for future job opportunities.

4. EPWP III POLICY OBJECTIVES

EPWP III implementation was approved by Cabinet in November 2013 for a 5 year period (2019/2020 – 2023/2014). The major thrust brought about by EPWP III are:

- i. Increased targets;
- ii. More focused and specific objectives which would broaden the development impact by inter alia:
 - Increased focus on community driven programmes, which via a transfer of wages would provide an economic catalyst;
 - Targeted programmes on the poorest areas;
 - Consolidate and strengthen markets in marginalized communities
- iii. The introduction of the following four principles:
 - a) Selection of workers based on a clearly defined process and defined criteria as stated below:

EPWP beneficiaries must:

 1. Be South African Citizens with a valid bar-coded ID (certified copy to be provided);
 2. Be a residents of designated areas where projects are implemented.
OR
 3. Be residents of agreed additional wards specifically targeted as approved by the EWPS Steering committee;
 4. Be preferably, persons from Indigent households;
 5. Be from a household with no income and priority given to one individual per household;
 - b) EPWP beneficiaries or workers will be identified and selected in three ways:
 1. The user department can motivate the extension of existing contracts due to special circumstances
 2. The user department can motivate the appointment of volunteers that fit the socio economic profile of the intended beneficiaries of the EPWP;
 3. The user department request the identification of applicant from the jobseeker database.
 - c) Work provides or enhanced public goods or community services;
 - d) Minimum labour intensity allocation appropriate to sector.

These are the guiding principles for framing, lodging and managing an EPWP project. It furthermore seeks to embody the following deliverables:

- i. Sector convergence and collaboration in promoting social protection and minimum levels of income as EPWP outcomes;
- ii. A defined path for project design aimed at strengthening development impacts and multipliers;
- iii. Opportunity spotting in the public sector with regards to utilization of quality assets and services that have transformative impacts on community development;
- iv. Training initiatives which will run parallel to work place opportunities and aimed at fostering personal development via accredited training;

- v. The usage of enterprise development principles in sub programmes to advocate small and medium enterprises in the delivery of service and assets.
- vi. EPWP III is to be implemented through all spheres of government across four defined sectors being:
 - Infrastructure;
 - Social;
 - Non-State; and
 - Environment and Culture sectors.

5. EPWP III POLICY PARAMETERS

- 5.1 The provisions of this policy as approved in the General Council Minutes dated is applicable to all Directorates within the Stellenbosch Municipality, officials, councillors and all stakeholders – internal and external – to the municipality;
- 5.2 The provisions of this policy as approved in the General Council Minutes dated will apply to all projects and programmes which commence after the adoption date;
- 5.3 The provisions of this policy are to be cross referenced with the Stellenbosch Municipality EPWP Implementation plan as updated annually by the EPWP Steering Committee.

6. REGULATORY FRAMEWORK

6.1 *Legislative Framework*

The legislative and policy framework which has reference seeks to regulate the functioning of the Expanded Public Works Programme so as to lead the adoption of expanded public works projects within the municipal boundaries, the management thereof, the early detection of irregular and unauthorized, activity, and allow for reporting thereof in terms of the Code of Conduct for Councillors and Municipal Staff Members.

Annexure 1 provides a non exhaustive legislative and policy framework.

6.2 *Accounting Framework*

The responsibility of the expanded public works programme lies with the Municipal Manager, or delegated official, who has to ensure that reasonable controls exist to support the implementation of policies.

In delegating this function to subordinates, it does not alleviate the responsibility of the Municipal Manager. The Municipal Manager has to ensure all policies and procedures are communicated to and implemented by the responsible individual(s).

7. POLICY PROVISIONS

Moving from the premise that EPWP projects and programmes are multi faceted and cross cutting through the entire municipal structure. Directorates, and each line department needs to provide a logic model within their annual planning mechanism to accommodate EPWP and to give life to the use of departmental budgets for labour

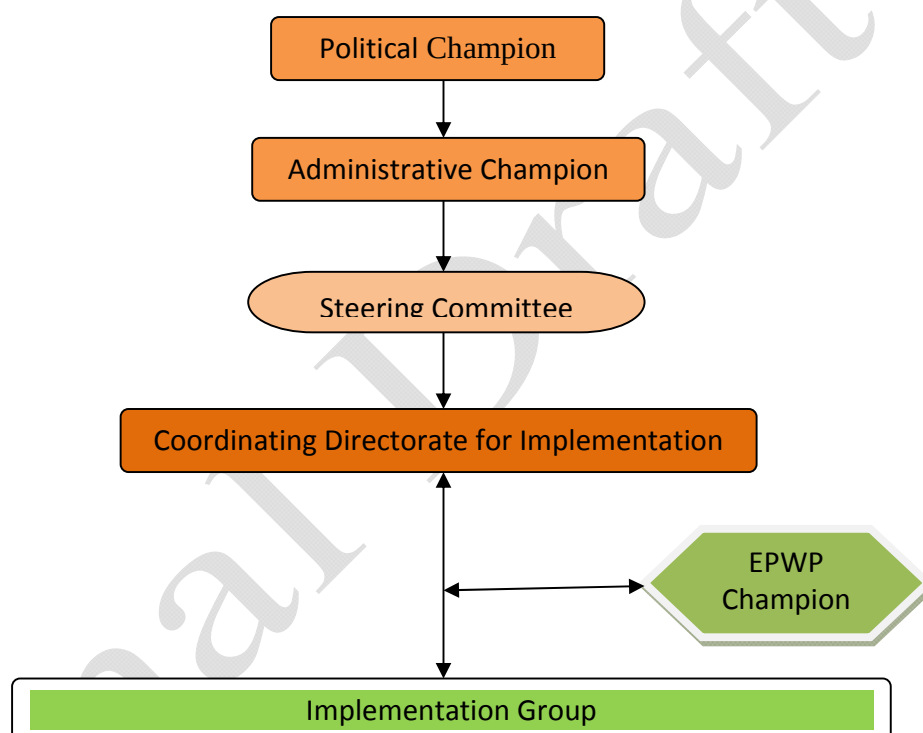
intensive contracting to provide opportunities for the unemployed.

Implicit and explicit in the EPWP Programme is the need for a stringent regulatory framework which will not only provide the correct mechanism for relationship management, but also provide the cohesive glue to ensure good governance which will ensure timeous and seamless execution.

7.1 Institutional Arrangements

7.1.1 The Stellenbosch Municipality needs to establish the necessary institutional structures to lead, coordinate, manage and monitor EPWP activities;

7.1.2 The complexion of such structure will embrace the following:



7.1.3 The mandates carried by the various functions in the institutional arrangements can be denoted as follows:

Function	Designation	Task Orientation			Key Deliverables
		Strategic	Functiona l	Operational	
Political Champion	Executive Mayor	✓			Political Leadership and Direction
Administrative Champion	Municipal Manager	✓			Strategic Implementation Plan with Management Team

Steering Committee	Director's Forum	✓	✓		KPA's; Budgets; Reporting; M & E
Coordinating Directorate	LED & Planning Directorate		✓	✓	Coordinated Plan; Internal and External Stakeholders; M & E
EPWP Champion	EPWP Unit		✓	✓	Referencing , Database Administration, reporting, coordination between Directorates
Implementation Group	Project Managers			✓	Project Plans; Business Plans; Daily maintenance; Reporting

7.1.4 The roles and responsibilities of such institutional structure can be deconstructed as follows:

Function	Designation	Role	Responsibility
Political Champion	Executive Mayor	Provides leadership and strategic direction.	Appoint an Portfolio Chairperson to champion and lead the EPWP process, and to ensure it is aligned to the IDP and SDBIP
Administrative Champion	Municipal Manager	Monitoring and ensures implementation via Management Team Evaluation of Implementation & Performance	Appoints an ED or delegates the function of EPWP coordination. Ensures EPWP part of ED KPA's. Ensures EPWP is part of development plans of municipality Ensures Directorates incorporate EPWP FTE targets in to project plans. Ensures the effective resourcing of the institutional structures

Steering Committee	Director's Forum	Strategy Formulation; KPA's; Budgets; Reporting; M & E	Overall Coordination of EPWP Setting EPWP targets Annual revision of EPWP policy Drive EPWP objectives Ensure labour quotient in projects Derive an annual implementation plan
Coordinating Directorate & EPWP Champion	LED & Planning Directorate	Coordinated Plan; Internal and External Stakeholders; M & E	Develop an EPWP Management plan and Jobseekers database Resource the EPWP office Facilitate communication between stakeholders Interpret EPWP data Manage the knowledge bank on EPWP Reporting to all relevant structures
		Facilitation; Reporting; M & E ; Support Services	Extrapolate EPWP data Manage monthly project and programme progress Communicate EPWP changes Liase with line departments for successful execution of projects Ensure internal training requirements for EPWP are met Monitor reporting, data capturing, financial implementation Ensure EPWP branding is maintained Centralise the communication function
Implementation	Project Managers	Project Plans and	Build beneficiary files

Group		Business Plans; Daily Maintenance; Reporting	Manage daily task execution Manage appointed beneficiaries Manage budgets Identify opportunities
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7.2 *Institutional Oversight Mechanisms*

7.2.1 Political

The Executive Mayor as political head binds the municipality via the signing of a protocol agreement with the other tiers of government – provincial and national. Such agreement embodies the municipality commitment to targets and projects for the successful contribution to the overall EPWP target setting.

The terms of the protocol agreement is based on the information flow from the institutional structures created which serve to inform the target setting and resource allocation. As political champion, oversight is carried in the embodiment of EPWP strategic objectives both in the IDP and SDBIP.

7.2.2 Strategic

Strategic oversight is vested in the administrative champion, the Municipal Manager, whose key responsibility is to ensure that EPWP objectives form part of the key performance areas of the executive management team.

By virtue of these key performance areas, the ED team needs to develop a strategic plan/business plan which embraces the central tenants of EPWP in the broader municipal strategic plans. Such plan forms the basis for monitoring and evaluation inclusive of budget setting and tracking.

7.2.3 Functional

The functional oversight role is rooted in the establishment of clear Terms of Reference to constitute the necessary institutional arrangements. Such terms of reference will serve to provide the framework for engagement of:

7.2.3.1 The Steering Committee/ Management Team

- i. Bound by clear Terms of Reference;
- ii. Chaired by duly mandated official ex administrative champion;
- iii. Comprises representatives at Senior Management level from all Directorates;
- iv. Authorised to act by the administrative champion;
- v. Fix the regularity of meetings, to a minimum of 6 per annum;

- vi. Ensure that EPWP is a standing agenda item at the Director's forum;
- vii. Enjoy Secretariat services from the EPWP office.

7.2.3.2 The Coordinating Directorate (Planning and Economic Development)

- i. Functional oversight role is rooted in the collation and coordination of various departmental plans for embodiment in to one strategic plan;
- ii. Will develop the necessary terms of reference for the various institutional structures;
- iii. Chair the Implementation Group.

7.2.4 Operational

The operational oversight role is rooted in the establishment of clear Terms of Reference to constitute the necessary institutional arrangements. Such terms of reference will serve to provide the framework for engagement of:

7.2.4.1 The Implementation Group

- i. Chaired by the Manager LED;
- ii. Bound by clear Terms of Reference;
- iii. Fix the regularity of meetings, to a minimum of 6 per annum;
- iv. Enjoy Secretariat services from the EPWP office;
- v. Will oversee the implementation of EPWP projects;
- vi. Will consider operational requirements for EPWP projects;
- vii. Will generate
 - a. Reporting template
 - b. Collate reports from different directorates into one for the annual report.
- viii. Will advise the steering committee on strategic matters and governance or matters affecting service delivery through EPWP involvement.

7.2.4.2 The EPWP Office

- i. Will collate all data pertinent to EPWP in to the Information Management System of the National Department of Public Works;
- ii. Will furnish all the compliance reports for EPWP;

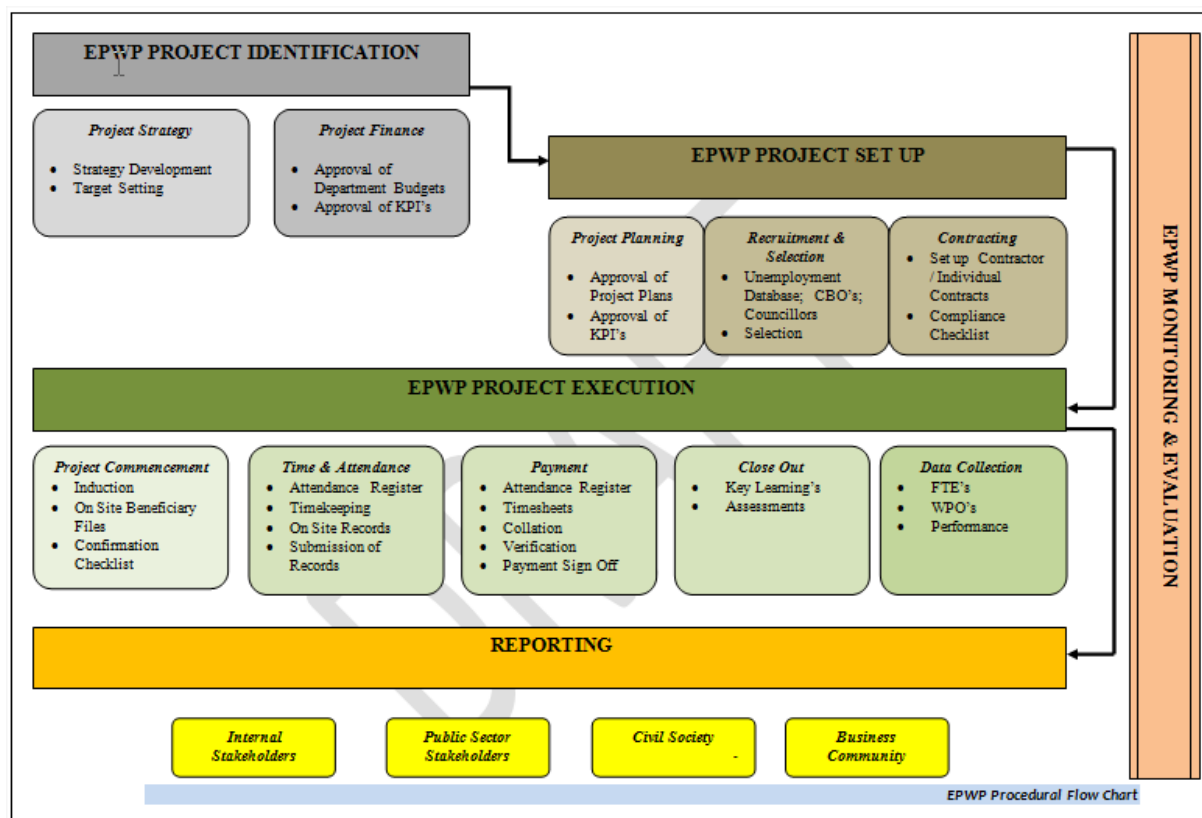
- iii. Will ensure compliance with specified Terms of Reference.

7.3 Implementation

Application of EPWP Principles

- 7.3.1 All municipal projects are to be viewed as an opportunity to infuse EPWP principles;
- 7.3.2 EPWP strategic objectives should influence line department planning, designing and implementation of projects;
- 7.3.3 Projects unsuitable for EPWP principles should be submitted for consideration by the steering committee with clear motivations as to why EPWP principles and methodologies cannot be employed;
- 7.3.4 The Steering Committee is to in exceptional circumstances endorse such deviations;
- 7.3.5 EPWP principles shall include:
 - i. The use of labour intensive methods
This has to be driven by line departments through all projects and programmes for implementation.
 - ii. Conditions of Employment
This shall be done in accordance with the Ministerial determination and Code of Good Practice.
- 7.3.6 Projects implemented by third party contractors are to be aligned to the Stellenbosch Municipality supply chain requirements and documentation, including specified or standard terms and conditions, service level agreements and reporting requirements so as to enforce compliance with EPWP principles.

The implementation process is graphically illustrated below:



Each facet of the methodology seeks to provide a precursor for the successful execution of the ensuing facet. In this manner whilst fluidity of application is allowed for the merits of the project or programme, structure is maintained. This will out of necessity dissuade deviations, and should such occur place them on the agenda for remedial action.

The actual process flows are further deconstructed in the salient standard operating procedures which act as the guidelines for engagement.

8. EPWP PHASE III

8.1 Targets for Stellenbosch Municipality

- 8.1.1 As per the Municipal Protocol Agreement entered into between the National Minister of Public Works, Executive Mayor and the Municipal Manager, the following targets for Stellenbosch Municipality have been tabled in clause 2.8.
- 8.1.2 Stellenbosch Municipality will develop an annual EPWP Implementation Plan which will give a breakdown as per directorate to achieve such targets as contained in the Protocol Agreement;
- 8.1.3 The EPWP job creation targets shall be included in the Performance Agreements of the Municipal Manager, and the Senior Management Team;
- 8.1.4 Target emphasis will be given to women, youth and people with disabilities in accordance with the national EPWP guidelines;
- 8.1.5 Directors will be responsible for job creation targets by virtue of their official discharge of:

- i. Project identification for labour intensive programmes;
- ii. Learnerships and Development programmes which can build contractors;
- iii. Contractors who undertake labour intensive programmes have completed the necessary skills training;
- iv. Ensuring that the implementation of EPWP projects are monitored and reported on in the prescribed formats;
- v. Ensuring compliance with EPWP audit standards

8.2 EPWP Funding

The Municipal Infrastructure Grant (MIG), EPWP Incentive Grant, own budget, as well as funding from Provincial and National Departments shall be used in the implementation of EPWP projects within the Municipality

8.3 Employment of Job Seekers

- 8.3.1 The selection and recruitment of job seekers from the community will be informed by the duly established jobseekers database;
- 8.3.2 The Jobseekers Database Policy and Standard Operating Procedures has reference to the employment of job seekers;
- 8.3.3 Any other municipal programmes and policies designed to facilitate job creation and the management of indigents will be aligned to the principles of the EPWP programme and supplement the EPWP programme, so as to exclude the possibility of duplication.

8.4 Skills Development and Training

8.4.1 Skills Development of Officials

- i. Officials charged with planning, design and implementation of EPWP projects are to be trained in the implementation of labour intensive methodology across all sectors;
- ii. The LED Department in consultation with the Human Resources office will facilitate will identify training needs for each project and implement such training needs.

8.4.2 Skills Development of Beneficiaries

- i. The LED Department in consultation with the Human Resources office will facilitate will identify training needs of beneficiaries for each project and implement such training needs. Practical need is to be determined at project level based on the following factors:
 - Duration of the project / programme;
 - Nature of the work requiring training;
 - Availability of budget;

- Training and development objectives of the project or programme.
- ii. The training cost is to be absorbed in the project budget;

8.4.3 Training of Private Sector Contractors

- i. Private sector contractors are responsible for their own training;
- ii. The minimum training requirement for private sector contractors who are appointed for the design and administration of infrastructure projects is NQF level 7 unit standards – “Develop and Promote Labour Intensive Strategies” or its equivalent

8.4.4 Supporting Programme

- i. The municipality will launch appropriate Community Works Programmes and Chrysallis Programmes consistent with the strategic objectives of EPWP;
- ii. The Community Works Programme calls for the recognition of 3 days training coupled with 2 days practical work;
- iii. The municipality will ring fence appropriate projects for the Community Works Programme.

8.5 ***EPWP Rate of Pay***

- 8.5.1 The Ministerial determination prescribes the minimum rate of pay for EPWP projects;
- 8.5.2 The minimum and maximum threshold rate of pay shall be used as a guide when project rates are determined;
- 8.5.3 The Municipal manager shall review and approve EPWP designations and rates of pay annually or when required;
- 8.5.4 The Municipal Manager will consider and approve the rates of pay for EPWP project, based on the recommendations by the and Steering Committee respectively;
- 8.5.5 The annual review of rates of pay will be in line with the consumer price index adjustments based on:
 - i. Rates of pay for similar work within the municipality for the specific function;
 - ii. Industry trends;
 - iii. Any other relevant factors.
- 8.5.6 Rate of pay and the review thereof is to be adhere to a top down and bottom up approach whereby:
 - 8.5.6.1 The implementing committee, comprising of the various departments, as executing arm will determine and recommend from the ground the market related rate of pay and annually

review amounts consistent with such departmental factors

8.5.6.2 The Steering Committee will evaluate the proposed rate of pay or annual review amount for consideration and if satisfied shall make the recommendation to the Municipal Manager;

8.5.6.3 The recommendation is to be ratified and authorized by the Accounting Officer.

8.6 Duration of work period

8.6.1 *A participant in the EPWP may be employed for a maximum of 24 months within a 60 month cycle. In cases of exceptional circumstances/need, this provision may be reviewed on a case by case basis with the permission of the Municipal Manager.*

8.7 Application of EPWP Principles

8.7.1 All municipal projects are to be viewed as an opportunity to infuse EPWP principles;

8.7.2 EPWP strategic objectives should influence line department planning, designing and implementation of projects;

8.7.3 Projects unsuitable for EPWP principles should be submitted for consideration by the steering committee with clear motivations as to why EPWP principles and methodologies cannot be employed;

8.7.4 The Steering Committee is to in exceptional circumstances endorse such deviations;

8.7.5 EPWP principles shall include:

iii. The use of labour intensive methods

This has to be driven by line departments through all projects and programmes for implementation.

iv. Conditions of Employment

This shall be done in accordance with the Ministerial determination and Code of Good Practice.

8.7.6 Projects implemented by third party contractors are to be aligned to the Stellenbosch Municipality supply chain requirements and documentation, including specified or standard terms and conditions, service level agreements and reporting requirements so as to enforce compliance with EPWP principles.

9. EPWP COMMUNICATION AND BRANDING

The municipality will ensure that all the projects are branded, profiled and comply with EPWP Corporate Identity Manual as provided by the National Department of Public Works. The municipality will, from time to time, submit entries for the KAMOSOS Awards hosted by both National and Provincial Departments of Public Works.

10. The role of the Directorate Planning & Economic Development

The EPWP Office will assume overall responsibility for the coordination, facilitation and integration of EPWP in the municipality.

10.1 Coordinating Function

The EPWP office will perform the following coordinating function:

- 10.1.1 Facilitate an integrated EPWP implementation plan;
- 10.1.2 Facilitate a review of the EPWP policies and procedures;
- 10.1.3 Facilitate the setting of EPWP targets per Directorate for both operational as well as capital budgets;
- 10.1.4 Identify all projects within the municipality which have received MIG or other grant funding and align the grant strategic objectives with the strategic objectives of EPWP;
- 10.1.5 Corporate monitoring, evaluation and reporting of the approved key performance areas of the Stellenbosch Municipality EPWP programme;
- 10.1.6 Liaison with both Internal and External EPWP Stakeholders.

10.2 Responsibility

The EPWP Office located in the Local Economic Development and Planning Directorate is accorded the following responsibilities:

- 10.2.1 A coordinating role to the implementing departments, oversight departments and the support departments,
- ;
- 10.2.3 Manage the administrative backbone in the form of the jobseekers database.
- 10.2.5 Human Resource Management
 - 10.2.5.1 The EPWP office will supplement the current human resource function as housed in the Corporate Services Directorate by providing the Human Resource custodian with the necessary source documentation for contracting;
 - 11.3.5.2 The EPWP office will fulfill the necessary functions to assist the Human Resource custodian with the daily maintenance of individual file for each EPWP worker;
 - 10.2.5.3 The EPWP office will provide the necessary source documentation to the Human Resource custodian to establish the monthly payroll;
 - 10.2.5.4 Departments shall provide a report, in a format determined by the EPWP office, on all disciplinary matters in EPWP projects conducted by Departments against its EPWP employees.

10.3 Role

Accordingly the EPWP Office is to be accorded the following potential roles:

- 10.3.1 Facilitate the implementation by departments of EPWP projects; through
- 10.3.2 Development of policies, procedures and systems relevant to EPWP and supporting programmes;
- 10.3.3 Lobbying and advocating for the EPWP implementation with all stakeholders
- 10.3.6 Monitor EPWP implementation by all departments of the municipality in terms of project milestones and deliverables;
- 10.3.7 Manage the day to day activities of the data capturers on the unemployment database;
- 10.3.8 Serve as an early risk detection mechanism for deviations from EPWP policy and procedures;
- 10.3.9 Report to all stakeholders, internal and external regarding the planning, implementation, performance of the EPW Programme;
- 10.3.10 Communicate the EPWP monitoring and evaluation process adopted by the municipality, and the reporting process to be assumed by the line departments.

11. REPORTING, MONITORING & EVALUATION

11.1 Reporting

Reporting will be done in accordance with the monitoring and evaluation framework as advanced by EPWP III which seeks to place increased emphasis on not just reaching work opportunity targets but also on the quality of service generated and the new assets created.

11.1.1 Reporting Standards

- 11.1.1.1 Work Opportunities Created – as reported through the line department programmes;
- 11.1.1.2 Assets Created – as indicated by the unit of measure for the programme e.g. kilometer of road cleared;
- 11.1.1.3 Services Rendered / Delivered – a measurement of the impact of the programme on service delivery;
- 11.1.1.4 Deep Impact – service delivery impact by virtue of EPWP programmes on participants and beneficiaries alike.

11.1.2 Reporting delegation

- 11.1.2.1 Data Capture – recording of the data at the project level with uniform templates as provided by the EPWP office;
- 11.1.2.2 Data Verification – at the EPWP office level of project reporting correlated to project plans;
- 11.1.2.3 Capturing of the Data – at the EPWP office level on the EPWP reporting system on a monthly basis;
- 11.1.2.4 Data Analysis – for presentation both to internal and external stakeholders by the EPWP office.

11.2 Monitoring

The EPWP office will:

- 11.2.1 Develop the reporting tools for the line departments to allow project and programme monitoring;
- 11.2.2 Develop the metrics of measurement for effective measurement in terms of reporting standards by embodying the reporting means;
- 11.2.3 Collate and coordinate the monitoring efforts so as to present a synthesized report to internal and external stakeholders alike.

12.3 Evaluation

The EPWP office will facilitate the evaluation process by:

- 12.3.1 Identifying ways of improving the EPWP programme;
- 12.3.2 Regularly review implementation so as to gauge:
 - i. Impact on beneficiary communities (Number of households benefitting from the programme;

12. IMPLEMENTATION PLAN

	Activity	Time Frame	Responsibility
	Reviewing of EPWP Policy	As needed	LED
	Compilation of Business Plan list		LED
	Identification of Training needs		LED & HR
	Identification of Projects and budgets	Ongoing	All Departments
	Including of projects in IDP	To be determined	IDP
	Identification of beneficiaries	Ongoing	LED & Social Development
	Capturing and approval of projects on Management Information	Ongoing	LED
	Project Implementation	Ongoing	Working Group
	Progress reports to Directors Forum	Monthly	LED
	Progress reports to MAYCO	Monthly	LED
	Progress report to Council	Monthly	LED

	Progress reports to DPW	Monthly	LED
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15. CONCLUSION

- 15.1 This policy and related processes and procedures document supersedes all previously issued expanded public works programme policies;
- 15.2 This policy, processes and procedures document be recognized as provides the framework of operation and internal control mechanisms for all staff members of the municipality charged with the Expanded Public Works Programme;
- 15.3 This policy will be reviewed every two years or as deemed necessary.

Final Draft

ANNEXURE 1**Legislative and Policy Framework References:**

- a) The Constitution of the Republic of South Africa Act, 108 of 1996.
- b) Intergovernmental Relations Framework Act, 13 of 2005.
- c) Local Government: Municipal Systems Act, 32 of 2000.
- d) Local Government Structures Act, 17 of 1998.
- e) Local Government: Municipal Finance Management Act, 2003.
- f) Preferential Procurement Policy Framework Act, 5 of 2000.
- g) Division of Revenue Act, 1 of 2001
- h) Basic Conditions of Employment Act, 75 of 1997
- i) Compensation for Occupational Injuries and Diseases Act , 130 of 1993
- j) Unemployment Insurance Act, 63 of 2001
- k) Stellenbosch Municipality by-laws pertaining to the Expanded Public Works Programme.
- l) The Provincial Growth and Development Strategy (2003).
- m) Cape Winelands Growth and Development Strategy (CW-GDS).
- n) Stellenbosch Municipality Integrated Development Plan (IDP).
- o) The Codes of Good Practice for Special Public Works Programmes.
- p) Ministerial Determination: Expanded Public Works Programme.
- q) The State of the Nation Address (SONA), 2011 by President Jacob Zuma.
- r) EPWP National Implementation Framework.

11.7.3	REVIEWED STELLENBOSCH LIQUOR TRADING HOURS BY-LAW FOR COUNCIL APPROVAL
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Collaborator No:

File no: 9/2/2

IDP KPA Ref No: 046

Meeting Date: 14 August 2019

1. SUBJECT: REVIEWED STELLENBOSCH LIQUOR TRADING HOURS BY-LAW FOR COUNCIL APPROVAL

2. PURPOSE

To submit the Reviewed Stellenbosch Liquor Trading By-law (**ANNEXURE 1**) to Council for consideration, where after it could be published for public participation as envisaged in section 12 to 15 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000).

3. DELEGATED AUTHORITY

COUNCIL

In terms of Section 156 (2) of Constitution of the Republic of South Africa, "a municipality may make and administer by-laws for the effective administration of matters which it has the right to administrate". In this instance it refers to Reviewed Liquor Trading By-law which seeks to regulate liquor trading hours in the Stellenbosch Municipal area.

4. EXECUTIVE SUMMARY

The Reviewed Stellenbosch Liquor Trading By-law sets to rectify various short comings in the current Liquor Trading Hours By-law. The shortcomings (indicated in italic and an asterisk amongst other things, relate to the jurisdiction of power and delegated powers to enforce the aforementioned by-law.

5. RECOMMENDATIONS

- (a) that Council approves the Reviewed Stellenbosch Liquor Trading By-law for public consultation purposes; and
- (b) that the Administration be mandated to advertise said Reviewed Stellenbosch Liquor Trading By-law for public comments (60 days) after which it will be submitted to Council for final consideration.

6. DISCUSSION / CONTENTS

6.1 Background

The current Liquor Trading Hours By-law was promulgated on 15 January 2016 in the Provincial Government Gazette 7753. Due to certain shortcomings, the aforementioned policy is now been reviewed. Section 156 (2) of Constitution of the Republic of South Africa, 1966 reads as follows: "a municipality may make and administer by-laws for the effective administration of matters which it has the right to administrate. In this instance it refers to the days and hours during which liquor may be sold by licensees and for matters related thereto.

6.2 Discussion

Due to certain flaws in the current Liquor Trading Hours By-law the Administration was compelled to review the by-law.

The reviewed policy with the Schedule for Admission of Guilt Fines addresses deficiencies relating to:

- Powers to the municipal law enforcement officers to enforce the bylaw;
- Regulations on electronic selling of alcohol like the internet;
- The jurisdiction in which the by-law will be applicable;
- Consumer friendly language and easier enforceable by-law;
- Maximum fines for transgressors of the by-law irrespective of the size of the business.

6.3 Financial Implications

The proposed policy provides for penalties and this should be included in the tariff book as issued by Council.

6.4 Legal Implications

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

6.5 Staff Implications

Adequate human resources will be needed to enforce the by-law.

6.6 Previous / Relevant Council Resolutions

No previous Council resolutions in regards to this Reviewed Stellenbosch Liquor Trading Hours By-law but the joint sitting of the Economic Development and Protection Services Committee: 2017-11-10 resolved as follows:

"that this matter be referred back to allow the Administration to prepare an accurate item (with correct appendices)."

6.7 Risk Implications

Risk relates to weak mechanisms to enforce the by-law if it is not well written.

6.8 Comments from Senior Management**6.8.1 Director: Planning and Economic Development**

Supports recommendations

6.8.2 Municipal Manager

Supports recommendations

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2019-08-14: ITEM 7.7.3

- (a) that Council approves the Reviewed Stellenbosch Liquor Trading By-law for public consultation purposes; and
- (b) that the Administration be mandated to advertise said Reviewed Stellenbosch Liquor Trading By-law for public comments (60 days), after which it will be submitted to Council for final consideration.

ANNEXURES

Annexure 1 – Reviewed Stellenbosch Liquor Trading By-law.

FURTHER DETAILS CONTACT:

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REPORT DATE	07-08-2019

ANNEXURE 1



STELLENBOSCH MUNICIPALITY

LIQUOR TRADING HOURS BY-LAW (Revised on 2019-05-17)

PREAMBLE

Stellenbosch Municipality, by virtue of the powers vested in it by **section 156 (2)** of the **Constitution of the Republic of South Africa** as amended, read with **section 13** of the **Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)**, herewith publish the By-law set out below.

In this by-law, words used in the masculine gender include the feminine. All

singular meanings shall include the plural interpretation and vice versa.

The English text shall prevail in the event of an inconsistency between the different texts, unless the context otherwise indicates.

INDEX

1. Definitions
2. Application of this by-law
3. Interpretation
4. Trading days and hours for sale and consumption of liquor on licensed premises
5. Trading days and hours for sale and consumption of liquor off licensed premises
6. Extension of trading times
7. Obligations of the licensee
8. Compliance and enforcement
9. Appeal
10. Offence and Penalties
11. Transitional Provisions
12. Short title

Schedule

1. DEFINITIONS

In this by-law unless the context otherwise indicates

“Act” means the **Western Cape Liquor Act, 2008 (Act No 4 of 2008)**

“agricultural area” means an area predominantly zoned for agriculture or any other equivalent such as a small holding, zoning with the purpose of promoting and protecting agricultural activity on a farm as an important economic, environmental and cultural resources, where limited provision is made for non-agricultural uses to provide owners with an opportunity to increase the economic potential of their properties, without causing a significant negative impact on the primary agricultural resources;

“authorized official” *means a law enforcement officer trained as a Peace Officer and appointed by the Municipality **

“business premises” (besigheidsperseel) means a place from which business is conducted and may include a restaurant, pub, bar or tavern, spa or wellness centre, special function venue or other building for similar uses, but excludes a place of entertainment, guest accommodation establishment, hotel, sports and community club;

“Council” means the Municipal Council of Stellenbosch Municipality.

“general business area” means an area predominantly zoned for general business or any other equivalent zoning, with the purpose of promoting activity in a business district and development corridor;

“guest accommodation establishment” means premises used as temporary residential accommodation, and includes but not limited to the provision of meals for transient guests for compensation, also including backpackers' lodges, a bed-and-breakfast establishment, guest farm or lodge(s), as well as facilities for business meetings, conferences, events or training sessions of resident guests, but excludes a hotel;

“guesthouse” (gastehuis) means a commercial residential establishment of 15 or less bedrooms, accommodating no more than 30 guests at a time, for compensation, which:-

- (a) Primary source of business and purpose is the supply of tourist accommodation, meals and beverages (which may include liquor) for transient guests;
- (b) May include facilities for business meetings or training sessions of guests on the property;
- (c) A wellness centre and conference facility for transient guests with necessary consent of Council limited to service of guests only; and
- (d) May consists of one or a group of buildings which are designed as a harmonious architectural entity.

“hotel” means is a commercial residential establishment of 16 or more bedrooms, accommodating more than 30 guests at a time, for compensation, and may include:-

- (a) A restaurant or restaurants forming part of the hotel;
- (b) Conference and entertainment facilities that are subservient and ancillary to the dominant use of the property as a hotel;
- (c) Premises which are licensed to sell liquor for consumption on or off the property together with or without meals to guests and/or the public;
- (d) May consist of one or a group of buildings which are designed as a harmonious architectural entity;

But excludes a backpacker's lodge, a bed-and-breakfast establishment, guesthouse, guest farm or lodge(s), as well as facilities for business meetings, conferences, events or training sessions of resident guests of on-consumption facilities.

“Industrial area” means an area predominantly zoned general industry or any other equivalent zoning, with the purpose to accommodate all forms of industry including manufacturing and related processing, but excludes noxious or hazardous risk activity;

“licensee” means the person who has a valid liquor licence¹ issued in terms of the Act;

“licensed premises” means the premises specified in the liquor licence or certificate issued in terms the Act;

“ internet sales distribution” means the distribution or delivery of liquor to a purchaser as envisaged in the Western Cape Liquor Act 4 of 2008, who does not attend the licensed premises from which the liquor is sold but instead orders the delivery of liquor electronically through e-mail, internet websites, interactive digital TV or like manner and such sales will be deemed to occur at the time of delivery of the ordered liquor to the purchaser*

“liquor” means any liquid or substance which contains or is intended to contain more than 1% of alcohol by volume or mass, but excluding—

“liquor authority” means the Western Cape Liquor Authority established by section 2(1) of the Act;

“manufacture” means to produce or bottle liquor with the intention of selling it”*

“mixed use development” means any urban, suburban or village development, or even housing a single building, that blends a combination of residential, commercial, cultural, institutional or industrial uses, where those functions are physically and functionally integrated, and that provides pedestrian connections.

¹ Section 33 of the Act provides for the following categories of licences –

- (a) a licence for the micro-manufacture and sale of liquor for consumption both on and off the premises where the liquor is sold;
- (b) a licence for the sale of liquor for consumption on the premises where the liquor is sold;
- (c) a licence for the sale of liquor for consumption off the premises where the liquor is sold;
- (d) in exceptional circumstances, a licence for the sale of liquor for consumption both on and off the premises where the liquor is sold

“municipality” means Stellenbosch Municipality established in terms of section 12 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998), published in Provincial Notice 5643 dated 4 December 2000 and includes any political office-bearer, councillor, or any employee therefore acting in connection with this by-law by virtue of a power vested in the municipality and delegated or sub-delegated to such political office-bearer, councillor, or employees;

“place of entertainment” (vermaaklikheidsplek) is a place used predominantly for commercial entertainment where patrons participate in the activities or observe performances, which may on a regular basis attract large numbers of people, and may generate noise from music or revelry, and where alcohol may be consumed, such as a night club, pub, cinema, theatre, amusement arcade;

“place of sport and recreation” (buitemuurse ontspanningsplek) means land which may be public or privately owned and which is set aside for outdoor sport and recreation such as sports grounds and fields, sports stadiums, putt-putt, miniature golf, golf courses, and where the following buildings are permitted only with Council's additional consent, ablution facilities, clubhouse, stores, gatehouses and related administrative buildings;

“residential area” means an area, predominantly zoned informal, single or general residential or any equivalent zoning, with the purpose to predominantly house single family dwelling houses in low to medium density neighbourhoods, as well as higher density living accommodation and which includes controlled opportunities for home employment, additional dwellings and low intensity mixed use development;

“room service facility” means a mini bar or self-help facility for the consumption of liquor in guest rooms or a hotel room, and includes a call-up service for resident guests;

“sparkling wine” means an effervescent wine resulting from the fermentation of grapes, whether by natural or artificial process, and includes Champagne;

“specific business” (spesifieke besigheid) means a business use of a particular nature, but within the compass of section 10(7) that is prescribed for a specific site by the Council;

“sports and community club” means premises or a facility used for the gathering of community and civic organizations or associations, sports clubs or other social or recreational clubs run mostly not for profit and may include community service clubs and community centres or similar amenity facilities, but excludes a night club;

“the Act” means the Western Cape Liquor Act 4 of 2008, as amended ;

“trading days” means the days on which liquor may be sold during trading hours; **“trading hours”** means the hours during which liquor may be sold on trading days;

(H) a licence for the sale of liquor for consumption on or off the premises upon which liquor is sold at special events;
and

(I) a temporary liquor licence for the sale for consumption on or off the premises upon which liquor is sold .

² Definitions of Stellenbosch Zoning scheme regulations

“wine” means wine as defined in Section 1 of the Liquor Products Act 60 of 1989;

“winery” means premises or facilities which are used in the production of wine and such premises or facilities include facilities for crushing grapes and fermentation and aging of wine, tasting rooms, barrel and storage rooms, bottling rooms, tank rooms, laboratories or offices and other accessory or ancillary facilities incidental to the production of wine and accessible by the public, which may include:-

- (a) A restaurant and other food services; or
- (b) A subsidiary retail facility to tours or visitors selling wines of the specific winery excluding any other form of liquor.

“wine industry”(wynbedryf) means a site or building, or portion of a site or building utilized or intended to be utilized for the manufacture of liquor in the form of wine or spirits from grapes.

2. APPLICATION OF THIS BY-LAW

This By-Law applies to all licensees that sell and distribute liquor within the area of jurisdiction of the municipality (WC024)

3. INTERPRETATION

Any authorizing in terms of this by-law, should not be interpreted as the sanctioning of any trade, which had not been approved in terms of relevant legislation.

4. TRADING DAYS AND HOURS FOR SALE AND CONSUMPTION OF LIQUOR ON LICENSED PREMISES

- (1) A licensee may sell liquor for consumption on the licensed premises on the following days and hours:
 - (a) On all days,
 - (b) During the hours of trade as set out in the Schedule.
- (2) Despite **subsection (1)**, a hotel or guest accommodation establishment or guest house licensed to sell liquor may offer a room service facility at any time of the day.
- (3) Despite **subsection (1)**, a licensee may serve sparkling wine,
 - (a) from 8.00 to 23.00 for 7 days a week;
 - (b) as part of a meal; and
 - (c) to guests who are part of an organized function where admittance is controlled.

5. TRADING DAYS AND HOURS FOR SALE OF LIQUOR OFF LICENSED PREMISES INCLUDING INTERNET SALES DISTRIBUTION*

- (1) A licensee may sell liquor for consumption off the licensed premises on the following days and hours :-
- (a) Monday to Saturday from 09.00 – 20.00
 - (b) Sunday from 09.00 – 16.00
- (2) Despite the provisions of subsection (1) a Winery or any other licensee within the boundaries of Stellenbosch agriculture area (included, but not limited, to wineries) will be permitted to trade on the following days and hours:-
- (a) Monday to Saturday from 08.00 – 20.00
 - (b) Sunday from 09.00 – 18.00

6. EXTENSION OF TRADING TIMES

Application for extended trading days and hours pertaining to Tourism facility, Special Events, private functions or any other event or facility motivated by the applicant :-

- (1) Council has authority to approve or decline, or to approve with special terms and conditions as it may resolve any applications for extension of trading days and/or hours.
- (2) A licensee may, upon payment of the required fee, submit a written application referred to in (a) to the office of the Municipal Manager.
- (3) The Municipal Manager will prepare the application in the form of an item to Council for final decision, taking in consideration the following factors:-
 - (a) Outcome of community consultation;
 - (b) Public interest and impact on the environment;
 - (c) The risks to the surrounding community;
 - (d) Nuisance on the surrounding community;
 - (e) The possible benefits of extended liquor trading hours and days on the surrounding community;
 - (f) Any other relevant factor.

7. OBLIGATIONS ON THE LICENSEE

- (1) Display of signage and certificates
 - (a) A licensee must, to the satisfaction of the authorized official, ensure that following certificates are prominently displayed inside the licensed premises:
 - (i) The certificate issued by the Municipality stating the zoning or land use in respect of the premises for purposes of this by-law;
 - (ii) The population certificate in respect of the premises issued in terms of the Fire Safety by-law of the Municipality;
 - (iii) Business license and/or certificate issued by the Municipality.

- (b) A licensee must, to the satisfaction of the authorized official, ensure that the following information are prominently displayed on the front door or window of the premises in characters not less than five centimetres in height:
 - (i) The liquor license number under which liquor may be sold; and
 - (ii) The hours during which liquor may be sold.

(2) Safety and Security

- (a) A licensee must ensure compliance with all applicable legislation.
- (b) A licensee must ensure that reasonable and adequate safety and security measures are in place for the protection of patrons by ensuring, amongst others but not limited to, that:-
 - (i) the storage of goods and equipment and the condition of the premises and any structure thereon do not endanger the lives of patrons inside the premises; and
 - (ii) there is adequate lighting on the outside of the premises where patrons and staff access and exit the licensed premises.

8. COMPLIANCE AND ENFORCEMENT

- (1) An Authorized Official may, in the performance of his or her functions in terms of this by-law or the Act, at all reasonable times enter-
 - (a) any licensed premises;
 - (b) any premises in respect of which a liquor license application is pending;
 - (c) any premises on which he or she on reasonable grounds suspects that liquor is being sold contrary to the provisions of this by-law of the Act; and make such investigation, enquiries or inspections as he or she may deem necessary.
- (2) When entering premises in terms of this section, the authorized official must on request identify himself or herself to the person in charge of the premises.
- (3) An authorized official may issue and serve a notice of non-compliance, on the licensee or any person in control of licensed premises, calling upon such person to comply with the provisions of this by-law, a condition of the license or the Act within a specified but reasonable time.
- (4) A compliance notice must stipulate:-
 - (a) the provisions of the by-law, license condition or the Act that must be complied with;
 - (b) the act or omission constituting non-compliance;
 - (c) the measures which must be taken to comply;
 - (d) the date or time by which compliance must be achieved, where applicable;
 - (e) the possible consequences of non-compliance.
- (5) An authorized official may issue the licensee or any person in control of licensed premises with a fine as provided in the fines list of this by-law or the Act.

9. APPEAL

A person or judicial entity whose rights are affected by a decision of the Municipality in terms of delegated authority may appeal that decision by giving written notice of the appeal and the reasons therefore in terms of section 62 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) to the Municipal Manager within 21 days of the date of notification of the decision.

10 OFFENCE AND PENALTIES

A licensee who contravenes or fails to comply with any-

- (1) Provision of this by-law;
- (2) Condition or instruction in connection with this by law; or
- (3) Notice from an authorized official,

shall be guilty of an offence and is liable to pay a fine as determined by the Magistrate's Court or authorised accordingly in the fine list from time to time, by the Magistrate in the area, or the fine list in terms of the Act, whichever is applicable at the time concerned, or to imprisonment as determined by a Court, or both, or any other punishment which the Court may find appropriate in the circumstances.

11 TRANSITIONAL PROVISIONS

The trading hours in respect of any license for premises upon which liquor may be sold for consumption either on or off the licensed premises, or both on and off licensed premises, issued prior to the commencement of this by-law will be replaced by the provisions of this by-law from the date of publication of this by-law.

12 SHORT TITLE

This by-law is called the "Stellenbosch Liquor Trading Hours By-Law" and shall come into operation as soon as it is published in the Provincial Gazette.

SCHEDULE

Trading hours for selling liquor on licensed premises is according to the certificate provided for in 4(1) (a) (i) and (ii) are:

LOCATION CATEGORY & LICENSED PREMISES TYPE	MAXIMUM PERMITTED TRADING HOURS
1 RESIDENTIAL AREA	
(a) Guest accommodation establishment/Guest house.	11h00 to 24h00
(b)Business premises/Specific business.	
(c)Place of entertainment/Place of recreation/Gathering place.	
(d)Sports and Community club excluding special events requiring temporary licenses.	
(e)Hotel	
2. LOCAL OR NEIGHBOURHOOD BUSINESS	
(a)Guest house/Guest accommodation establishment/Guest house	11h00 to 24h00
(b)Business premises/Specific business, / Gathering place.	
(c)Place of entertainment/Place of recreation.	
(d)Sports and community club excluding special events requiring temporary licences.	
(e)Hotel	
3. GENERAL BUSINESS AREA	
(a)General business area including mixed use areas.	10h00 to 2h00 the following day
(b)Guest house/Guest accommodation establishment.	
(c)Business premises/Specific business	
(d)Place of entertainment/Place of recreation/Gathering places.	
(e)Sports and community club excluding special events requiring temporary licences.	
(f)Hotel	

4. INDUSTRIAL AREA	
(a) Industrial area including mixed use area	10h00 to 2h00 the following day
(b) Business premises/ Specific business	

Note : Determine of application of applicable location category

Where the location category as set out above is unclear or in dispute or difficult to determine or areas are not zoned homogenously (e.g. a business zoned premises in the middle of a residential area) then the actual zoning, consent use or departure rights of the subject licensed premises will take precedence in order to determine the category, and in terms of Section 6(1)(a)(i) above.

Stellenbosch Municipality

STELLENBOSCH MUNICIPALITY LIQUOR TRADING HOURS BY-LAW 2017**ADMISSION OF GUILT FINES**

The following Admission of Guilt fines for the enforcement of the Stellenbosch Municipality Liquor Trading Hours By-law 2017 are approved in terms of Section 57(5)(a) and 341(5) of the Criminal Procedure Act 51 of 1977 for the magisterial district of Stellenbosch.

SECTION	OFFENCE	FINE
Section 3 read with section 8(1).	Selling liquor outside of permitted hours.	R5 000.00
Section 6(1)(a) read with section 8(1).	Failing to display liquor license.	R500
Section 6(1)(b) read with section 8(1).	Failing to display the current renewal certificate alternatively proof of payment of renewal fee for current year.	R500
Section 6(1)(c) read with section 8(1).	Failing to display the certificate issued by the Municipality stating the zoning or land use in respect of the licensed premises.	R500
Section 6(1)(d) read with section 8(1).	Failing to display the business license and/or certificate issued by the Municipality to the licensee.	R500

Section 6(2)(a) read with section 8(1).	Failing to display the liquor license number under which liquor may be sold.	R500
Section 6(2)(b) read with section 8(1).	Failing to display the hours during which liquor may be sold.	R500
Section 7(2).	Hindering an authorised official in the execution of his or her duties.	R1500

I hereby certify that the admission of guilt fines listed above as submitted by the Municipality of Stellenbosch have been approved by me in terms of section 57(5)(a) and 341(5) of the Criminal Procedure Act, 51 of 1877, for the magisterial district of Stellenbosch. This determination replaces any previous determination for the said magisterial district.

Magistrate

11.7.4	DRAFT STELLENBOSCH INFORMAL TRADING POLICY FOR COUNCIL APPROVAL
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Collaborator No: 656249
File no: 9/2/2
IDP KPA Ref No: 046
Meeting Date: 14 August 2019

1. SUBJECT: DRAFT STELLENBOSCH INFORMAL TRADING POLICY FOR COUNCIL APPROVAL

2. PURPOSE

To submit the Draft Stellenbosch Informal Trading Policy to Council for consideration, where after it could be published for public participation as envisaged in section 12 to 15 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000).

3. DELEGATED AUTHORITY

COUNCIL

In terms of Section 156 (2) of Constitution of the Republic of South Africa,

"a municipality may make and administer by-laws for the effective administration of matters which it has the right to administrate". In this instance it refers to Draft Stellenbosch Informal Trading Policy which seeks to set out the strategic objectives, planning and management guidelines for informal trading in the Stellenbosch Municipal Area.

4. EXECUTIVE SUMMARY

The Draft Stellenbosch Informal Trading Policy (**ANNEXURE 1**) is one of two related documents; the Policy sets the strategic direction for the municipality's developmental response to the informal trading sector. The reasons for having an Informal Trading policy can be summarized as follow:

- It clarifies Council's policy to all relevant stakeholders;
- It forms the basis for the by-laws that regulates Informal trading in the Stellenbosch Municipal area;
- It provides a basis for resource allocation decisions;
- It establishes the basis for a monitoring and evaluation process, which clearly defined key objectives.

5. RECOMMENDATIONS

- (a) that Council approves the Draft Stellenbosch Informal Trading Policy for public consultation purposes; and
- (b) that the Administration be mandated to advertise said Draft Stellenbosch Informal Trading Policy for public comments after which it will be submitted to Council for final consideration.

6. DISCUSSION / CONTENTS**6.1 Background**

This policy is submitted in preparation for the creation of a single for informal trading in the WC024.

The Constitution of the Republic of South Africa, 1996 provides that municipal authorities are responsible for "trading regulations" and "street trading" within its area of jurisdiction, and a municipal authority objective is to promote social and economic development.

6.2 Discussion

The Draft Stellenbosch Informal Trading Policy as one of two related pieces of legislation; sets the strategic direction for the municipality's developmental response to the informal trading sector and operationally, spells out the resources, sequencing, roles and responsibilities of the various services, relevant departments and stakeholders in the Stellenbosch Municipality as it relates to the informal sector.

The second piece of legislation is the Informal Trading By-Law, which an enforceable law on informal trading will serve for at Council for adoption once Draft Informal Trading Policy has been approved.

The aforementioned policy therefore informs the strategic objectives, the planning, management guidelines and stakeholder's roles for informal trade in the Stellenbosch Municipal.

With its alignment to other policies like the Local Economic Strategy, IDP and the Spatial Development Framework, it seeks to leverage Stellenbosch Municipality's fixed assets, such as land and properties to promote economic growth and the development of the informal economy and in particular the informal trading sector

6.3 Financial Implications

The proposed policy provides for the collection of fees and this need to be included in the tariff book as issued by Council.

6.4 Legal Implications

The recommendations in this report comply with Council's policies and all applicable legislation including the provisions of Schedule 5 Part B of the Constitution of South Africa

6.5 Staff Implications

Provision has been made in the new approved organogram for an additional staff member to assist with the implementation phase of the policy.

6.6 Previous / Relevant Council Resolutions:

No previous Council resolutions in regards to the Draft Stellenbosch Informal Trading Policy.

6.7 Risk Implications

Risk relates to the absence of an approved policy on informal trading which would impact negatively on how the informal trading as part of the informal economy is harnessed to contribute towards economic growth, job creation and the increase of household income.

6.8 Comments from Senior Management**6.8.1 Director: Planning and Economic Development**

Supports recommendations

6.8.2 Municipal Manager:

Agree with the recommendations

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2019-08-14: ITEM 7.7.4

- (a) that Council approves the Draft Stellenbosch Informal Trading Policy for public consultation purposes; and
- (b) that the Administration be mandated to advertise said Draft Stellenbosch Informal Trading Policy for public comments after which it will be submitted to Council for final consideration.

ANNEXURES

Annexure 1 – Draft Stellenbosch Informal Trading Policy.

FURTHER DETAILS CONTACT:

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REPORT DATE	03-05-2019



STELLENBOSCH

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**INFORMAL TRADING POLICY
(POLICY NUMBER)**

MAY 2018

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Registration/Application Form for Informal Trading in the Greater Stellenbosch.

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Definitions and Acronyms

The terms explained below are used in the policy environment of the Stellenbosch Municipality.

"Council"	means the Municipal Council of Stellenbosch Municipality established by Provincial Notice 479 of 2000 issued in terms of section 12 of the Local Government: Municipal Structures Act, 1998, (Act 117 of 1998); and includes any committee or official carrying out any duty or function, or exercising any power in terms of this policy.
Delegation"	means in relation to a duty includes an instruction to perform the duty, and "delegate" has a corresponding meaning.
"Employees"	means persons working in establishments that employ less than five employees, who do not deduct income tax from their salaries/wages as adapted from the Quarterly Labour Force Survey (Statistics South Africa),
"Employers"	refers to own-account workers who are not registered for either income tax or value-added tax; and persons helping unpaid in their family business who are not registered for income tax as adapted from the Quarterly Labour Force Survey (Statistics South Africa),
Director"	means a person appointed by the Council to head a Directorate in the municipality and shall include any person acting in that position.
"Executive Mayor"	means the person elected in terms of section 55 of the Municipal Structures Act to be the Executive Mayor of the municipality and shall include any person acting in that position.
"Historically	Means a South African citizen who – is a black person, is a woman and/or has a Disadvantaged disability Individual"
"Informal Trader"	means a person engaging in informal trade, whether employer or employee
"Informal Sector"	means an employer: own-account workers who are not registered for either income tax or value-added tax; and persons helping unpaid in their family business. In relation to employees, means persons working in establishments that employ less than five employees, who do not deduct income tax from their salaries/wages;
"Informal Trade"	means the trading in goods and services in the informal sector by an informal trader.
"Own-account	Means workers who, working on their own account or with one worker "or more partners, old the type of job defined as a self- employed job,

and have not engaged on a continuous basis any employees to work for them during the reference period.

“Formal”	means businesses which are registered with the national business registration authority as a business and with the tax authority in terms of tax.
“Formalisation”	means the process of becoming a formal business (as implied in the term formal), however, the term includes additional registration imposed by provincial or local government legislation or membership with sectoral bodies.
“Seasonal Traders”	Means traders who respond to seasonal or once-off/short term trading opportunities.
“Market”	means a demarcated area within a trading area which is designated as such in a trading plan and which is managed in a co-ordinated manner.
“Municipality”	means the “Stellenbosch Municipality”: a Municipality Constituted in terms of the Local Government: Municipal Structures Act, 1998, read with the Province of the Western Cape: Provincial Notice 479/2000 dated 22 September 2000
“Public Place”	Includes: <ul style="list-style-type: none"> (a) public road, parking area, square, park, recreation ground, sports ground, sanitary lane, open space, beach, shopping centre on municipal land, unused or vacant municipal land or cemetery which has been provided, reserved or set apart for use by the public; or been dedicated to the public; (b) public transportation operated by service providers for the municipality, but does not include public land that has been leased by the municipality;
“Trading Plan”	Means a plan adopted by the municipality to govern informal trading within a trading area.
“Trading area”	Means an area for informal trading governed by a trading plan.

1. BACKGROUND

1.1 Approach

- 1.1.1. This policy document is designed to apply across the organisation, the Stellenbosch Municipality, and its geographical boundaries. (WCO24)
- 1.1.2. It is intended to reflect the needs, and requirement of the key stakeholders. However, legally it enjoins the Stellenbosch Municipality. The readership and target audience is nevertheless the informal sector, the Stellenbosch Municipality, the business community and the public. This document applies to the informal sector, where trading takes place in public places.

1.2 Informal Trade Policy and Related Documents

- 1.2.1. The Informal Trading Policy is one of two related documents; the Policy sets the direction for the municipality's developmental response to the informal trading sector and it is operational and spells out the resources, sequencing, roles and responsibilities of the various services and departments in the Stellenbosch Municipality as it relates to the informal sector.
- 1.2.2. The Informal Trading By-Law, is the second document, it is an enforceable law within the Stellenbosch Municipality municipal area.

1.3 Purpose of the Policy

The policy thus seeks to set out:

- 1.3.1 a) the strategic objectives for the development of the informal trade sector,
- 1.3.2 b) the planning and management guidelines for informal trade in the Stellenbosch Municipal Area; and
- 1.3.3 c) the stakeholder roles regarding the informal trade sector.

2. PROBLEM STATEMENT

2.1 Problem Statement

- 2.1.1. Identifying and addressing the development priorities of the sector at any given time period.
- 2.1.2. The mainstreaming of policy directives and the coordination of services across the Stellenbosch Municipality has been a challenge. Matters pertaining to the sector have for the most part been seen as the responsibility of one or two departments in the municipality.
- 2.1.3. Discussion among different stakeholder groupings has been fragmented. As a result issues that could be resolved via regular and consistent engagement have remained unresolved.
- 2.1.4. Institutions, such as representative stakeholder bodies are weak or absent in both the formal and informal business sectors. This makes it difficult for the informal sector to agree and decide on crucial matters affecting the sector. Regular multi-stakeholder engagement simply does not take place.
- 2.1.5. The sector, as it may be viewed from the stakeholder's perspective, is arranged according to the four key groups, formal and informal business, the public and local government.

Table 1: Problem Statement: Stakeholder Perspectives

Informal Traders and Employees	<ul style="list-style-type: none"> • Legally approved goods • Soft consumer demand • Influx of competitively priced goods • Uncertain and insecure employment condition • Unclear or hostile policy or regulatory environment • Low level of technical and business skills • Fractured and numerous trader organisations • Limited infrastructure and space
Formal Business Sector	<ul style="list-style-type: none"> • Soft consumer demand • Fixed and rising overhead cost • Compliance with formal regulations/laws/policies • Competition from informal traders • Congestion on pedestrian walkaways
Stellenbosch Municipality	<ul style="list-style-type: none"> • Large organisation to coordinate service delivery • Multiple policies applicable to the sector • Lack of single access point to the informal sector • Contravention of by-laws

	<ul style="list-style-type: none"> • Cost of infrastructure delivery and ongoing maintenance cost • Policing/Ongoing Monitoring of illegal trading • Provision of contracts to informal traders • Poor understanding of the sector
Consumers	<ul style="list-style-type: none"> • Weak economic climate • Limited choice of goods/services • Lack of quality assurance • Congested pedestrian walkways

3. STRATEGIC INTENT AND REGULATORY CONTEXT

- 3.1. This policy aligns with the LED strategy, IDP and the Spatial Development Framework.
- 3.2. It seeks to leverage Stellenbosch Municipality's fixed assets, such as land and properties to promote economic growth and the development of the informal economy, in particular the informal trading sector.
- 3.3. Informal trade is influenced and governed by a number of laws and policies at National, Provincial and Local level.

Table 2: National Legislation

ACT	APPLICABILITY	WHAT IT DOES IN RESPECT OF INFORMAL TRADING
Constitution of the Republic of South Africa, 1996 (Act No 108 of 1996)	All organs of state	Section 22 of the Constitution of the Republic of South Africa (the Constitution) provides for the freedom of trade, occupation and profession. It provides that "every citizen has the right to choose their trade, occupation or profession freely." It is accepted that this freedom extends to informal trading. Section 22 of the Constitution further provides that "[t]he practice of a trade, occupation or profession may be regulated by law." Section 36(1) of the Constitution also provides that rights contained in the Bill of Rights may be limited "in terms of a law of general application to the extent that the limitation is reasonable and justifiable in an open and democratic society based on human dignity, equality and freedom, taking into account all relevant factors. The effect of this Limitation Clause on the right to choose

		a trade is simply an acknowledgment that the right to trade is not a right that cannot be limited and must be considered and interpreted taking into account other competing rights and obligations.
The Businesses Act 71 of 1991 (as amended by Act No 186 of 1993)	The state and all persons (natural or juristic person)	Prohibits the conduct of any business without the possession of a requisite license. Makes specific provision for the licensing of businesses
The Public Health by-Laws	The state and all persons (natural or juristic person)	Which outlines the permit requirements for the rendering of specific services
The Promotion of Equality and the Prevention of Unfair Discrimination Act, 2000 (Act 4 of 2000)	The state and all persons (natural or juristic person)	Prohibits the state or any person from discriminating unfairly against any person on the grounds of race or gender through the denial of access to opportunities for rendering services or by failing to take steps to reasonably accommodate the needs of such persons.
Promotion of Administrative Justice Act	The state and all persons (natural or juristic person)	Establishes the standards which ensure just, fair administrative action.
Regulation 918 promulgated under The Health Act 63 of 1977	The state and all persons (natural or juristic person)	Establishes the manner for the application and issue of Certificates of Acceptability.
The Atmospheric Pollution Prevention Act 45 of 1965	The state and all persons (natural or juristic person)	Establishes the framework for the prevention of pollution in the atmosphere and provides for matters incidental thereto.
The National Building Regulations and Building Standards Act 103 of 1977,	The state and all persons (natural or juristic person)	Provides for standards for the regulation and enforcement of issues connected therewith.
Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003)	Municipalities and municipal entities	Establishes a regulatory framework for supply chain management which includes procurement within municipalities and municipal entities.

Local Government Municipal Systems Act, 2000 (Act No 32 of 2000)	Local sphere of government	Establishes a framework for the establishment of service delivery agreements involving competitive bidding processes
Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003).	Procurement provisions apply to all organs of state.	Establishes a code of good practice to inform the: <ul style="list-style-type: none"> • Development of qualification criteria for the issuing of licenses or concessions, the sale of state owned enterprises and for entering into partnerships with the private sector; and • Development and implementation of a preferential procurement policy.
Prevention and Combating of Corrupt Activities Act, 2004. (Act No. 12 of 2004).	Public and private Sector	Makes corruption and related activities an offence. Establishment a Register in order to place certain restrictions on persons and enterprises convicted of corrupt activities relating to tenders and contracts; and Places a duty on certain persons holding a position of authority to report certain corrupt transactions.
The Conventional Penalties Act (Act 15 of 1962)	The state and all persons (natural or juristic person)	Provides for the enforceability of penalty stipulations, including stipulations based on pre-estimates of damage.
Arbitration Act (Act 42 of 1965)	The state and all persons (natural or juristic person)	Provides for the settlement of disputes by arbitration tribunals in terms of written arbitration agreements and for the reinforcement of the awards of such tribunals
Promotion of Access to Information Act (Act 2 of 2000)	The state and all persons (natural or juristic person)	Gives effect to the rights provided for in the Bill of Rights in Section 32 of the Constitution (Act 108 of 1996), namely that everyone has the right of access to information held by the state and any information that is held by another person that is required for the exercise or protection of any rights. Sets out the procedures pertaining to the obtaining of records in the public and private sector, the grounds for refusal of access to information, mandatory disclosures in the public interest, and appeals against decisions of information officers of certain public bodies.

4. VISION, MISSION, SCOPE

4.1 Vision and Mission

4.1.1. The vision for informal trade in the Stellenbosch Municipality is as follows:

“A thriving informal trading sector that is valued and legally integrated into the economic life, urban landscape and social activities within the Stellenbosch Municipality.”

4.1.2. While the Mission is:

“Through a developmental approach, the Stellenbosch Municipality seeks to facilitate the access to job and entrepreneurial opportunities within the informal trading sector. Nurturing a positive relationship with the formal business sector and consumers by providing a stable regulatory and flexible management environment that is predictable, empowering and sustainable.”

4.2 Scope: Policy Parameters

4.2.1. This policy applies to all informal trading per definition contained in this policy which takes place on public space, or private land where it is included in a trading plan. Implementation agents may vary according to land/assets they are responsible for.

The types of trading governed by this policy are as follows:

- A. Seasonal Traders (traders who respond to seasonal or once-off/short term trading opportunities)
- B. Street/kerbside and trading on official informal trading sites
- C. Trading in pedestrian malls
- D. Containers and fixed units or permanent structures
- E. Public Markets (i.e. markets operating on public land, such as flea & craft markets, etc.)
- F. Trading at road intersections (as permitted in terms of Regulation 322 of the National Road Traffic Regulations, 2000)
- G. Trading in Public Open Spaces (including parks, cemeteries, etc.)
- H. Trading at Events and basking
- I. Mobile Traders:
 - i. Vehicle based: such as fish, ice-cream, prepared food, soft drink, fruit and veg, or other agricultural produce traders who trade from their

vehicles and respond to opportunities by relocating their trading station periodically.)

- ii. Pedestrian based: roving traders- who sell their wares in streets, and public spaces and respond to trading opportunities by engaging their target market directly
- iii. Trading from a bicycle, a caravan, light delivery vehicle, any other vehicle or mobile and/ or removable kiosk; specially designed and constructed for trading purposes.

5. DEVELOPMENTAL APPROACH

The policy aims to improve conditions for informal trading, assisting it to thrive by focusing on:

- 5.1 planning and development,
- 5.2 policy issues, and;
- 5.3 institutional arrangements. To realise the policy aims all Directorates within the Stellenbosch Municipality must, within their functional areas, adopt a developmental approach to matters relating to informal trading.

5.1 Development and Planning

- 5.1.1. This section sets out the approach to the problems related primarily to the informal trader. The issues of space, infrastructure, planning and skills are addressed below.
- 5.1.2. **Role of the Informal Economy:** Stellenbosch Municipality acknowledges the legitimacy and role of the informal economy, in terms of its employment and economic growth prospects. Urbanising cities and towns globally are experiencing growth in the number of entrants to the informal sector. The informal economy also has low barriers to entry and serves as a social safety net; it also often sustains the livelihoods of foreign nationals who seek refuge from war torn countries. The informal economy is thus important socially and economically. The response to the sector will determine how well it thrives.
- 5.1.3. **Development:** development interventions will need to be localised, industry-based and tailored to the individual trader. The focus will be on improving sustainability of enterprises, growth and profitability, or the return to the trader.
- 5.1.4. **Partnerships:** The development of the sector cannot happen without key actors. Developing partnerships, with for example private sector developers and land owners, or other development organisations and other government departments will be key to providing solutions that benefit the informal sector and private sector, consumers and the Stellenbosch Municipality alike.
- 5.1.5. **Variation and Flexibility:** no single approach will be sufficient for the development requirements of such a diverse sector. A varied and flexible approach is required, depending on the trader, the industry, and the local level social and economic environment.

- 5.1.6. **Formalisation:** Entrepreneurs must formalise their business by entering into a contract with the Municipality, allowing them to trade on the site(s) formally agreed upon. Aspects to formalisation also include proper zoning and land use approvals, business registration, health certificates, sector body registration, tax registration, and other.
- 5.1.7. **Spatial Planning:** The forward planning function will play an important role of identifying suitable trading areas that support the viability and sustainability of informal trade. These areas may be of municipal and district significance, identified new growth areas, spatial structural elements that would reinforce informal trading, such as public transport systems, transport interchange hubs, commercial centres and pedestrian routes.
- 5.1.8. **Infrastructure:** flexible and the appropriate level of infrastructure, shall be provided over time to foster sustainability of the traders while improving the environment for all stakeholders. It must be stressed that all infrastructure delivery must be accompanied by a maintenance plan in the medium to long term. A stakeholder approach will determine the type and location of infrastructure required, as well as which stakeholder will deliver and maintain the infrastructure.

5.2 Policy Issues

- 5.2.1 **Policy Environment:** The policy environment, especially a strategic coherent strategy for the sector to respond to these issues is lacking and is a challenge to the development of this sector. It is anticipated that this element together with the institutional arrangements below will address
- 5.2.2. **Policy Development:** The appropriate level of regulation will be adopted to promote the sector; appropriateness will be determined by area and industry factors and agreed upon in engagement forums. Policy needs to encourage and support informal trade; it also, however; will take into account the interests of relevant stakeholders such as the public, Stellenbosch Municipality and formal business. It will be the responsibility of local implementation agents to broaden and deepen the response required to local needs, under the strategic objectives.
- 5.2.3. **Policy Review:** Policy implementation will be monitored annually, objectives be evaluated every two years and the overall policy reviewed every five years.
- 5.2.4. **Policy Alignment:** All related policies will need to be aligned to achieve the desired outcomes of this align with the Informal Trade Policy. It is expected that policy alignment will take place progressively over time.

5.3 Development Organisations and Forums

- 5.3.1. The challenges faced by all stakeholders will be addressed by establishing sector engagement forums. In addition, institutions dedicated to the representation and development of the informal trade sector will be necessary to realise the outcomes in the development and planning section above. This section introduces the operational mechanism required for development.

- 5.3.2. **Engagement Forums:** A multi-stakeholder engagement forum shall be established by the Stellenbosch Municipality and serve to identify problems, solutions and set the direction for the development of the sector in the respective areas. These forums will also serve to spread information to sector via the representative organisations.
- 5.3.3. **Representative Organisations:** Support to and assistance with the establishment of trader associations as well as other stakeholder bodies shall be offered. These organisations will represent their constituents at the engagement forums.
- 5.3.4. **Industry Development Organisations:** Industry-specific intermediaries (private sector firms or purpose-built development organisations) can play a development and business support role. They perform functions on behalf of informal traders such as, product design, mentorship, contract negotiation, and a business interface role with respect to informal enterprises. Establishment, support and expansion of either existing, industry or purpose specific intermediaries will be explored.

6. PRINCIPLES

The principles below shall be used to operationalize the approach especially the development planning process.

6.1 Economic Principles

- 6.1.1. Economic growth in the informal trading sector will be facilitated through the following:

Reinforcing business zones: Link new and existing trading areas to business areas to create viable hubs of business activity.

Business support: Link traders to a range of business support services that caters for the different types and levels of traders.

Use of Municipal or State property: Ensuring that the buildings and property owned by the Stellenbosch Municipality or the State are leveraged for maximum economic return.

High Demand Areas: Targeting highly accessible and visible locations for value-added trading in order to derive benefit for informal traders, consumers and formal business alike.

6.2 Spatial Principles

- 6.2.1. Informal trading contributes to the value of public places and has the potential to be a catalyst for generating positive public spaces through:

- a. **Prioritised Areas:** Developing those areas that will have most significant impact on the largest number of people, i.e. areas with large flows of pedestrian traffic.

- b. **Spatial Allocation:** Allocating space for informal trading areas in accordance with the Spatial Planning Framework of Stellenbosch Municipality or any other spatial related policy.
- c. **Infrastructure Provision:** Providing the appropriate level of infrastructure for informal trading, this would vary depending on the type of activity.

6.3 Engagement Principles

- 6.3.1. The following principles will govern the manner in which stakeholder engagement will take place and information will be managed:
 - a. **Communication:** Communicate widely, accessibly, in different forms (print, electronic media) to improve the targeting and reach of information to the sector stakeholders
 - b. **Equity and Inclusion:** include all relevant stakeholders in the appropriate forums at the appropriate level

6.4 Social Principles

- 6.4.1 The promotion of equity within Stellenbosch Municipality to create a dignified society through:
 - a. Spreading public spending in an equitable manner throughout Stellenbosch with an emphasis on the poorer parts of Stellenbosch that have not historically benefited from public sector investment.
 - b. Viewing the location of public sector investment as an opportunity to integrate communities that have historically been spatially separated.
 - c. Using the development of the informal trading infrastructure as an opportunity to improve the general environmental condition of the Historically Disadvantaged Areas of Stellenbosch.
 - d. Providing basic services such as water and refuse facilities to all areas where public health and/or public safety is at risk.

7. STRATEGIC OBJECTIVES

- 7.1. The strategic objectives will have a maximum lifespan of 5 years or may change as the need arises. A review process should follow this period (as set out in the Monitoring and Evaluation section) after which the strategic objectives should once more be deliberated and informed by the stakeholders in the multi-stakeholder platforms.
- 7.2. Considering the current challenges in the sector regarding informal trading, the following strategic policy objectives, informed by the principles and approach, will guide action over the medium term. It must be stressed that these are overall objectives, and that each trading area (representing a site or more than one site), together with Stellenbosch Municipality should develop area and sector specific objectives.

7.3. Moreover, the implementation of these objectives can be split into broadly two functions

(a) **Trader development and engagement processes** and b) **infrastructure provision and maintenance.**

- i) Stellenbosch Municipality will play a facilitation role, sourcing resources from partners and external role players and making the services or resources available in Stellenbosch Municipality; while in part
- ii) Infrastructure, provision will be dependent on budget provision.

7.4. Lastly, where applicable, a gendered approach to the training and development of the sector shall be encouraged.

Table 3: Strategic Objectives and actions

Objectives	Actions
Strategic Objective 1	<ul style="list-style-type: none"> • Plan for and Initiate Development Activities in Support of the Sector • Make available, via partners, commercial and business skills opportunities (including marketing, communication, finance, other) as required • Engage in a strategic spatial planning exercise to determine the best trading locations and layouts for existing and new sites
Strategic Objective 2	<ul style="list-style-type: none"> • Promote innovation through new product development, process innovation, packaging, design, and organisational improvements, etc.
Strategic Objective 3	<ul style="list-style-type: none"> • Support Representative Institutions and Establish Stakeholder Engagement Forums • Establish one municipal-wide multi-stakeholder engagement platform for the sector • Establish multi-stakeholder engagement forums at local level such as the trading area (or at the appropriate scale) • Support and mentor trader associations and other stakeholder organisations where feasible, assist with the establishment of new associations where required
Strategic Objective 4	<ul style="list-style-type: none"> • Engage in Policy Development, Review and Mainstreaming Processes • Ensure annual monitoring, bi-annual evaluation of the strategic objectives and 5-year review of the policy in the multi-stakeholder dialogue forum • Through stakeholder engagement and the policy alignment process, ensure the adequate mainstreaming of the policy and policy practice across the municipality and stakeholders

8. STAKEHOLDERS: ROLES AND RESPONSIBILITIES

- 8.1. It is expected of the stakeholders to perform the following roles and responsibilities, either directly or through representative bodies.

Table 4: Role Players, Roles and Responsibilities

Role Player	Role	Responsibilities
1. Informal Trader and Employee	Trade in quality goods/services desired by the public Trade goods/services at strategic locations and competitive prices	Abide by laws for the comfort health and safety of the public Engage other stakeholders directly via at dialogue institutions or via representatives such as trader associations
2. Stellenbosch Municipality	Policy formulation and revision Regulation and enforcement Provide and facilitate developmental services Management / operations	Various line departments will take up the relevant roles below
	1. Economic Development Department	Policy Implementation and management Coordinate development services (provided by partners) Regulate and Administer Trading Convene multi-stakeholder forums Identify and facilitate the use of land for trading in appropriate manner
	2. Spatial Planning	Location, layout and forward planning Site specific planning (linked to development applications) Infrastructure specification and project packaging
	3. Land Use Planning Department	Screening of possible developments for integration of trading facilitate appropriate zoning for trading
	4. Events Management	Incorporate and promote trading in and adjacent to event footprints
	5. Safety and Community Services	Developmental Law Enforcement

	6. Traffic Services	Enforce law on roads and intersections
	7. Infrastructure services	Incorporate informal trading planning at public transport hubs/terminals and interchanges
	8. Finance Department	Investigate and implement funding mechanisms for reinvesting lease agreement fees into urban management
	9. Health Department (District)	Issue and enforce health certificates for food traders Improve hygiene practices through training
	10. Engineering Services	Plan, spec and provide water, sanitation, and electricity. Municipality infrastructure where appropriate.
	11. Property Management	Provide a facility management services
3. Formal Business	Provide goods/services desired by the public; provide quality goods and services to the public	Trade Abide by laws for the comfort, health and safety of the public. Engage other stakeholders directly via at dialogue institutions or via representatives such as trader associations.
4. Public Consumer	Exercise preference through purchasing goods/services Consumer watchdog	Engage in dialogue forums Abide by laws Inform regulator of infractions of the law

9. PLANNING AND MANAGING INFORMAL TRADE

From an operational perspective this policy aims to achieve sustainable urban management. To this end, planning and design is required to accommodate informal trading in designated streets, public open spaces and markets. The full integration of informal trading into the planning, design and management of the Municipality is therefore necessary in order to enhance Stellenbosch Municipality, promote economic development and expand employment opportunities.

9.1 Policy Tools

9.1.1. The four implementation levers are planning, registration, bay allocations and the lease agreement structure.

9.1.2. **Planning:** New markets and trading opportunities must be properly planned, bearing in mind the economic needs of all stakeholders, such as the need for more vibrant land use and the need for orderly town, spatial and transport planning, as well as health and safety. Existing markets should be managed properly and new

trading sites or market developments must be informed by a spatial and economic rationale.

- 9.1.3. **Registration:** For management purposes (space, equity and trader/employee development, rental collection) registration of all informal traders is required. Registration gives permission to operate, and provides access to services and support. Data on registration will be kept in the centralised information system, which will link where traders are, the sectors they work in, with registration, lease -fee payment status, environmental health and the enforcement function.
- 9.1.4. **Allocations:** The aim of the allocations policy is to support sustainable growth and provide opportunities for new entrants, in an economically sustainable and socially useful way. The criteria for allocations will be negotiated locally with stakeholders; the allocation of sites will then be done by Municipal officials. The allocations policy shall be used to balance access to opportunities between established traders and new entrants.
- 9.1.5. **Lease agreement:** Fee structures: Value is placed on sites through a system of differentiated tariffs. Fees will be linked to site size, desirability of location and the level of services provided. Levels will be determined by considering the cost to local government of providing the facility, bearing in mind the need to subsidise opportunities in appropriate areas.

Certain areas may be discounted depending both on:

- 9.1.5.1 the nature of the good/service traded; and
- 9.1.5.2 the socio-economic conditions of the surrounding area.

9.2 Planning For Informal Trade: Optimal Locations

9.2.1. Strategic Planning Exercise

9.2.1.1 Stellenbosch Municipality, as well as other stakeholders, will play an important role of identifying future or potential suitable trading areas that are either regionally or locally strategic for informal trading. A strategic spatial planning exercise (forward planning and pre-emptive) will identify components of the urban landscape that would reinforce informal trading and vice versa, both current and future opportunities; such as, the public transport system, transport interchange hubs as well as identifying the interaction between formal and informal economic activities.

Planning should aim to ensure the sustainability and growth of the enterprise while taking into account the needs of other users/stakeholders. The output of the strategic planning process will feed into the trading plan processes and the identification of high demand zones.

9.2.2. High Demand Zones

- 9.2.2.1. In the course of the strategic spatial planning exercise for the identification of high demand zones within any one of the economic centres; areas may be identified as current, or future potential high demand zones. These areas will managed, periodically, with a regime that reflects their demand; in other words, price, time and

lease agreement holder will be flexible to match demand. Allocations will be made on a shorter term basis, and space will be priced according to its value (see pricing below) and allow for maximum rotation of traders (for both equity and trading mix) while maintaining the quality and integrity of the High Demand Zone.

9.2.3. The Trading Plan

9.2.3.1. Stellenbosch Municipality must adopt trading plans where required. This is particularly important in areas where there is an overlap among various stakeholders, business, public or municipal uses.

9.2.3.2. The trading plan must set the geographical boundary for the trading area and allocate bays where trading can take place.

9.2.3.3. The plan can include among others:

Specific trading conditions or criteria

- Set out development priorities, whether for the local economy or industry specific development plans and including trader and employee development
- Allowance for environmental and heritage protection
- Cater for markets and high demand zones
- Set out third party arrangements and responsibilities for managing trade in the area
- Guidelines for the regularity in which the stakeholders will meet to discuss matters pertaining to the trading area (or the need for engagement forums)

9.2.4. Spatial Planning Framework

9.2.4.1. Taking into account the differing economic, spatial and infrastructural elements of the Stellenbosch Municipality, the following guidelines will inform the development of current and future trading areas in the municipal area:

9.2.4.2. Public Spaces in Central Business District

In the central business district centres informal trading would be permitted to provide a range of trading possibilities linked to opportunities for growth and diversity:

- In pedestrian malls
- In designated trading areas
- At appropriate markets, and public squares/space

9.2.4.3. Public Spaces in Secondary Economic Centres:

In Secondary Economic Centres the Municipality will have:

- Designated trading bays located along major pedestrian traffic routes.
- Open trading areas that allow flexibility for traders as well as formal market spaces.

9.2.4.4 Public Spaces in Primary Economic Centres:

Each type of economic centre must allow an increase in the municipality's developmental and facilitative role. There for in primary economic centre like estates and townships the following is practical:

- Demarcated trading bays will only be allowed in high pedestrian traffic flow areas where congestion is not problematic
- Flexible market structures must be built at key transport nodes that will allow for the integration of a number of services ensuring regular pedestrian traffic flows. In these areas cognisance must be taken of the lack of quality urban environments and appropriate physical infrastructure and therefore the approach needs to be in terms of a more physically structured response.

Table 5: Summary of trading areas appropriate for the three types of economic centres.

	Pedestrian Malls	Designated open Trading	Designated Trading Bays	Mobile Trading	Trading in public place	Stationary & Fix containers	Roving Trading	Basking	Special events	Markets
Stellenbosch Trading	X	X	X	X	X	X	X	X	X	X
Groendal		X	X		X	X		x	X	X
Franschhoek		X	X	X	X	X	X	X	X	X
Klapmuts		X	x	X	X	X	X	X	x	X
Jamestown		X	x	X	X	X	X	X	X	X
Pniel		X		x	X	X	X	X	X	X
Kayamandi		X	X	X	X	X	X	X	X	X
Idas Valley		X	X	X	X	X	X	X	X	X
Cloetesville		X	X	X	X	X	X	X	X	X
Mooiwater		X	X	x	x	X	X	X	X	X
Kylemore		X	X	x	X	X	x	X	X	X

9.2.4.5. Informal and Marginalised Residential Areas

In informal settlement and township areas the provision of trading spaces should be clearly linked to "place-making" strategies, as trading may have the potential to generate new forms of public space. Appropriate facilities need to be provided in

these environments that will allow a range of trading levels, structures that are flexible to change and upgrading and access to utility services.

9.3. Organisations and Forums Supporting Development

9.3.1. Multi-stakeholder engagement platform

9.3.1.1. Planning and development of the sector requires engagement of all stakeholders, each stakeholder may require its own forum to discuss issues internally before it is brought to a multi-stakeholder platform. Stellenbosch Municipality will establish, with its stakeholders, one multi-stakeholder platform for engagement around matters relating to the informal trade sector.

9.3.2. Trade Associations and Development Organisations

9.3.2.1. Specific organisations and engagement platforms may be required to address the needs of specific groups (employees and employers). Support to establish and sustain trader associations should be offered. The support of and, where feasible, the establishment of new industry specific organisations (intermediaries), shall be undertaken.

9.4 Development Support

9.4.1. Direct Support

9.4.1.1. Direct support offered to traders and their employees may include business or technical training and mentorship, depending on the need. These will be piloted and provided by stakeholders and partners. The development support required will be determined at an area level, linked to the trading plan and developed by the stakeholders in the area.

9.4.1.2. New traders will be encouraged to join a trader association in the trading area

9.4.1.3. Traders will be assessed at the lease agreement application stage and encouraged to register at one of the industry-development organisations related to the trader's goods/service (should those be available)

9.4.2. Indirect Support

9.4.2.1. A range of indirect support will continue to be provided to the sector through Stellenbosch Municipality and other stakeholder with input and involvement of the sector. This could include:

- Planning (spatial, land use, other)
- Site identification, preparation and development
- Contract development and legal services
- Management and regulatory services

9.5 Criteria for the Allocation of Trading Bays

- 9.5.1. Central to equitable allocation of trading bays, is the compilation by Stellenbosch Municipality of a database of all street traders in a particular area, which will include for each trader: ID number or any recognised form of identification, address, goods being sold, trading location and any other relevant information.
- 9.5.2. It is acknowledged that the following basket of criteria will form the broad basis of decision to allocate bays. As the process is ultimately to be managed on an area basis (a combination of geographic criteria and category of economic centre criteria), it is required that the criteria following are a guideline. In the implementation stage it will be the right of all traders to be fully aware of exactly which criteria are being used in respect of allocation of trading bays.
- 9.5.3. In the event of traders wishing to appeal a municipal official's decisions which are deemed to impact on the rights of traders, the appeals will follow the Appeal Procedures as outlined in section 62 in the Municipal Systems Act, No.32, of 2000.
- 9.5.4. Subject to and in compliance with Section 6A (1), (2) and (3) of the Businesses Act No. 71 of 1991, allocation of trading bays will be based on the following criteria and considerations:

Applicants must be:

- Existing informal traders, or
- desire to become informal traders (provided they comply with the requirements below, and may be for example, informal employees, seeking to establish their own business)
- The nature of the goods and services should not conflict with or unduly compete with:
- the type of goods/services sold by formal businesses in the trading area/ or close to the bay
- the type of goods/services, sold informally, in the same trading area;
- Unemployed people will get preference;
- Where bays are available, traders operating more frequently will get preference over occasional/casual traders within the trading area;
- The applicants ability to meet the trading hours set for the trading area;
- Preference will be given to Historically Disadvantaged Individuals;
- Consideration shall be given to new traders to the municipality's database;
- Only one bay will be allocated per trader;
- Preference will be given to traders who do not trade in any other trading area;
- Preference will be given to those who do not share the same household with an existing lease agreement holder, provided that:
 - There are more trading bays than applicants;
 - The applicant is not economically dependent on the existing lease agreement holder.
- **Preference will be given to applicants who reside in, or close to, the trading area for which the lease agreement is applied;**

- The trader must be in possession of a valid South African identity document or relevant documents allowing the individual to working permit;
- In the case of foodstuffs being processed and traded, the trader must be in possession of the required Business License (and Certificate of Acceptability);

9.5.5. Other Conditions

New applicants will be required to undergo an information session regarding the informal trading policy and by-law.

Applicants will be assessed to determine training and development needs, which may include registration with an industry development organisation.

Council will reserve the right to withdraw summarily the allocation of a bay in the event of evidence proving that

- (i) a trader has wilfully supplied incorrect information related to the lease agreement conditions;
- (ii) a trader has failed to update the information annually;
- (iii) a trader, who is allocated a bay, has sublet or sold such a bay to a third party without the approval of Council;
- (iv) a trader is behind payment on the lease agreement fee (for two consecutive months);
- (v) a trader does not comply with the Informal Trading by-law.

When events permitted by Stellenbosch Municipality occur, the right to the event supersedes the trading right. Stellenbosch Municipality will have the right to summarily cease (without any compensation for loss of earnings) all trading in bays which the Municipality deems are affected by the special event. (Traders affected by the event can approach the event organiser to trade within the event footprint) The Municipality will encourage trading in areas surrounding the event, where possible.

In high demand zones, alternative allocation models will be piloted to enhance the trading mix and provide for new entrants.

9.5.6. Special Circumstances for Allocation of Bays

9.5.6.1. It is recognised that the following special circumstances may warrant the transfer of the lease agreement to an assistant or family member such as in the case of:

- Death of Principal Trader – where the inability to trade would place undue hardship on the family of the Principal Trader, permission may be granted to another family member/assistant trader to continue trading until the end of the trading period as stipulated on the lease agreement for the bay.
- Personal reasons; such as, illness, pregnancy, family responsibility, religious or cultural matters, or any other personal matter, provided it is for a period no longer than 6 months, and provided that:

- Proof from a medical practitioner is provided to the municipality which certifies that the lease agreement holder is unable to trade; and
- A written affidavit is provided to the municipality stating the nature and period for which the lease agreement holder requires the lease agreement transfer

9.5.7. If the Principal Trader or his/her family chooses not to make application for special consideration as outlined above, the lease agreement for the bay must be returned to the municipality to be allocated to the next person meeting the criteria on the waiting list.

9.6 Law Enforcement

9.6.1. All laws will be enforced related to conduct, health and safety and the trading in prohibited areas. The policy, including by-laws will be work-shopped with all new lease agreement holders, when they receive the lease agreement, and with existing lease agreement holders. The following, among others, pertain:

- No trader will be permitted to carry on such business in a manner, which creates a nuisance, is a danger or threat to public health and safety, or damages or defaces any Council property.
- A criminal act will be dealt with through the appropriate criminal procedures.
- Where a trader violates the lease agreement conditions, he/she will be informed in writing of the violation and course of action. A 'three-strike system' will be employed whereby two (2) written warnings will be issued before punitive action is taken. Lease agreement fees will not be refundable if the lease agreement is revoked or suspended.
- Punitive measures could include suspension for a specified period, or the total withdrawal of such trading lease agreement.
- The trader will have the opportunity to put his/her case forward at an inquiry and he/she will be permitted to call any witnesses to testify on his/her behalf. Minutes will be kept of all inquiries and will be available to all interested parties.
- In the case of a trader being refused a lease agreement or having his lease agreement revoked, the complaints procedure will be conducted.
- In the event of traders wishing to appeal a municipal official's decisions which are deemed to impact on the rights of traders, the appeals will follow the Appeal Procedures as outlined in section 62 in the Municipal Systems Act, No.32, of 2000.

9.7 Management of Trading Areas

9.7.1. Different trading environments will require alternate management models and depending on the characteristics of the market or informal trading areas and the desired outcomes for trade in the area.

9.7.2. Formal Market Sites

9.7.2.1. The management of these sites will be granted on a competitive tendering basis for those Formal Markets (including Craft Markets) identified by the Stellenbosch Municipality for outsourced management. The successful tenderer will be granted the management contract for a reasonable period after which it will once again be open for competitive tendering. Management agents will be required to sign Service Level Agreements with the municipality clearly spelling out each party's responsibilities and penalties for non-compliance. Included in the Agreements will be provision of ablution and storage facilities.

9.7.2.2. The legal arrangements that will **govern the management of the markets** can take the following forms:

- **Head lease with a commercial operator** who is responsible for all aspects of the market, including security, cleansing and maintenance. The operator would pay the municipality a market related rental.
- **Head lease with an association of traders/crafters** (usually a common law voluntary association not for gain) who is responsible for all aspects of the market, including security, cleansing and maintenance. The rental payable to the municipality would range from nominal to market related, depending on the location of the market.
- **A management contract with the service provider** to manage aspects of the market, such as ablution facilities, storage facilities, cleansing and security. The municipality will issue lease agreements to the individual traders.
- **Lease with local, civic or community associations** to manage trading areas, with individual lease agreements issued by the municipality.
- In the case of **municipal run markets**, traders would be issued lease agreements for areas or leases for structures such as containers or kiosk.

9.7.3. Individual Fixed Trading Sites

9.7.3.1. These lease agreements will be granted against the criteria established in the section entitled "Criteria for Allocating Lease Agreements". Lease agreements will be granted for between 1 day (for high demand zones) and (1) to (3) years, depending on the area, after which application must again be made, subject to compliance to conditions. Lease agreements fees will be divided into twelve equal payments which will be payable on a monthly basis.

9.7.4. Events

9.7.4.1. Examples of events include, sporting fixtures, concerts and national state events. These events are by their nature temporary and arrangements will depend upon the type of event and the geographical area in which it is taking place. When Lease ting a special event, the municipality grants full right to the event organiser to manage the entire event footprint, in turn; the event organiser accepts full liability for all risks.

9.7.4.2. For this reason, the trade to trade is revoked for the period of the event. The municipality will encourage event organisers to accommodate informal traders and where feasible allow trading to take place around the event footprint.

9.7.5. Transport Interchanges

9.7.5.1. Any trading in the vicinity of Transport Interchanges must not obstruct vehicular or other traffic. The establishment of any trading zones at Transport Interchanges would require the approval of the Interchange Management Authority.

9.8 Pricing and Funding Mechanisms

9.8.1. Basic Price Determination

9.8.1.1. The economic value of location and space will be incorporated into the pricing linked to tariffs and leases. At a metropolitan scale, a costing exercise will be undertaken at a sample each type of trading areas to determine the full cost of trading with varying urban management, locational and infrastructure attributes (e.g. utilities-water, sanitation, electricity, management services, infrastructure-shelter, storage, etc.). Differentiated tariffs for different levels of service provision will be introduced. A sample of different trading sites will be selected for the costing exercise, on completion of the investigation, price bands per trading class will be determined and each trading area will be assigned a trading class and the associated price band.

9.8.1.2. A tariff structure will be linked to:

- Desirability of location (demand)
- Site size
- Level of services
- Infrastructure
- Management services
- Discounting (the true cost)

9.8.2. Pricing Variations

9.8.2.1. Pricing will vary according to a number of factors, as mentioned above, in practice this may mean prices vary along the following lines:

- a. Economic Centres
Tertiary, secondary and primary economic centres may influence the price.
- b. Markets

In the case of markets, tariffs will vary according to type of market and the services available at the market. Where the market is operated by a lease holder, price setting is determined by the lease holder.

c. Socio-Economic Infrastructure

Transport hubs and interchanges, commercial/shopping centres, public facilities such as libraries, civic centres, among others.

d. Third Party Management

In areas that are managed by parties other than the municipality (e.g. adjacent to shopping centres) and where services are supplied that are supplementary to those provided by the municipality, an alternative tariff structure may apply in order to reflect the value of the additional services provided in the area.

e. High Demand Zones

In the course of the strategic spatial planning exercise for the identification of high demand zones within any one of the economic centres, areas may be identified as current, or future potential high demand areas

9.9 Funding Management

9.9.1. The municipality, with the relevant stakeholders, will seek out alternatives mechanisms to provide for the management; management may include safety and security services (e.g. officers of the peace), infrastructure maintenance and services (cleansing, sanitation, water, other). Funding mechanisms may include, inter alia:

1. Dedicated Budget Allocations

Streaming revenue collected from informal trading and assigning it directly to the management of informal trading

2. Leasing or Management Agreements

3. Advertising Sponsorships

4. Partnerships with Stakeholders

9.9.2. Developing a fair, equitable and transparent pricing and effective funding mechanisms will be an important step forward towards the development of the informal trade sector.

10 INFORMAL TRADING APPLICATION PROCESS

10.1 Enclosed Structures

- Only applications received on or before the closing date of advertised bricked structures will be considered/ evaluated based on a set criteria;
- Applicants whose application forms and business plan meet the criteria will be shortlisted;
- Shortlisted applicants will be invited for an interview to determine the suitability and sustainability of their proposed informal business;

- The interview panel will draft a recommendation memorandum to the Director Planning & Economic Development
- The Director Planning & Economic Development will review the recommendations and forward the final applicants names to the Municipal Manager for approval;
- The Municipal Manager review and provide a final approval;
- Successful applicants will be informed about the outcomes of their applications and invited to review and sign lease agreements; and
- Relevant information is captured on the central database.

11. MONITORING AND EVALUATION

11.1. Coordinated by the Economic Development Department:

- 11.1.1. Annual monitoring of the policy implementation shall take place and,
- 11.1.2. Bi-annual evaluation shall be undertaken via the multi-stakeholder engagement platform
- 11.1.3. At the end of five years, the policy shall be reviewed against the problem statement, and the policy directives set out in this policy. A new problem statement and set of objectives should be determined by all the stakeholders.
- 11.1.4. Alternative forms of monitoring shall also be used such as surveys, focus group discussion or workshops. The municipality shall also investigate, as part of a monitoring system, a telephone hotline be established to provide information, register queries or log issues relating to the sector.
- 11.1.5. In addition, the monitoring system shall be established in order to:
 - Provide a centralised hub of data to allow the stakeholders to utilise the informal trading data and incorporate the informal economy into their planning processes and strategies
 - Conduct trend analyses and anticipate the growth of the sector over time
 - Identify the needs of the sector
 - Map of informal trading areas and trading bays and any shifts over time.

CONTRACT OF LEASE

BETWEEN

Stellenbosch Municipality

Herein represented by

Duly authorized thereto

(LESSOR)

AND

.....

(LESSEE)

I.D. NO.

IN RESPECT OF THE PROPERTY:

GoGo Enterprises

1. LEASE AGREEMENT

The Lessor hereby lets and the Lessee hires certain Informal Trading Premises under the following conditions

2. TENANCY AND DURATION OF AGREEMENT

The tenancy shall be for a period of 12 (Twelve) months, commencing on the day of _____ 2019 and terminating at 12 noon on the _____ day of _____ 2020

3. PAYMENT

Payment of the space is free for the duration of the 12-month contract which will be signed during the 2019/20 financial year. Tenure is not guaranteed. Lease agreement holders will have to re-apply for a space three (3) months before their lease expires.

4. MAINTENANCE

The Lessee shall maintain and keep in good repair and condition the inside of the premises and its appurtenance, which shall include all electrical installations, wall plugs, light points, light shades, chandeliers, windows, window catches, water taps, pipes, door handles, door locks, floor or fitted carpets and sanitary appliances, etc. He/She shall keep the drain free of obstruction. At the expiration of his tenancy, the Lessee shall re-deliver the premises, its contents and appurtenance to the Lessor in a good, clean order and condition and shall at his/her own cost replace any of the aforementioned articles which may be missing, damaged or broken. If, during the tenancy any repairs or re-painting have to be effected to any portion of the inside of the said premises or to any appurtenance contained therein or any replacements have to be made, it shall be obligatory for the Lessee to bear the cost thereof. The Lessor reserves the right to effect such repairs or re-painting at the expense of the Lessee and to reclaim the cost thereof. The Lessee shall be liable for all damage caused by neglect or omission of him/her, his/her family, servants and visitors. No alterations to colour scheme, or additions or improvements to the leased premises whether

structural or otherwise shall be effected by the Lessee without consent in writing of the Lessor. No carpets shall be fitted. Under no circumstances shall the Lessor be liable to compensate the Lessee for any alterations, repairs, improvements or additions to the leased premises. The Lessor shall keep the outside of the property in good repair.

5. RESTRICTIONS

5.1 No person shall reside inside the leased premises and the premises shall be used exclusively for the purpose as stated on the application form submitted.

5.2 The usage and trading of alcohol or drugs are strictly prohibited on the premises.

5.3 The Lessee undertakes to restrict himself/herself and trade only from the designated area as approved by Council.

5.4 The Lessee shall operate his/her business as per official trading hours and days.

5.5 No sub-letting will be allowed

6. DESTRUCTION OF THE PREMISES

If the premises or any building of which they form part are destroyed by fire, or the elements, or by any means whatsoever, with the result that the premises or such building is rendered unfit for occupation, then the tenancy shall terminate upon the happening of that event. Neither party shall have any claim against the other in respect of such premature termination of the tenancy unless such destruction is due to some act of negligence on the part of the Lessee or any person under his authority, in which case the Lessor shall, notwithstanding anything to the contrary aforesaid, be entitled to all his/her rights under this Lease and at Common law. If the destruction is not sufficiently serious to prevent beneficial occupation of the premises, or any building of which they may form a part, the necessary repairs shall be expeditiously effected and the Lessee shall not have claim against the Lessor for any loss or inconvenience suffered by the Lessee in consequence thereof. The Lessor shall not be responsible for any loss or damage caused to any goods used or stored in the premises hereby let

howsoever any such damage or loss shall have been caused. The Lessor shall not be liable for injury to the Lessee or his/her servants, clients or visitors whilst on the premises irrespective of the cause of such injury.

7. SERVICES

The Lessee shall be responsible for all charges in respect of metered consumption of electricity and water.

8. TERMINATION OF LEASE

8.1 Should either party to this agreement wish to terminate it at the expiration of this Lease, he/she shall give two clear calendar months' notice to do so. Such notice shall be served by the Lessee by registered post not later than 12 noon on the last day of the second last month prior to that during which the property is to be vacated. The Lessee shall vacate the premises before 12 noon on the last day of the notice period. Any notice not given by registered post shall at the discretion of the Lessor be invalid. Any notice required by the Lessor in terms of this lease shall be deemed to have been served if forwarded to the Leased premises by prepaid post. The Lessee chooses as his domicilium citandi et executandi the leased premises for all purposes in connection with this Lease.

8.2 In the event of breach of any of the provisions of this agreement by either party, such party shall have the right to terminate the agreement subject to the provisions of 8.3 hereunder.

8.3 If there is a breach of the provisions of this agreement the aggrieved party shall notify the breaching party within 7 days of becoming aware of the said breach. The aggrieved party shall give the breaching party 14 days to rectify the said breach failure upon which the aggrieved party will have the right to terminate this agreement.

9. JURISDICTION

The parties agree to accept the jurisdiction of the magistrates' court of Stellenbosch for any legal action or suit resulting from this agreement.

10. WHOLE AGREEMENT

This agreement constitutes the whole agreement between the parties hereto relating to matters dealt with in this agreement and save to the extent otherwise provided herein no undertaking, representation, term, or condition relating to the subject matter of this agreement not incorporated in this agreement shall be binding on any of the parties.

Signed at...Stellenbosch.....this

day of

.....
For and on behalf of the Lessee

AS WITNESS:

1.

2.

Signed at Stellenbosch

this

day of

.....
For and on behalf of the Lessor
(Stellenbosch Municipality)

AS WITNESS:

1.

2.

.

11.8	RURAL MANAGEMENT AND TOURISM: (PC: CLLR S PETERS)
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NONE

11.9	YOUTH, SPORTS AND CULTURE: (PC: CLLR M PIETERSEN)
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NONE

11.10	MUNICIPAL MANAGER
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11.10.1	SDF/IDP/BUDGET PROCESS PLAN (TIME SCHEDULE) TO GUIDE THE THIRD REVIEW OF THE FOURTH GENERATION INTEGRATED DEVELOPMENT PLAN 2017 – 2022
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Collaborator No:

656152

IDP KPA Ref No:

Good Governance and Compliance

Meeting Date:

14 August 2019

1. SUBJECT: SDF/IDP/BUDGET PROCESS PLAN (TIME SCHEDULE) TO GUIDE THE THIRD REVIEW OF THE FOURTH GENERATION INTEGRATED DEVELOPMENT PLAN 2017 – 2022

2. PURPOSE

To table to Council for consideration:

- (a) The Time Schedule of key deadlines for the Third Review of the Fourth Generation Integrated Development Plan (IDP), Budget and Spatial Development Framework (SDF).

3. DELEGATED AUTHORITY

In accordance with Section 21(b) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) "the mayor of a municipality must-

at least 10 months before the start of the budget year, table in the municipal council a time schedule outlining key deadlines for-

- (i) the preparation, tabling and approval of the annual budget;
- (ii) the annual review of-
 - (aa) the integrated development plan in terms of section 34 of the Municipal Systems Act; and
 - (bb) the budget-related policies;
- (iii) the tabling and adoption of any amendments to the integrated development plan and the budget-related policies; and

- (iv) any consultative processes forming part of the processes referred to in subparagraphs (i), (ii) and (iii).

4. EXECUTIVE SUMMARY

The SDF/IDP/Budget Process Plan (Time Schedule) is compiled in terms of Sections 28 and 29 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA).

Section 28 specifies that:

- “(1) Each municipal council, within a prescribed period after the start of its elected term, must adopt a process set out in writing to guide the planning, drafting, adoption and review of its IDP.
- (2) The municipality must through appropriate mechanisms, processes and procedures established in terms of Chapter 4, consult the local community before adopting the process.
- (3) A municipality must give notice to the local community of particulars of the process it intends to follow.”

5. RECOMMENDATIONS

- (a) that Council adopts the annexed SDF/IDP/Budget Process Plan (Time Schedule) to guide the Third Review of the Fourth Generation IDP 2017 – 2022, SDF and Budget; and
- (b) that the SDF/IDP/Budget Process Plan (Time Schedule) be placed on the official website of the Municipality, municipal notice boards and libraries, notifying the public of the planned process.

6. DISCUSSION

6.1 Background

The Annual Budget and the IDP are inextricably linked with one another, and this link has been formalised through the promulgation of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA).

The requirements for a Time Schedule are outlined in Section 21(1) of the MFMA and indicates that:

“The Mayor of a municipality must –

- (a) coordinate the processes for preparing the annual budget and for reviewing the municipality's integrated development plan and budget-related policies to ensure that the tabled budget and any revisions of the integrated development plan and budget-related policies are mutually consistent and credible;
- (b) at least 10 months before the start of the budget year, table in the municipal council a time schedule outlining key deadlines for–
 - (i) the preparation, tabling and approval of the annual budget;
 - (ii) the annual review of –
 - aa) the integrated development plan in terms of section 34 of the Municipal Systems Act; and
 - bb) the budget related policies.

- (iii) the tabling and adoption of any amendments to the integrated development plan and the budget-related policies; and
- (iv) any consultative processes forming part of the processes referred to in subparagraphs (i), (ii) and (iii).

The SDF/IDP/Budget Process Plan (Time Schedule) also takes cognisance of the regulatory framework for the review and approval of the SDF, IDP Budget and the annual Service Delivery and Budget Implementation Plan (SDBIP).

The SDBIP is the implementation tool to give effect to those objectives and targets as indicated in the IDP and Budget. The importance of synchronising the timelines for the revision of the IDP and Annual Budget with those of the SDBIP, is captured in the sections from the MSA cited underneath:

Section 41:

- “(1) A municipality must in terms of its performance management system and in accordance with any regulations and guidelines that may be prescribed –
- (a) set appropriate key performance indicators as a yardstick for measuring performance, including outcomes and impact, with regard to the municipality’s development priorities and objectives set out in its integrated development plan”.

Section 26(e) of the MSA refers to the Municipal SDF as a ‘core component’ of the municipal IDP and requires that the IDP reflects a *mSDF* which must include the provision of basic guidelines for a land use management system for the municipality.

The new planning dispensation which includes the Spatial Planning and Land Use Management Act, 2013, (Act No.16 of 2013) (SPLUMA), the Western Cape Land Use Planning Act, 2014 (Act No. 3 of 2014) and the Stellenbosch Municipal Planning By-law, 2015 imposes new requirements to compile or amend a *mSDF*.

A municipal SDF (new and / or amended) has to follow a timeline set out in a process plan similar to the IDP Process Plan. Moreover, the SDF and IDP processes need to be aligned.

The IDP process follows the following major phases:

- **Analysis** (September - November 2019) which includes community input, performance analysis, financial analysis and organisational analysis.
- **Strategy** (November / December 2019) during which period the political and executive leadership confirms the strategic direction which will guide the compilation of the revised IDP, SDBIP and MTREF (vision, mission, focus areas, strategic objectives, measures and targets).
- **Preparing annual budget and IDP** (November 2019 to March 2020) during which period the municipal performance scorecard is revised and budget priorities and outputs for the next three years are determined.
- **Tabling of the draft IDP and Annual Budget** (March 2020).
- **Consultation and refinement** (April 2020) where the above-mentioned documents are published and circulated for comments and inputs by the community, National and Provincial Treasury, the Cape Winelands District Municipality and other prescribed organs of state or municipalities affected by the IDP or Budget.

- **Final approval** (May 2020) after consideration of the inputs and comments received from various stakeholders.

6.2 Financial Implications

There are no financial implications beyond that which was approved in the 2019/20 MTRF Budget.

6.3 Legal Implications

Section 28 specifies that:

- “(1) Each municipal council must adopt a process set out in writing to guide the planning, drafting, adoption and review of its IDP.
- (2) The municipality must through appropriate mechanisms, processes and procedures established in terms of Chapter 4, consult the local community before adopting the process.
- (3) A municipality must give notice to the local community of particulars of the process it intends to follow.”

6.4 Staff Implications

This report has no staff implications to the Municipality.

6.5 Risk Implications

None

6.6 Comments from Senior Management

6.6.1 Director: Community and Protection Services

Support.

6.6.2 Chief Financial Officer

Support.

6.6.3 Director: Infrastructure Services

Support.

6.6.4 Director: Corporate Services

Support.

6.6.5 Director: Planning and Economic Development

Support.

6.6.6 Comments from the Municipal Manager

Support.

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2019-08-14: ITEM 7.10.1

- (a) that Council adopts the annexed SDF/IDP/Budget Process Plan (Time Schedule) to guide the Third Review of the Fourth Generation IDP 2017 – 2022, SDF and Budget; and
- (b) that the SDF/IDP/Budget Process Plan (Time Schedule) be placed on the official website of the Municipality, municipal notice boards and libraries, notifying the public of the planned process.

ANNEXURES

Annexure A: SDF/IDP/Budget Process Plan (Time Schedule)

FOR FURTHER DETAILS CONTACT:

NAME	Shireen De Visser
POSITION	Senior Manager: Governance
DIRECTORATE	Municipal Manager
CONTACT NUMBERS	021 808 8035
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REPORT DATE	06 August 2019

ANNEXURE 1


STELLENBOSCH

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Annexure A

SDF/IDP/BUDGET TIME SCHEDULE FOR 2020/21

(In accordance with Section 21(1)(b) of the Local Government: Municipal Finance Management Act, No. 56 of 2003 and Section 34 of the Local Government: Municipal Systems Act, No. 32 of 2000 and supporting Regulations of both ACTS)

ACTIVITY / TASK		LEGISLATIVE REQUIREMENTS	TARGET DATES					RESPONSIBLE OFFICIAL
NO	DESCRIPTION		IDP	BUDGET	PMS	SDF	REPORTING	
JULY 2019								
1	Make public the projections, targets and indicators as set out in the SDBIP (no later than 14 days after the approval of the SDBIP) and submit to National and Provincial Treasuries (no later than 10 days after the approval of the SDBIP)	MFMA - Sec 53(3)(a) MBRR - Reg 20(2)(b)			05 July 2019			Manager: IDP and Performance Management
2	Submit Monthly report on the budget for period ending 30 June 2019 within 10 working days to Executive Mayor	MFMA - Sec 71(1)					12 July 2019	Manager: Financial Statements, Compliance and Reporting
3	Commence with the preparation of Capital Roll-Over Budget for the 2019/20 Financial year	MFMA - Sec 28(2)(e) MBRR - Reg 23(5)		31 July 2019				Manager: Budget and Costing
4	Submit Quarterly report for period ending 30/06/2019 on implementation of the budget and financial state of affairs of the municipality to Council	MFMA - Sec 52(d) MFMA - Sec 71(1) MBRR - Reg 29					31 July 2019	Manager: Financial Statements, Compliance and Reporting
AUGUST 2019								
5	Place 2018/19 Fourth Quarter Performance Report on website	MFMA - Section 75 (2) MSA 21(b)			01 August 2019			Manager: Financial Statements, Compliance and Reporting
6	Submit 4th Quarter (2018/19) Performance Reports - SDBIP Performance Reports to National and Provincial Treasuries	MPPMR - Reg 13			01 August 2019			Manager: Financial Statements, Compliance and Reporting
7	Budget Committee considers 2019/20 Capital Roll-Over Budget (to be tabled before 25 August 2019) and determines Budget Assumptions (Parameters) for Medium Term Revenue and Expenditure Framework (MTREF)	MFMA - Sec 28 MBRR - Part 4		07 August 2019				Manager: Budget and Costing
8	Submit Draft SDF/IDP/Budget public participation schedule at All Wards Meeting for approval		14 August 2019					Manager: IDP and Performance Management

ACTIVITY / TASK		LEGISLATIVE REQUIREMENTS	TARGET DATES					RESPONSIBLE OFFICIAL
NO	DESCRIPTION		IDP	BUDGET	PMS	SDF	REPORTING	
9	Submit Monthly report on the budget for period ending 31 July 2019 within 10 working days to Mayor	MFMA Section 71(1)					15 August 2019	Manager: Financial Statements, Compliance and Reporting
10	Strategic sessions for Political and Executive leadership to determine and execute municipal strategy	MSA Section 56(2)	20-21 August 2019					Municipal Manager
11	Finance Portfolio Committee recommends 2019/20 Capital Roll-Over Budget to Executive Mayor and Mayoral Committee	MFMA - Sec 28(2)(e) MBRR - Reg 23(5)		21 August 2019				Chief Financial Officer
12	Executive Mayor and Mayoral Committee recommend that SDF/IDP/Budget Time Schedule (at least 10 months before the start of the budget year) and IDP Public Participation Meetings be approved by Council	MFMA - Sec 21(1)(b)	22 August 2019					Manager: IDP and Performance Management
13	Executive Mayor and Mayoral Committee approve 2019/20 Capital Roll-Over Budget	MFMA - Sec 28(2)(e) MBRR - Reg 23(5)		23 August 2019				Chief Financial Officer
14	Council approve 2019/20 Capital Roll-Over Budget (to be tabled before 25 August 2019)	MFMA - Sec 28(2)(e) MBRR - Reg 23(5)		23 August 2019				Chief Financial Officer
15	Council approve SDF/IDP/Budget Time Schedule (at least 10 months before the start of the budget year) and IDP Public Participation Meetings	MFMA - Sec 21(1)(b)	30 August 2019					Manager: IDP and Performance Management
17	Place advertisement to notify the public of the approved SDF/IDP/Budget Time Schedule and IDP Public Participation Meetings on website, local newspapers and notice boards	MSA - Sec 21, 21A, 28(3)	30 August 2019					Manager: IDP and Performance Management
18	Submit the adopted SDF/IDP/Budget Time Schedule to the MEC for Local Government and Provincial Treasury	MSA - Sec 21, 21A, 28(3)	30 August 2019					Manager: IDP and Performance Management

ACTIVITY / TASK		LEGISLATIVE REQUIREMENTS	TARGET DATES					RESPONSIBLE OFFICIAL
NO	DESCRIPTION		IDP	BUDGET	PMS	SDF	REPORTING	
19	Submit unaudited Annual Performance Report (APR) and Annual Financial Statements (AFS) for 2018/19 to the Auditor General of South Africa (AGSA)	MFMA - Section 126					31 August 2019	Manager: IDP and Performance Management & Manager: Budget and Costing
SEPTEMBER 2019								
20	SDF/IDP/ Budget community meetings in all municipal wards	Chapter 4 MSA	04 - 30 September 2019					Manager: IDP and Performance Management
21	Provincial IDP Managers' Forum	MSA Section 24	12 - 13 September 2019					Manager: IDP and Performance Management
22	Submit Monthly report on the budget for period ending 31 August 2019 within 10 working days to Executive Mayor	MFMA Section 71(1)					13 September 2019	Manager: Financial Statements, Compliance and Reporting
23	Collate information from adopted Sector Plans for integration into the IDP Review document	MSA Section 34	30 September 2019					Manager: IDP and Performance Management together with All Departments
OCTOBER 2019								
25	Updating of Ward Plans and re-prioritisation of ward plans	Not Applicable	01 - 15 October 2019					Manager: IDP and Performance Management
26	Departmental SDF/IDP/Budget Work sessions to review projects, key initiatives and programmes from Community IDP Needs List and identified actions emanating from the community engagement and sector plan analysis	Not Applicable	01 - 15 October 2019					Manager: IDP and Performance Management together with All Departments
27	Submit Monthly report on the budget for period ending 30 September 2019 within 10 working days to Executive Mayor	MFMA Section 71(1)					14 October 2019	Manager: Financial Statements, Compliance and Reporting
28	Sector Engagement(s)	MSA Section 29(1)(b)	15 October 2019					Manager: IDP and Performance Management

ACTIVITY / TASK		LEGISLATIVE REQUIREMENTS	TARGET DATES					RESPONSIBLE OFFICIAL
NO	DESCRIPTION		IDP	BUDGET	PMS	SDF	REPORTING	
29	Submission of priority requests to sector departments	Not Applicable	15 October 2019					Manager: IDP and Performance Management
30	Directorates complete template for the 2020 - 2023 Capital and Operational Budget for Budget Prioritisation	MSA Section 26(h)		25 October 2019				Manager: Budget and Costing
31	Commencement of the tariff setting exercise for the 2020/21 financial year	MFMA Section 71		25 October 2019				Manager: Budget and Costing
32	Submit Quarterly report for period ending 30/09/2018 on implementation of the budget and financial state of affairs of the municipality to the Council	MFMA - Sec 52(d) MFMA - Sec 71(1) MBRR - Reg 28			31 October 2019			Manager: Financial Statements, Compliance and Reporting
33	Strategic Integrated Municipal Engagements (SIME)		31 October 2019					Manager: IDP and Performance Management
NOVEMBER 2019								
34	Commencement of the current budget related policies and compile newly needed budget related policies	MFMA - Sec 21 MBRR - Part 3		01 November 2019				Manager: Financial Statements, Compliance and Reporting
35	Submit 1st Quarter 2019/20 Performance Reports - SDBIP and Finance Performance Reports to National and Provincial Treasury			01 November 2019				Manager: Financial Statements, Compliance and Reporting
36	Place 2019/20 First Quarter Performance Report on website	MFMA - Sec 75(2) MSA - Sec 21(b)		01 November 2019				Manager: Financial Statements, Compliance and Reporting
37	Submit Monthly report on the budget for period ending 31 October 2019 within 10 working days to Executive Mayor	MFMA Section 71(1)					14 November 2019	Manager: Financial Statements, Compliance and Reporting
38	Submit inputs for 2019/20 Operating Adjustments Budget to Manager: Budget and Costing	MFMA - Section 21 & 28		15 November 2019				All Directorates
39	Draft initial changes to IDP: Reconcile community, administrative and political priorities	Not Applicable	29 November 2019					Manager: IDP and Performance Management
40	Finalise all IDP inputs (Chapters) and distribute to all Departments for input and revisions	MSA Section 34	29 November 2019					Manager: IDP and Performance Management

ACTIVITY / TASK		LEGISLATIVE REQUIREMENTS	TARGET DATES					RESPONSIBLE OFFICIAL
NO	DESCRIPTION		IDP	BUDGET	PMS	SDF	REPORTING	
DECEMBER 2019								
41	Provincial IDP Managers' Forum	MSA Section 24	05-06 December 2019					Manager: IDP and Performance Management
42	Submit Monthly report on the budget for period ending 30 November 2019 within 10 working days to Executive Mayor	MFMA Section 71(1)					13 December 2019	Manager: Financial Statements, Compliance and Reporting
JANUARY 2020								
43	Submit Monthly report on the budget for period ending 31 December 2019 within 10 working days to Executive Mayor	MFMA Section 71(1)					15 January 2020	Manager: Financial Statements, Compliance and Reporting
44	Finance Portfolio Committee considers and recommends the 2019/20 Adjustments Budget to the MAYCO	MFMA - Sec 28 MBRR - Part 4		15 January 2020				Manager: Budget and Costing
45	MAYCO considers and adopts 2019/20 Adjustments Budget and potentially Revised 2019/20 SDBIP	MFMA - Sec 28 MBRR - Part 4		15 January 2020	15 January 2020			Manager: Budget and Costing & Manager: IDP and Performance Management
47	Submit Mid-year Performance Assessment Report to the Executive Mayor	MFMA - Sec 72			25 January 2020			Manager: IDP and Performance Management
48	Submit Mid-year Budget Assessment Report to Executive Mayor	MFMA - Section 72(1)(b) MBRR - Reg 35		25 January 2020				Chief Financial Officer
49	Submit Mid-year Budget and Performance Report to Provincial Treasury, National Treasury and Department of Local Government by 25 January 2020	MFMA - Section 72(1)(b) MBRR - Reg 35		25 January 2020				Manager: IDP and Performance Management & Chief Financial Officer
50	Make public the Mid-Year Budget and Performance Report in the local newspaper and on municipal website	MFMA - Section 75 (2) MSA - Sec 21(b)		31 January 2020				Chief Financial Officer and Manager: IDP and Performance Management
51	Council consider 2018/19 Draft Annual Report before advertising it for public comment	MFMA - Sec 127					31 January 2020	Manager: IDP and Performance Management & Chief Financial Officer

ACTIVITY / TASK		LEGISLATIVE REQUIREMENTS	TARGET DATES					RESPONSIBLE OFFICIAL
NO	DESCRIPTION		IDP	BUDGET	PMS	SDF	REPORTING	
52	Submit Quarterly report for period ending 31/12/2018 on implementation of the budget and financial state of affairs of the municipality to Council	MFMA - Sec 52(d) MFMA - Sec 71(1) MBRR - Reg 29					31 January 2020	Chief Financial Officer and Manager: IDP and Performance Management
53	Submit Mid-year Budget and Performance Assessment Reports to Council	MFMA - Section 72(1)(b) MBRR - Reg 35		31 January 2020			31 January 2020	Manager: Financial Statements, Compliance and Reporting
54	Place 2019/20 SECOND Quarter Performance Report on website	MFMA - Section 75 (2) MSA - Sec 21(b)		31 January 2020				Manager: Financial Statements, Compliance and Reporting
55	Invite public / local community to submit written comment on the proposed SDF amendment within 60 days of the publication thereof in the Provincial Gazette and the Media	SPLUMA – Section 20(3)	01/01/2020 - 28/02/2020					Manager: Spatial Planning
56	Council considers the 2019/20 Adjustments Budget and potential Revised TL SDBIP 2019/20	MFMA - Sec 28 MBRR - Part 4		31 January 2020				Manager: IDP and Performance Management and Manager: Budget and Costing
FEBRUARY 2020								
57	Advertise the approved 2019/20 Adjustments Budget and Revised SDBIP for 2019/20 and submit budget and B Schedules to National Treasury and Provincial Treasury as required per legislation (within 10 working days)	MFMA - Sec 28(7) MSA - Sec 21A MBRR - Part 4		01 February 2020	01 February 2020			Manager: Budget and Costing & Manager: IDP and Performance Management
58	Send the 2018/19 Draft AR, within five (5) days via e-mail and hard copy to the National Treasury, the Western Cape Department of Local Government, the Western Cape Provincial Treasury and the Auditor General	MFMA - Section 127(5)(b)					01 - 05 February 2020	Manager: IDP and Performance Management
59	Submit Monthly report on the budget for period ending 31 January 2020 within 10 working days to Executive Mayor	MFMA Section 71(1)					14 February 2020	Manager: Financial Statements, Compliance and Reporting
60	Annual and Mid-year Performance Assessments for Municipal Manager and Managers directly accountable to the Municipal Manager (Period 2018/19 and 2019/20 Financial Years respectively)	MPPMR - Reg 13 GN 21- 17/01/2014			15 February 2020			Manager: IDP and Performance Management

ACTIVITY / TASK		LEGISLATIVE REQUIREMENTS	TARGET DATES					RESPONSIBLE OFFICIAL
NO	DESCRIPTION		IDP	BUDGET	PMS	SDF	REPORTING	
61	Due date for the public and other stakeholders to render written comments on the 2018/19 Draft AR	MFMA - Sec 127(5)(a) MSA - Sec 21A			25 February 2020			Chief Financial Officer
62	Technical Integrated Municipal Engagements (TIME)	MSA - Chapter 5	28 February 2020					Manager: IDP and Performance Management
64	LG MTEC 2 - Provincial Sector Departments inform municipalities of provincial budgetary allocations	MSA - Chapter 5	28 February 2020					Manager: IDP and Performance Management and Manager: Budget and Costing
MARCH 2020								
65	Submit monthly report on the budget for period ending 28 February 2020 within 10 working days to Executive Mayor	MFMA Section 71(1)					13 March 2020	Manager: Financial Statements, Compliance and Reporting
66	Financial Services Portfolio Committee recommends draft MTRF Budget to the Executive Mayor and Mayoral Committee	MFMA - Sec 16(2) MSA - Sec 25 MBRR - Part 3		15 March 2020				Manager: Budget and Costing
67	Financial Services Portfolio Committee recommends draft MTRF Budget to the Executive Mayor and Mayoral Committee	MFMA - Sec 16(2) MSA - Sec 25 MBRR - Part 3		20 March 2020				Manager: Budget and Costing
68	Review the municipality's performance management system (PMS) - submit Revised Performance Management Policy to Council	MPPR - Reg 3(4)(b) & Reg 11(2)			31 March 2020			Manager: IDP and Performance Management
69	Council meeting on draft SDF, IDP, Budget, tariffs, budget related policies and SDBIP (at least 90 days before the start of the budget year)	MFMA - Sec 16(2) MSA - Sec 25 MBRR - Part 3	31 March 2020	31 March 2020	31 March 2020			Manager: IDP and Performance Management and Manager: Budget and Costing
70	Council consider 2018/19 Oversight Report and Annual Report for approval	MFMA - Sec 129			31 March 2020			Manager: IDP and Performance Management

ACTIVITY / TASK		LEGISLATIVE REQUIREMENTS	TARGET DATES					RESPONSIBLE OFFICIAL
NO	DESCRIPTION		IDP	BUDGET	PMS	SDF	REPORTING	
APRIL 2020								
72	Advertise the Draft SDF IDP, SDBIP, budget and other required documents and provide at least 21 days for public comments and submissions	MFMA - Sec 22(a) MSA - Sec 21A MPPMR - Reg 15(3)	05 April 2020	05 April 2020	05 April 2020	05 April 2020		Manager: IDP and Performance Management and Manager: Budget and Costing
73	Place advertisement for the 2018/19 OR and AR to be released for information which must be placed on the municipal website within five (5) days after it is approved	MFMA - Sec 129(3)					05 April 2020	Manager: IDP and Performance Management
74	Ensure that the 2018/19 OR and AR be made available at all municipal offices and libraries for information	MFMA - Sec 129(3)					05 April 2020	Manager: IDP and Performance Management
75	Submit the Annual Report and Oversight Report 2018/19 to the provincial legislature as per circular	MFMA - Sec 132(1) & (2)					05 April 2020	Manager: IDP and Performance Management
76	Submit the draft SDF, IDP, SDBIP and budget to Department of Local Government, National and Provincial Treasury, prescribed national or provincial organs of state and to other municipalities affected by the IDP and budget	MFMA - Sec 22(b) MSA - Sec 32(1) MBRR - Reg 20	05 April 2020	05 April 2020		05 April 2020		Manager: IDP and Performance Management and Manager: Budget and Costing
77	Community meetings to consult the Draft SDF, IDP, SDBIP and Budget - Ward-based Public Meetings	MFMA - Sec 22(a) MSA - Sec 21A MPPMR - Reg 15(3)	05 - 30 April 2020	05 - 30 April 2020	05 - 30 April 2020	05 - 30 April 2020		Manager: IDP and Performance Management Manager: Budget and Costing
78	Submit Monthly report on the budget for period ending 31 March 2020 within 10 working days to Executive Mayor	MFMA Section 71(1)					14 April 2020	Manager: Financial Statements, Compliance and Reporting
79	Submit Quarterly report for period ending 31 March 2020 on implementation of the budget and financial state of affairs of the municipality to Council	MFMA - Sec 52(d) MFMA - Sec 71(1) MBRR - Reg 29					30 April 2020	Manager: Financial Statements, Compliance and Reporting
80	Submit 3rd Quarter 2019/20 Performance Reports - SDBIP and Performance Reports to National and Provincial Treasury	MPPMR - Reg 13					30 April 2020	Manager: Financial Statements, Compliance and Reporting

ACTIVITY / TASK		LEGISLATIVE REQUIREMENTS	TARGET DATES					RESPONSIBLE OFFICIAL
NO	DESCRIPTION		IDP	BUDGET	PMS	SDF	REPORTING	
MAY 2020								
81	Place 2019/20 Third Quarter Performance Report on website	MFMA - Sec 75(2) MSA - Sec 21 (b)					01 May 2020	Manager: Financial Statements, Compliance and Reporting
82	Submit Monthly report on the budget for period ending 30/04/2020 within 10 working days to Executive Mayor	MFMA Section 71 (1)					14 May 2020	Manager: Financial Statements, Compliance and Reporting
83	Finance Portfolio Committee considers submissions made by the local community, National or Provincial Treasury, national or provincial organs of state or municipalities (B-Municipalities) and recommends final budget to MAYCO	MFMA - Sec 24		10 May 2020				Manager: IDP and Performance Management Manager: Budget and Costing
84	MAYCO meeting to approve the Budget, SDF and Revised IDP (at least 30 days before the start of the budget year)	MFMA - Sec 24	15 May 2020	15 May 2020	15 May 2020			Manager: IDP and Performance Management Manager: Budget and Costing
85	LG MTEC 3 IDP and Budget Assessments by Provincial Treasury and Department of Local Government	MSA Chapter 5 MFMA	31 May 2020	31 May 2020	31 May 2020	31 May 2020		Manager: IDP and Performance Management Manager: Budget and Costing
86	Council meeting to adopt Revised IDP, SDF and Budget (at least 30 days before the start of the budget year)	MFMA - Sec 24	31 May 2020	31 May 2020	31 May 2020	31 May 2020		Manager: IDP and Performance Management and Manager: Budget and Costing
JUNE 2020								
88	Place the IDP, SDF, multi-year budget, all budget-related documents and all budget-related policies on the website	MFMA - Sec 22 and 75 MSA - Sec 21A and 21B	06 June 2020	06 June 2020		06 June 2020		Manager: IDP and Performance Management Manager: Budgets and Accounting
89	Submit a copy of the revised IDP, SDF to the MEC for LG (within 10 days of the adoption of the plan)	MSA - Section 32	10 June 2020			10 June 2020		Manager: IDP and Performance Management
90	Submit approved budget to National and Provincial Treasuries (both printed and electronic formats)	MFMA - Sec 24(3) MBRR - Reg 20		15 June 2020				Manager: Budget and Costing

ACTIVITY / TASK		LEGISLATIVE REQUIREMENTS	TARGET DATES					RESPONSIBLE OFFICIAL
NO	DESCRIPTION		IDP	BUDGET	PMS	SDF	REPORTING	
91	Give notice to the public of the adoption of the IDP and Budget (within 14 days of the adoption of the plan) and budget (within 10 working days)	MBRR - Reg 18 MSA - Sec 25(4)(a)(b)	15 June 2020	15 June 2020				Manager: IDP and Performance Management Manager: Budget and Costing
92	Submit to the Executive Mayor the SDBIP for the budget year (no later than 14 days after the approval of an annual budget)	MFMA - Sec 69(3)(a)			12 June 2020			Manager: IDP and Performance Management
93	Submit Monthly report on the budget for period ending 31/05/2020 within 10 working days to Mayor	MFMA Section 71(1)					12 June 2020	Manager: Financial Statements, Compliance and Reporting
94	Executive Mayor takes all reasonable steps to ensure that the SDBIP is approved (within 28 days after approval of the budget)	MFMA - Sec 53(1)(c) (ii)			28 June 2020			Manager: IDP and Performance Management
96	Make public the Council notice of the adopted SDF in the local media and the provincial Gazette, within 14 days of the date of adoption	SPLUMA – Section 20(3)	30 June 2020					Manager: SDF
JULY 2020								
97	Make public the projections, targets and indicators as set out in the SDBIP (no later than 14 days after the approval of the SDBIP) and submit to National and Provincial Treasuries (no later than 10 working days after the approval of the SDBIP)	MFMA Section 53(3)(a) MBRR Reg 19			10 July 2020			Manager: IDP and Performance Management
98	Make public the performance agreements of the Municipal Manager and Managers directly accountable to the Municipal Manager (no later than 14 days after the approval of the SDBIP)	MFMA Section 53(3)(b):			10 July 2020			Manager: IDP and Performance Management

12.	CONSIDERATION OF ITEMS, REPORTS, COMMUNICATIONS, PETITIONS AND APPLICATIONS SUBMITTED VIA THE OFFICE OF THE MUNICIPAL MANAGER
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12.1	MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC): [CLLR WF PIETERSEN]
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NONE

13.	REPORTS BY THE MUNICIPAL MANAGER
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13.1	THE ALLOCATION OF VACANT MUNICIPAL AGRICULTURAL LAND TO THE SUCCESSFUL LAND APPLICANTS
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Collaborator No:

IDP KPA Ref No:

Meeting Date:

Valley of Opportunities

Special Council: 14 August 2019

1. SUBJECT: THE ALLOCATION OF VACANT MUNICIPAL AGRICULTURAL LAND TO THE SUCCESSFUL LAND APPLICANTS

2. PURPOSE

To request Council to take note of the recommendations to allocate vacant municipal land to the successful applicants and to give consideration for the allocation of land to one candidate that fall sort of one criteria.

3. DELEGATED AUTHORITY

In terms of Section 14 of the Municipal Financial Management Act (MFMA), Regulation 34(1) of the of the Asset Transfer Regulation and the Systems of Delegations adopted by Council on 2015-06-01, the **Municipal Manager** has the powers to grant rights to use, control or manage a fixed capital asset up to an annual contract value not exceeding R 1 000 000.

4. EXECUTIVE SUMMARY

The item deals with the allocation of vacant municipal land to successful land applicants after Council resolved on 28-03-2018 to advertise 12 pieces of vacant municipal agricultural land for leasing purposes. A full report on the process of allocation and recommendations is attached as **APPENDIX A**.

5. RECOMMENDATIONS

- (a) that Council takes note of the process undertaken and the final recommended outcomes as listed below.

No	Portion	Size (ha)	Water (ha)	Highest scorer	Recommended
5	502 V	21.6	8	Hylton P Arendse	That Hylton P. Arendse be the preferred applicant for 502 V.
13	502 AP	7	2	Chris Jacobs	That Chris Jacobs be the preferred applicant for 502 AP and AM. The two pieces of land lay adjacent to each other and will make economic sense to farm as one unit
12	502 AM	8.56	3	Chris Jacobs	
4	502 AW	6	0	Bradley Cortereal	That Bradley Cortereal be the preferred applicant for 502 AW.

	502 AU	8.9		Re advertise for beekeeping	Portion 502AU is regarded as a nature conservation area by Cape Nature, the only farming purpose this land could be utilized for is beekeeping as the property is overgrown by fynbos.
	502 M	5.1	3	Re advertise 502 M & 502 W as one unit	The portion is located next to 502W, and should be utilised as a water resource for 502M as it is a wetland area, which will not be suitable for farming on its own.
	502 W	9	3		
5	502 BFN	15.5	6	Elsenburg Khoisan Farmers	That Elsenburg Khoisan Farmers be the preferred applicant for 502BFN. More than 10ha of land have been already allocated to both Hilton Arendse and Chris Jacobs.
18	619/1	26	0	Jeremy van Niekerk	That Jeremy van Niekerk be the preferred applicant for 619/1. More than 10ha of land have been already allocated to both Chris Jacobs and Elsenburg Khoisan Farmers.
27	279 BN	25.3	0	Re-advertised	Recommended to be re-advertised.
	165/1	10.5	0	Re-advertised	No responsive application was received for this portion of land. The land in its current state should be utilised for grazing purposes Recommended to be re-advertised

- (b) that Council approves the allocation of suitable non allocated vacant land to Carmen Stevens as a merit case deserving special consideration given the reasons outlined in clause 6.2.

6 DISCUSSION / CONTENTS

6.1 Background

Council resolved at its 16th Council Meeting on 28-03-2018 that the vacant municipal agricultural land depicted below be advertised for leasing purposes to emerging farmers in line with the policy on the Management of Municipal Agricultural Land as advertised in the Government Gazette on 27 March 2017.

	Property Description	Size(ha)	Total (Ha)	Water(Ha)
1	165/1A	10.5	10.5	0
2	279BN	25.3	25.3	0
3	502 AM	8.56	8.56	3
4	502 AP	7 ha	7	2
5	502 AU	8.9	8.9	0
6	502 AW	6	6	0
7	502 BFN	15.5	15.5	6
8	502 V	21.6	21.6	8
9	619/1	26	26	0
10	502 BH portion 17&18	5	5	3
11	502M	5.1	5.1	3
12	502V	21.6	21.6	8
13	502W	9	9	3
	TOTAL		175,41 ha	

6.2 Discussion

The aforementioned pieces of land were advertised the Eikestad Nuus (18-04-12), and in the Gazette (2018-4-10) in line with the Policy on the Management of Municipal Agricultural Land.

In a briefing session, held on 2018-05-22 in the Plein Street Library Hall, information on the process of land allocation and the applicable criteria was presented to the public. A total

number of 70 people attended the session the assessment of the public present was that the initial closing date did not allow sufficient time to prepare a decent business proposal/application.

Following a request from the meeting, the closing date for applications was extended from 2018-05-11 to 2018-09-30. The notice for extension of the closing date for applications was advertised in the Gazette (2018-05-08), the Eikestad Nuus (2018-05-10) and on the Stellenbosch Municipal website (2018-05-10).

By the closing date of 2018-09-30, forty-four (44) applications were received. The Operational Committee did the technical report and a technical report was subsequently compiled. The committee examined the applications in terms of its compliance with the stipulated criteria and requirements. The representatives from the different departments on the Operational Committee were as follows:

Department	Name of Official
Local Economic Development & Tourism	Widmark Moses
Local Economic Development & Tourism	Melissa Nel
Corporate and Strategic Services, Legal	Mandlenkosi Mgogoshe
Community Services	Schalk van der Merwe
Community Services, Nature Conservation	Leon Lourens
Property Management	Piet Smit

Minimum requirements as per Policy on the Management of Municipal Agricultural Land was as follows:

- **Resident of the WCO24** for a minimum of 5 years
- **Previous Disadvantaged Individuals**
- If applying as an entity – 80% minimum black ownership

The Evaluation criteria:

(80 POINTS)

- Experience in farming/agriculture
- Business Plan – type of farming
- Financial readiness – access to markets / availability of funding

Scoring:

Experience

(maximum 30):

- 0 > 1 year experience 5 points
- 1 ≥ 5 years' experience 10 points
- 5 ≥ 10 years' experience 20 points
- 10 years or more experience 30 points

Business plan and financial readiness

(maximum: 50)

- Indicate clearly which portion of land applied for (5)
- Business Description/type of farming activity (5)
- Financial projections / cash flow projections (10)
- Implementation plan (10)
- Market access (10)
- Financial readiness (10)

Of the 44 proposals 18 were non- responsive for various reasons as contained in the Memorandum to the Municipal Manager attached as **APPENDIX A**. The technical report was presented to the Land Committee (Adjudication Committee) for consideration and recommendation to the Municipal Manager. The Adjudications committee consist of all the Directors. Adjudication report was submitted to the Municipal Manager for final approval. The highest scorers as per the various pieces of land was as follows:

No	Portion	Score	Size (ha)	Water (ha)	Applicant
5	502V	80	21.6	8	Hylton P Arendse
13	502 AP	60	7	2	Chris Jacobs
5	502 AM	80	6.56	1	Hilton Peter Arendse
4	502 AW	40	6	0	Bradley Cortereal
	502 AU	None	8.9		None
	502 M (wetland)				Readvertise
	502 W				Readvertise
5	502 BFN	80	15.	6	Hilton Peter Arendse
18	619/1	60	26	0	Elsenburg Khoisan Farmers Chris Jacobs Jeremy Van Niekerk
	279 BN	None	25.3	0	Readvertise
	165/1	None	10.5	0	Readvertise
5	502BH 17&18)		5	3	Hilton Peter Arendse

During the course of the evaluation process the application of Ms Carmen Stevens missed one criteria, which was ***“must be resident in WC024 for a minimum of 5 years”***. The applications relates to a business women, Carmen Stevens whose company produces world-class South African red and white wines for the ultra-premium segment in the United Kingdom and United States of America. She also was nominated and won numerous awards.

Ms Steven is one of the few black women winemakers operating in a male dominated sector and has shown courage and fortitude in pursuit of excellence.

Although Ms Steven do not reside in WC024; Ms Stevens has been operating her business in the Stellenbosch Municipal area since 2014 and leased several properties in this period. The uncertainty of tenure has impacted negatively on the profitability and sustainability of the business. A more permanent tenure will significantly improve her long term prospects of success with added job security for her employees.

Ms Steven’s application meets all the requirements but for the fact that she does not reside within the municipal area. However she has and continues to contribute significantly to the Stellenbosch economy.

As August is celebrated as Women’s Month, Stellenbosch Municipality can celebrate by looking favourably at accommodating Ms. Stevens as a worthy applicant who contributed to the economy of the area and further the objectives of woman empowerment. To this end, Council is requested to relax the criteria to allow for this deserving candidate with proven success record.

6.3 **Financial Implications**

The successful applicants will get a discount of 20% on the normal municipal tariff for agricultural land to bring them on par with tariffs applied to the current emerging farmers.

6.4 Legal Implications

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

6.5 Staff Implications

This report at this stage has no staff implications to the Municipality.

6.6 Previous / Relevant Council Resolutions

Previous Council resolutions relate to the decisions made at 16th Council Meeting held on 28-03-2018 resolved that 12 pieces of vacant municipal agricultural land be advertised for leasing purposes.

6.7 Risk Implications

Risk relates to the sustainability of the farming project if the successful applicants are not in a position to farm successfully.

6.8 Comments from Senior Management**6.8.1 Chief Financial Officer**

Agree with the recommendations.

6.8.2 Municipal Manager

Agree with the recommendations of the report and recommended the report for endorsement by Council.

SPECIAL COUNCIL MEETING: 2019-08-14: ITEM 4.4**RESOLVED** (majority vote with abstentions)

that this matter be referred back to the Administration for further consideration and be resubmitted at the 28 August 2019 Council meeting.

FOR FURTHER DETAILS CONTACT:

NAME	Widmark Moses
POSITION	<i>Manager: Local Economic Development</i>
DIRECTORATE	<i>Planning & Economic Development</i>
CONTACT NUMBERS	<i>021 808 8179</i>
E-MAIL ADDRESS	<i>widmark.moses@ Stellenbosch.gov.za</i>
REPORT DATE	<i>23-07-2019</i>

ANNEXURE A



MEMORANDUM LOCAL ECONOMIC DEVELOPMENT

TO/AAN	: LAND COMMITTEE
Re/Insake	: ALLOCATION OF VACANT MUNICIPAL AGRICULTURAL LAND TO SMALL SCALE FARMERS

1. PURPOSE

To obtain approval to allocate vacant municipal agricultural land to small-scale farmers in terms of the Policy on the Management of Municipal Agricultural Land Policy (Provincial Gazette Extraordinary, 7750, 27 March 2017).

2. BACKGROUND

Stellenbosch Council adopted "The Policy on the Management of Municipal Agricultural Land (2016)" with the purpose of availing agricultural land for emerging farmers. The 16th Council Meeting held on 28-03-2018 resolved that 12 pieces of vacant municipal agricultural land be advertised for leasing purposes.

3. DISCUSSION

The aforementioned pieces of land were advertised the Eikestad Nuus (18-04-12), and in the Gazette (2018-4-10) in line with the Policy on the Management of Municipal Agricultural Land. Detailed information is available in the memorandum attached as Appendix 1.

The process of allocation of vacant municipal agricultural land has now been concluded by the Lands Committee (consisting of all Directors) and their final recommendation is hereby submitted for the for the Municipal Manager's approval

4. APPLICATIONS RECEIVED

By the closing date of 2018-09-30, forty-four (**44**) applications were received.

	Applicant	Land	Type of Farming
1	Magmoed Kara	165/1	Vegetables
2	Joandra Cloete	502	Poultry
3	Karel Piet Adams	502 V	Cattle
4	Bradley Cortereal	502 AP	Plants
4	Bradley Cortereal	502 AW	Plants
4	Bradley Cortereal	502 M	Plants
4	Bradley Cortereal	502 W	Plants
5	Hylton Peter Arendse	502 BFN	Crop
5	Hylton Peter Arendse	502 V	Crop
5	Hylton Peter Arendse	502 AM	Crop
6	Hluphi Precious Shikwambana	502 V	Mix
7	Carmen Stevens Wines	All	Wine cellar
8	Elsenburg Khoisan Farmers (PTY) Ltd	619/1	Crop
8	Elsenburg Khoisan Farmers (PTY) Ltd	502 BFN	Crop
9	Martin Farida	All	Mix
10	Simlindile and Mlondoloz	All	Crop
11	Piet September	502 W	Wine viticulture
11	Piet September	502 M	Wine viticulture
12	Mbhokotwana Co-op	502 AP	Crop
13	Chris Jacobs	502 BFN	Cattle / crop
13	Chris Jacobs	502 AP	Cattle / crop
13	Chris Jacobs	502 AM	Cattle / crop
13	Chris Jacobs	619/1	Cattle / crop
14	Vukuzenzele Kayamandi Small Farming Enterprise	All	Pigs
15	Simoni Themba Shumi	All	Crop
16	Morne Johan Bergstedt	All	Bees
17	Enrico Romano Hendricks	502 V	Crop
18	Piet Patrick Muller	Any	Crop
19	Jade Jeremy van der Rheede	502 AM	Crop
20	David Arthur Lindoor	502 W	Crop
21	Louis Jacobs November	502 M	Crop
22	Harold Jooste	All	Crop
23	Jeremy van Niekerk	619/1	Other
24	Havana C (PTY) Ltd	502 M	Crop
24	Havana C (PTY) Ltd	502 1 A	Crop
24	Havana C (PTY) Ltd	279 BN	Crop
24	Havana C (PTY) Ltd	502 AU	Crop
24	Havana C (PTY) Ltd	619/1	Crop
24	Havana C (PTY) Ltd	165/1A	Crop
24	Havana C (PTY) Ltd	502 V	Crop
24	Havana C (PTY) Ltd	502 W	Crop
24	Havana C (PTY) Ltd	502 AM	Crop
24	Havana C (PTY) Ltd	502 AM	Crop
24	Havana C (PTY) Ltd	502 AP	Crop
24	Havana C (PTY) Ltd	502 BFN	Crop

24	Havana C (PTY) Ltd	502 BH 17&18	Crop
25	Imeal Jephta	All	Hydroponics
26	John Frederick Muller	279	Mixed
27	Ruud Carl Carolissen	502 V	Blue berries
27	Ruud Carl Carolissen	502 AM	Rabbits
28	Graham Lincoln Dhelminie	502 M	Hydroponics
29	Ntamo Alfredil Esmain	Any 502 land	Pigs
30	Anthony William	All	Crop
31	Manual Sam	All	Crop
32	Neville John Cloete	All	Crop
33	William Cornelius Ruiters	All	Crop
34	Naomi Linders	502 V	Crop
34	Naomi Linders	502 BFN	Crop
35	Absalom Fred	502 BH 17&18	Crop
36	Valotorque 115 cc	502 V	Fruit
36	Valotorque 115 cc	502 M	Fruit
37	Mabesis Enterprises	All	Pigs
38	Zachary Ignacio Kiewitz	502 AP	Cattle
39	Willie Booysen	All	Crop / flower
40	Gabriel Bernard Rhoda	All	Crop
41	Mavis Nongogo	502 BFN or 502 V	Crop

5. COMPLIANCE CHECK

Application Number	Farm	Applicant	Type	Business Plan	Additional
3	502 V	Karel Piet Adams	Cattle	Yes	Farm worker at Soverby, knows the area and have support of employee to assist, easy access to farm.
27		Ruud Carl Carolissen	Berries	Yes	Feasibility plan , have financial input to start the project
6		Hluphi Precious Shikwambana	Aquaponics/crops	Yes	Requires a lot of infrastructure on the land for aquaponics/no indication of financial support for the implementation of project
5		Hylton Peter Arendse	Crop	Yes	Currently farming with family successfully on 1ha Webervallei road, needs own land to move forward global gap registered, have markets, motivated
25		Havana C (PTY) Ltd	Crop	Yes	Resident of old pre 1986 Stellenbosch Municipal area before, moved to City of Cape Town Metropole, proof attached.
17		Enrico Romano Hendricks	Crop	Yes	Plan does not specify size of land or implementation plan, can be placed on any land

4	502 AP	Bradley Cortereal	plants	Yes	One portion of several applied for, business plan , plants, succulants
13		Chris Jacobs	crop cattle	Yes	One portion of several applied for, business plan, have support from neighbouring farmers, member of agricultural society, have financial resources, successful, will take less portions if all not available
25		Havana C (PTY) Ltd	crop	Yes	One of 6 portions applied for - resident of old pre 1986 Stellenbosch municipal area currently Macassar city of City of Cape Town Metropole, proof attached.
41		Zachary Ignacio Kiewitz	cattle	Yes	Sheep and crop
4	502 AW	Bradley Cortereal	plants	yes	one portion of several applied for, business plan , plants, succulants
16		Morne Johan Bergstedt	bees	Yes	Only candidate to be considered for this portion of land, as it is an area identified by Cape Nature for indigenous fynbos and plants, needs to be reserved.
32		William Cornelius Ruiters	Cattle/ livestock	Yes	Applied for 502AW/165/1 and 502BH - taxi owner, local resident, less than 1 year experience
4	502 M	Bradley Cortereal	Plants	Yes	One portion of several applied for, business plan , plants, succulents
11		Piet September	Wine Viticulture	Yes	Applied for 502M or 502W separately, will invest own capital to commence project
24		Havana C (PTY) Ltd	Crop	yes	One portion of several applied for, not local residents!!
26		Imeal Jephta	Hydroponics vegetables /	Yes	Part of old Stellenbosch demarcation, Macassar, experienced and have funding to implement project
30		Graham Lincoln Dhelminie	Hydroponics	Yes	Hydroponics, only requires 1-2 hectares for the project
4	502 W	Bradley Cortereal	Plants	Yes	one portion of several applied for, business plan , plants, succulents
11		Piet September	Wine viticulture	Yes	Own funding to implement project, no need for assistance from government
26		Imeal Jephta	Hydroponics vegetables /	Yes	Part of old Stellenbosch demarcation, Macassar, experienced and have funding to implement project
25		Havana C (PTY) Ltd	Crop	Yes	One of 6 portions applied for - resident of old pre 1986 Stellenbosch Municipal area before moved to Cape Town Metropole, proof attached.

4	502 BFN	Hylton Peter Arendse	Crop	Yes	Currently farming with family successfully on 1ha Webervallei road, needs own land to move forward global gap registered, have markets, motivated
8		Elsenburg Khoisan farmers	Crop	Yes	One portion of several applied for, business plan included for crop production
13		Chris Jacobs	crop cattle	yes	One portion of several applied for, business plan, have support from neighbouring farmers, member of agricultural society, have financial resources, successful, will take less portions if all not available
25		Havana C (PTY) Ltd	crop	yes	One portion of several applied for, not local residents!!
5	502 AM	Hylton Peter Arendse	Crop	Yes	Currently farming with family successfully on 1ha Webervallei road, needs own land to move forward global gap registered, have markets, motivated , already land allocated 502v
27		Ruud carl Carolissen	Rabbits	Yes	Have access to market, whole family involved in project, land not sufficient for product/risk
25		Havana C (PTY) Ltd	Crop	Yes	One of 6 portions applied for - resident of old pre 1986 Stellenbosch Municipal area before moved to City of Cape Town Metropole, proof attached.
13		Chris Jacobs	Crop /Cattle	Yes	One portion of several applied for, business plan, have support from neighbouring farmers, member of agricultural society, have financial resources, successful, will take less portions if all not available
2	502	Joandra Cloete	Poultry	Yes	Currently farming, needs space to expand, have markets
14		Vukuzenzele Kayamandi Small Farming Enterprise	Pigs	Yes	One of the pig farmers at the Papegaaiberg nature reserve that needs move
18	619/1	Elsenburg Khoisan farmers	Crop	Yes	One portion of several applied for, business plan included for crop production, already received 502BH
13		Chris Jacobs	Crop /Cattle	Yes	One portion of several applied for, business plan, have support from neighbouring farmers, member of agricultural society, have financial resources, successful, will take less portions if all not available, already received 502AM and AP

19		Jeremy van Niekerk	Other	yes	Fynbos/Renosterveld conservation - will receive water from neighbouring farms. aim is to rehabilitate the area to its original state - fynbos park - possible fynbos nursery/coffee shop and toilets
24		Havana C (PTY) Ltd	Crop	Yes	One portion of several applied for, not local residents!!
24	165 1/A	Havana C (PTY) Ltd	Crop	Yes	One portion of several applied for, not local residents!!
27	279 BN	John Frederick Muller	mixed	Yes	Only application by applicant, have support from neighbouring farms to assist with water, have the necessary tools and implements. Already owns 90 ha of agricultural land.
24		Havana C (PTY) Ltd	Crop	Yes	Resident of old pre 1986 Stellenbosch Municipal area before moved City of Cape Town Metropole, proof attached
24	502 AU	Havana C (PTY) Ltd	Crop	Yes	One portion of several applied for, not local residents!!
25	502 BH 17&18	Havana C (PTY) Ltd	Crop	Yes	One of 6 portions applied for - resident of old pre 1986 Stellenbosch Municipal area before moved to City of Cape Town Metropole, proof attached.
5		Hylton Peter Arendse	Crop	Yes	Currently farming with family successfully on 1ha Webervallei road, needs own land to move forward global gap registered, have markets, motivated - already allocated 502 V to him
26		Imeal Jephtha	hydroponics vegetables	yes	Part of old Stellenbosch demarcation, Macassar, experienced and have funding to implement project
37		Fred Absalom	Crop	Yes	Very vague application, no own inputs to start with land, needs to apply for financial assistance. Currently no financial support.
22		Harold Jooste	Crop	Yes	Jamestown resident experienced, Webervallei road farmer
2	ANY FARMS	Joandra Cloete	Poultry	Yes	Currently farming, needs space to expand, have markets - 502 am
7		Carmen Stevens wines	Wine cellar	Yes	Very successful entrepreneur that needs a space, will be beneficial for the municipality as she will upgrade insert infrastructure,
10		Simlindile and Mlondoloz	Crop	Yes	Youth- studied at sustainability institute
14		Vukuzenzele Kayamandi small farming enterprise	Pigs	Yes	One of the pig farmers at the Papegaaiberg nature reserve that needs move

16	Morne Johan Bergstedt	Bees	Yes	Can be considered for a portion of land
18	Piet Patrick Muller	Crop	Yes	Stays on Mooiberge farm, employee, experienced
22	Harold Jooste	Crop	Yes	Jamestown resident experienced, Webervallei road farmer
40	Mabesis Enterprises	Pigs	yes	Pig farmers, have access to funding from overseas to assist with the project

6. APPLICATION RESPONSIVENESS

6.1 The Operational Committee did the evaluation and a technical report was subsequently compiled. The committee examined the applications in terms of compliance with the stipulated criteria and requirements. The representatives from the different departments on the Operational Committee were as follows:

Department	Name of Official
Local Economic Development & Tourism	Widmark Moses
Local Economic Development & Tourism	Melissa Nel
Corporate and Strategic Services, Legal	Mandlenkosi Mgogoshe
Community Services	Schalk van der Merwe
Community Services, Nature Conservation	Leon Lourens
Property Management	Piet Smit

The evaluation of received proposals took place on the dates listed below:

Date	Purpose
2018-03-19	Discussion of available agricultural land for small farmer purposes.
2018-11-29	First round of evaluation of applications
2018-12-05	Second round of evaluation of applications
2018-12-13	Final round of evaluation of applications after site visits with potential candidates.

6.2 Minimum requirements (Policy on the Management of Municipal Agricultural Land) to adhere were as follows:

- **Resident of the WCO24** for a minimum of 5 years
- **Previous Disadvantaged Individuals**

- If applying as an entity – 80% minimum black ownership

6.3 Evaluation criteria:**(80 POINTS)**

- Experience in farming/agriculture
- Business Plan – type of farming
- Financial readiness – access to markets / availability of funding

Scoring:

Experience**(maximum 30):**

- 0 > 1 year experience 5 points
- 1 ≥ 5 years' experience 10 points
- 5 ≥ 10 years' experience 20 points
- 10 years or more experience 30 points

Business plan and financial readiness**(maximum: 50)**

- Indicate clearly which portion of land applied for (5)
- Business Description/type of farming activity (5)
- Financial projections / cash flow projections (10)
- Implementation plan (10)
- Market access (10)
- Financial readiness (10)

7. PROPOSALS NOT CONSIDERED FOR FURTHER EVALUATION DUE TO THE FOLLOWING REASONS

No	Applicant	Reason
1	Magmoed Kara	No business plan submitted
7	Carmen Stevens Wine	Not residing within the WCO24 Stellenbosch Municipal Area.
9	Martin Farida	No business plan submitted
11	Piet September	Not a subsistence farmer
12	Mbhokotwana Co-op	No business plan submitted
15	Simoni Themba Shumi	No business plan submitted
19	Jade Jeremy van der Rheede	No business plan submitted
20	David Arthur Lindoor	No business plan submitted
24,25	Havana C (PTY) Ltd	Not residing within the WCO24 Stellenbosch Municipal Area.

26	Imeal Jephta	Not residing within the WCO24 Stellenbosch Municipal Area.
27	John Muller	Already own 90 ha of land
30	Graham L Dhelminie	No farming experience or training in agriculture
32	Anthony Williams	No business plan submitted
33	Manual Sam	No business plan submitted
36	Naomi Linders	No business plan submitted
39	Valotorque 115cc	No business plan submitted
42	Willie Booysen	No business plan submitted
43	Gabriel Bernard Rhoda	No business plan submitted
44	Mavis Nongogo	No business plan submitted
34	Neville John Cloete	No business plan submitted

8. EVALUATION

8.1 Responsive applications were further evaluated and scored according to a rating scale, with preference given to the highest scores achieved for each particular piece of land.

Application Number	Farm	Application	Type	Experience	Local (Years)	Government Employee	Business Plan	Score (80)	Additional
3	502 V	Karel Piet Adams	Cattle	10+	10+	no	Yes	70	Farm worker Soverby, knows the area and have support of employee to assist, easy access to farm.
27		Ruud Carl Carolissen	Berries	1	10+	no	Yes	45	More a feasibility/research than business plan, have financial input to start the project.
6		Hluphi Precious Shikwambana	Aquaponics /crops	5	10+	no	Yes	40	Requires a lot of infrastructure on the land for aquaponics/no indication of financial support for the implementation of project.
5		Hylton Peter Arendse	Crop	10+	10+	no	Yes	30	Currently farming with family successfully on 1HA Webervallei Road, needs own land to move forward global GAB registered, have markets, motivated.
17		Enrico Romano Hendricks	Crop	10	10	no	Yes	40	Plan does not specify size of land or implementation plan, can be placed on any land.
4	502 AP	Bradley Cortereal	Plants	5	10	no	Yes	40	One portion of several applied for, business plan, plants, succulants.

13		Chris Jacobs	Crop cattle	10+	10+	no	Yes	60	Have support from neighbouring farmers, member of agricultural society, have financial resources, successful, will take less portions if all not available.
38		Zachary Ignacio Kiewitz	Cattle	5	10+	no	Yes	30	Sheep and Crop
4	502 AW	Bradley Cortereal	Plants	5	10	no	Yes	40	One portion of several applied for, business plan, plants, succulants.
33	502 AW	William C. Ruiters	Cattle/live	®	10+	no	yes	35	Applied for 502AW/165/1 and 502BH - taxi owner local resident less than 1-year experience.
4	502 M	Bradley Cortereal	Plants	5	10	no	Yes	40	One portion of several applied for, business plan, plants, succulants.
4	502 W	Bradley Cortereal	Plants	5	10		Yes Yes	40 70	One portion of several applies for, business plan, plants, succulants.
5		Hylton Peter Arendse	Crop	10+	10+	no	Yes	80	Currently farming with family successfully on 1HA Webervallei Road, needs own land to move forward global GAP registered, have markets, motivated.
8	502 BFN	Elsenburg Khoisan Farmers	Crop	5	10+	no	Yes	60	One portion of several applied for, business plan, included for crop production.
13	502 BFN	Chris Jacobs	Crop cattle	10+	10+	no	Yes	60	One portion of several applied for, business plan, have support from neighboring farmers, member of agricultural society, have financial resources, successful, will take less portions if all not available.
5		Hylton Peter Arendse	Crop	10+	10+	no	Yes	80	Currently farming with family successfully on 1HA Webervallei Road, needs own land to move forward global GAP registered, have markets, motivated.
29	502 AM	Ruud Carl Carolissen	Rabbits	10+	10+	no	Yes	60	Have access to market, whole family involved in project.
13	502 AM	Chris Jacobs	Crop cattle	10+	10+	no	Yes	60	One portion of several applied for, business plan, have support from neighbouring farmers, member of agricultural society, have financial resources, successful, will take less portions if all not available.
18		Elsenburg Khoisan farmers	Crop	5	10+	no	Yes	60	One portion of several applied for, business plan, included for crop production.
13	619/1	Chris Jacobs	Crop cattle	10+	10+	no	Yes	60	One portion of several applied for, business plan, have support from neighbouring farmers, member of agricultural society, have financial resources, successful, will take less portions if all not available.

19		Jeremy van Niekerk	Other	10	10	no	YES	60	Fynbos/Renosterveld Conservation - will receive water from neighbouring farms. Aim is to rehabilitate the area to its original state - fynbos park - possible fynbos nursery/coffee shop and toilets.
	165 1/A	Re-advertise							
27	279 BN	Re-advertise							
	502 AU	Nature Conservation							Portion 502AU is regarded as a nature conservation area by Cape Nature, the only farming purpose this land could be utilized for is beekeeping as the property is overgrown by fynbos.
5	503 BH 17&18	Hylton Peter Arendse	Crop	10+	10+	no	YES	80	Currently farming with family successfully on 1HA Webervallei Road, needs own land to move forward global GAB registered, have markets, motivated.
31		Fred Absalom	Crop	©	10+	no	YES	10	Very vague application, no own inputs to start with. Need to apply for assistance. Currently no financial support.
2	ANY	Joandra Cloete	poultry	5	YES	no	YES	55	Currently farming needs space to expand, have markets.
10		Simlindile & Mlondoloz	Crop	5	yes	no	YES	15	Youth-studied at Sustainability Institute
14		Vukuzenzele Kayamandi Small Farming Enterprise	Pigs	10	10	no	YES	35	One of the pig farmers at the Papegaaienberg Nature Reserve that needs move
6		Morne Johan Bergstedt	Bees	10	25	no	YES	35	Bee Farming
18		Piet Patrick Muller	Crop	20	30	no	YES	35	Stays on Mooiberge farm, employee, experienced.
22		Harold Jooste	Crop	40	50	no	YES	45	Jamestown resident experienced, Webervallei Road farmer.
40		Mabesis Enterprises	Pigs	10	10+	no	YES	40	Pig farmers, have access to funding from overseas to assist with the project.

® Few months
© Did not indicate

8.3 Final scoring as per highest scorer for each piece of land.

No	Portion	Score	Size (ha)	Water (ha)	Applicant
5	502V	80	21.6	8	Hylton P Arendse
13	502 AP	60	7	2	Chris Jacobs
5	502 AM	80	6.56	1	Hilton Peter Arendse
4	502 AW	40	6	0	Bradley Cortereal

	502 AU	None	8.9		None
	502 M (wetland)				Readvertise
	502 W				Readvertise
5	502 BFN	80	15.	6	Hilton Peter Arendse
18	619/1	60	26	0	Elsenburg Khoisan Farmers Chris Jacobs Jeremy Van Niekerk
	279 BN	None	25.3	0	Readvertise
	165/1	none	10.5	0	Readvertise
5	502BH 17&18)		5	3	Hilton Peter Arendse

9. RECOMMENDATION

The following is recommended:

- a) That following pieces of land be allocated as indicated below:

No	Portion	Size (ha)	Water (ha)	Highest scorer	Recommended
5	502 V	21.6	8	Hylton P Arendse	That Hylton P. Arendse be the preferred applicant for 502 V.
13	502 AP	7	2	Chris Jacobs	That Chris Jacobs be the preferred applicant for 502 AP and AM. The two pieces of land lay adjacent to each other and will make economic sense to farm as one unit
12	502 AM	8.56	3	Chris Jacobs	
4	502 AW	6	0	Bradley Cortereal	That Bradley Cortereal be the preferred applicant for 502 AW.
	502 AU	8.9		Re advertise for beekeeping	Portion 502AU is regarded as a nature conservation area by Cape Nature, the only farming purpose this land could be utilized for is beekeeping as the property is overgrown by fynbos.
	502 M	5.1	3	Re advertise 502 M & 502 W as one unit	The portion is located next to 502W, and should be utilised as a water resource for 502M as it is a wetland area, which will not be suitable for farming on its own.
	502 W	9	3		
5	502 BFN	15.5	6	Elsenburg Khoisan Farmers	That Elsenburg Khoisan Farmers be the preferred applicant for 502BFN. More than 10ha of land have been already allocated to both Hilton Arendse and Chris Jacobs.
18	619/1	26	0	Jeremy van Niekerk	That Jeremy van Niekerk be the preferred applicant for 619/1. More than 10ha of land have been already allocated to both Chris Jacobs and Elsenburg Khoisan Farmers.
27	279 BN	25.3	0	Re-advertised	Recommended to be re-advertised.
	165/1	10.5	0	Re-advertised	No responsive application was received for this portion of land. The land in its current state should be utilised for grazing purposes Recommended to be re-advertised

8. FINANCIAL IMPLICATIONS

- The successful applicants will get a discount of 20% on the normal municipal tariff for agricultural land to bring them on par with tariffs applied to the current emerging farmers.

CHAIRPERSON: LAND COMMITTEE**DATE**

RECOMMENDATION APPROVED BY THE STELLENBOSCH LAND COMMITTEE		
Name	Signature	Date

Comments:

.....

.....

CHAIRPERSON..... DATE

APPENDIX 1: NOTICE: LEASE OF AGRICULTURAL LAND**APPENDIX 2: POLICY ON THE MANAGEMENT OF MUNICIPAL AGRICULTURAL LAND****APPENDIX 3: ATTENDEES TO THE INFORMATION SESSION.****APPENDIX 4: EXTENSION OF THE CLOSING DATE FOR APPLICATIONS****APPENDIX 5: PROOF OF PREFERENCES****APPENDIX 6: E-MAIL FROM JOHN MULLER CONFIRMING HE OWNS MORE THAN 10 HA**

NOTICE 11/2018 - KENNISGEWING 11/2018**LEASE OF MUNICIPAL AGRICULTURAL LAND**

Notice is hereby given that offers are invited from individuals or enterprises to lease the properties below in line with the approved Policy: Management of Municipal Agricultural Land as published in the Government Gazette of 27 March 2017, including but not limited to:

The aim to lease the properties as listed below is to advance the Local Economic Development objectives of Council in terms of creating access to municipal agricultural land for current and potential emerging farmers.

Application forms can be collected from the Local Economic Development office at 58 Andringa Street Stellenbosch or requested via email from Melissa.Nel@stellenbosch.gov.za.

For more information contact Melissa Nel at Melissa.Nel@stellenbosch.gov.za or at 021 808 8173. Offers have to be submitted by end of business on 11 May 2018 to the Local Economic Development office in 58 Andringa Street, Stellenbosch.

Ms Geraldine Mettler
Municipal Manager
Stellenbosch Municipality

HUUR VAN MUNISIPALE LANDBOUGROND

Neem kennis dat individue of maatskappye hiermee uitgenooi word om aansoek te doen vir die huur van die onderstaande gronde ingevolge die Beleid op die Bestuur van Munisipale Landbougronde soos adverteer in die staatskoerant op 27 Maart 2017:

Die doel om die onderstaande landbougronde te verhuur is gefokus op die Plaaslike Ekonomiese Ontwikkelings objektief van die Raad om toegang tot landbougrond vir huidige en potensiele opkomende boere te bevorder.

Aansoekvorms kan aangevra word by Melissa.Nel@stellenbosch.gov.za of 'n harde kopie kan afgehaal word by die Plaaslike Ekonomiese Ontwikkelingskantore (PEO). Vir meer inligting kontak Melissa Nel by Melissa.Nel@stellenbosch.gov.za of telefonies 021 808 8173. Voorstelle moet ingedien word by die PEO kantoor voor of op 11 Mei 2018:

Ms Geraldine Mettler
Munisipale Bestuurder
Stellenbosch Munisipaliteit

	PROPERTY DESCRIPTION	SIZE	TOTAL (HA)	WATER (HA)
1	165/1A	10.5 ha no water	10.5	
2	2798N	25.3 ha no water	25.3	
3	502 AM	8.56 ha 3 ha water	8.56	3
4	502 AP	7 ha 2 ha water	7	2
5	502 AU	8.9 ha no water	8.9	
6	502 AW	6 ha no water	6	
7	502 BFN	15.5 ha 6 ha c/water	15.5	6
8	502 V	21.6 ha 8 ha water	21.6	8
9	619/1	26 ha no water	26	
10	502 BH PORTION 17&18	5 ha 3 ha water	5	3
11	502M	5.1 ha 3 ha water	5.1	3
12	502V	21.6 ha 8 ha water	21.6	8
13	502W	9 ha 3 ha water	9	3
	TOTAL		175,41 ha	

JG01FF/DR-ENT/20478

APPENDIX 2: POLICY ON THE MANAGEMENT OF MUNICIPAL AGRICULTURAL LAND



Western Cape Government • Wes-Kaapse Regering • URhulumente weNtshona Koloni

PROVINCE OF THE WESTERN CAPE

PROVINSIE WES-KAAP

Provincial Gazette Extraordinary

7750

Monday, 27 March 2017

Buitengewone Provinsiale Koerant

7750

Maandag, 27 Maart 2017

Registered at the Post Office as a Newspaper

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*(*Reprints are obtainable at Room M21, Provincial Legislature Building, 7 Wale Street, Cape Town 8001.)*

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**THE STELLENBOSCH MUNICIPALITY: POLICY FOR
MANAGEMENT OF MUNICIPAL AGRICULTURAL
LAND, PUBLISHED UNDER NOTICE 54490 IN
PROVINCIAL GAZETTE 7744 ON 13 MARCH 2017 IS
HEREBY WITHDRAWN, AS IT WAS PUBLISHED
ERRONEOUSLY**

**POLICY FOR THE MANAGEMENT OF
MUNICIPAL AGRICULTURAL LAND**

STELLENBOSCH MUNICIPALITY

2016

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DEFINITIONS

"acquire" in relation to land includes, but is not limited to acquisition by purchasing, expropriation, exchange, donation or leasing, or as a result of the conclusion of any form of land availability agreement, and 'acquisition' has a corresponding meaning;

"Agricultural Land" means all land not used zoned or developed for urban purposes.

"Asset" means a tangible resource capable of ownership;

"Basic municipal service" means a municipal service that is necessary to ensure an acceptable and reasonable quality of life and, if not provided, would endanger public health, safety or the environment;

"Capital assets" in terms of this policy, means land and other immovable capital assets which vests in the Municipality;

"Constitution" means the Constitution of the Republic of South Africa, Act 108 of 1996;

"Contract" means a deed of alienation under which land is sold against payment by the purchaser to, or to any person on behalf of the seller.

"Lease Agreement" meaning a written agreement specifying the rights and duties pertaining to the exclusive use of property for a continuous period of time (30} thirty calendar days or longer, and which sets forth the terms and conditions the use of the property an outright Sales Agreement.

"Council" means the Council of the Stellenbosch Municipality as envisaged in chapter 3 of the Municipal Structures Act (Act No. 117 of 1998);

"Disposal" in relation to a capital asset, includes-

- (a) The demolition, dismantling or destruction of the capital asset; or
- (b) Any other process applied to a capital asset which results in loss of ownership of the capital asset otherwise than by way of transfer of ownership;

"Exempted capital asset" means a capital asset which is exempted by section (14)(6) or section 90(6) of the MFMA, as more fully dealt with in Chapter 5 of the MATR t hat is, an asset that is needed for the provisions of basic municipal services.

"Fair market value" in relation to a capital asset, means the value at which a knowledgeable willing buyer and a knowledgeable willing seller would sell the capital asset in an arm's length transaction;

"Granting of rights to use, control or manage" means where the granting of such rights do not amount to the transfer or permanent disposal of an asset, for example when a right is acquired through a leasing, letting or hiring out arrangement;

"HDI - Historically Disadvantaged Individual" is defined as meaning: "a South African citizen who, due to the apartheid policy that had been in place, had no franchise in national elections prior to the introduction of the Constitution of the Republic of South Africa, 1983 (Act 110 of 1983) or the Constitution of the Republic of South Africa, 1993 (Act 200 of 1993); and/or who is a female; and/or who has a disability, provided that a person who obtained South African citizenship on or after the coming into effect of the interim Constitution, is deemed not to be an HDI"

"Integrated Development Plan (IDP)" means the Integrated Development Plan of the Municipality as envisaged in section 25 of the Municipal Systems Act (Act No. 32 of 2000);

"LED Strategy" means the Local Economic Development Strategy of the Municipality;

"long term" means a period of longer than ten (10) years;

"local agenda 21" principles of sustainable development and environmental preservation;

"MATA" means the Municipal Asset Transfer Regulations promulgated in terms of the MFMA and published in the Government Gazette No 31346 of 22 August 2008.

"MFMA" means the Local Government Municipal Finance Management Act (Act No. 56 of 2003);

"Municipality" means the Stellenbosch Municipality as envisaged in chapter 1 of the Municipal Structures Act;

"Municipal Manager" means the Municipal Manager of the Municipality as envisaged in section 82 of the Municipal Structures Act;

"Supply Chain Management Policy" means the Supply Chain Management Policy of the Municipality as contemplated in chapter 11 of the MFMA and the Supply Chain Management Regulations (No. 27636 of 30 May 2005);

"Transfer" in relation to a capital or subsidiary asset, means transfer of ownership in the asset as a result of a sale or other transaction. This Policy must be read with the Supply Chain Management Policy of the Stellenbosch Municipality and the Municipal Asset Transfer Regulations (R878 in GG No. 31346 of 22 August 2008) issued in terms of the MFMA.

ACRONYMS

CASP	Comprehensive Agricultural Support Programme
HDI	Historically Disadvantaged Individuals
IDP	Integrated Development Plan
LED	Local Economic Development
MATR	Municipal Asset Transfer Regulations
MFMA	Municipal Financial Management Act
NDP	National Development Plan
PACA	Participatory Appraisal of Competitive Advantage
SCM	Supply Chain Management
SDF	Spatial Development Framework

1 THE CURRENT SITUATION

1.1 Introduction

For all South Africans, irrespective of colour or creed, land is an emotive issue. Throughout our history one of the biggest bones of contention has been the right to ownership and use of land. Discriminatory practices in the past, a land reform programme that has not succeeded in transferring significant quantities of urban or rural land since 1994, a wide range of demographic pressures and the fact that most agricultural land is still in the hands of commercial, mostly white, farmers puts pressure on the country's socio-economic systems, and Stellenbosch municipal area is not immune to these pressures. History is replete with examples of what can happen when these pressures are not addressed.

Stellenbosch municipal area and its towns have a very colourful past whose history plays a particularly important role in giving the area the ambiance and character which makes it one of the outstanding tourist attractions in South Africa .

For this reason, it is imperative that the Stellenbosch Municipality have a comprehensive, fair and sustainable policy and implementation strategy for agricultural land reform.

Although land reform is a national competence, the Municipality has a duty to assist with land reform initiatives, but even more importantly, because the Municipality is the largest owner of agricultural land it has a duty to formulate and implement land reform within the bounds of its own competencies and capacity. This is a challenging and formidable task given that the greater portion of this land is held under long term leases that do not do justice to the guiding principles of economic optimization of agricultural land and fair and equitable distribution of what should be available.

Farming in the Stellenbosch Municipal area is heavily skewed towards viticulture. There is of course a close link between wine farming, the beautiful landscape, consisting of both the cultivated grapevines and the natural fynbos, and the tourist experience that the town and its surroundings offer.

As important as wine farming is, however, it is equally important to maximise the potential of the scarce but high quality agricultural land to ensure that appropriate land is set aside for tourism, the retention and conservation of the historical treasures that lie within the borders of the Municipality, and conservation, as these are also integral components of the Stellenbosch experience. The economic development of the area depends on the sensible use of its land resources.

In managing its agricultural land portfolio, a policy for the management of municipal agricultural land based on the principles of sustainability, equality, efficiency, fairness and good governance is required. It is widely acknowledged that policies that facilitate access to land play a significant role in reducing poverty and income inequality. As Stellenbosch Municipality owns large tracts of high value agricultural land, it is evident that it should become involved in the process of land reform.

However, there is very little of this land available since approximately 80% is currently under long term lease agreements. Furthermore, in the absence of a clear policy framework, the process for accessing municipal agricultural land has been very cumbersome in the past.

For this reason, Stellenbosch Municipality, through its Local Economic Development and Property Management Departments has embarked on a process of developing a policy and implementation strategy for the management of municipal agricultural land based on sustainability principles as part of its contribution to sustainable development.

1.2 The historical context

Stellenbosch is arguably one of the most beautiful parts of the country and its climate is conducive to excellent agriculture production. The municipal area comprises of the towns of Stellenbosch, Franschhoek, Pniel, Klapmuts and some other smaller hamlets, and the rural hinterland between these settlements. Whilst its economy is primarily built on the financial and business services sectors, the area boasts a vibrant tourism industry. The Winelands are a major tourist draw card and are also well-known for the close linkages to the manufacturing and services sectors.

The area is also home to a vibrant education sector, including a leading world renowned university, and hosts a range of innovation industries, as well as the headquarters of major multinational and national companies.

The municipal area comprises 900 square kilometres with a population of 165,000 people. Some two thirds of agricultural production consists of wine grapes, followed by vegetables and eggs. Most of the arable land is used for the production of wine, and only a small proportion of the region's food is produced locally.

Whilst significant investments have been made in the farming sector, not all are related to productive uses of the land. This has led to fertile land being rendered unproductive, and this in turn has diminished employment opportunities for low skilled workers. The unemployment rate of 26% together with the steady rate of urbanisation adds to the pressure of the availability of jobs in the area.

Stellenbosch municipality is one of the municipalities in the country with the most municipal land under its control; however, due to the agriculture potential of farm land, most of the arable land has been leased to established farmers on long term lease contracts.

The capital investment required for developing and using the land required these long term leases to allow lessees the opportunity to redeem the large investments in water and other infrastructure.

To this end, 80% of the 1,300 ha of municipal land has been taken up by established farmers whilst another 10% is being farmed by new entrants (small farmers) in various widely spread out locations. All other available land is to be made available to be leased to HDI's.

Properties, especially agricultural land (commonage) provide an enormous opportunity for Council to achieve its strategic objectives. Therefore this policy provides for the implementation of a process of identifying agricultural land which is currently available as well as land under long term lease which is not being optimally used and which is aligned to the Spatial Development Framework, LED strategy, the IDP and the objects of local government as set out in the Constitution.

2 SCOPE AND PURPOSE OF THE POLICY

2.1 Scope of the policy

The sound management of the Municipality's agricultural land resources is crucial if it is to be conserved for future generations. The scope of this policy is to set out decision-making guidelines for the management of municipal agricultural land with due regard to the relevant national, provincial and local policy and legislative provisions that govern land ownership, access to land and land use. Furthermore, the aim of the policy is to provide for the core principles, mechanisms, processes and procedures that are necessary to enable the Municipality to manage and administer municipal agricultural land, of which Council is the custodian.

In this regard, the policy allows for social and sustainable economic development and encourages the involvement of individuals, communities and community organizations and regulates the management and use of municipal agricultural land. It is, however, important that land disposal is treated on its own merits although alternative methods of disposal, not specifically mentioned in this policy, may be used where appropriate, subject to obtaining proper authority.

2.2 Purpose of the Policy

The purpose of the policy is to:

- 2.2.1 Provide a policy framework for the management of the Council's capital assets with specific reference to municipal agricultural land .
- 2.2.2 Promote the acquisition and use of municipal agricultural land mainly through leasehold preferably by historically disadvantaged individuals as envisaged in section 25(5) of the Constitution.
- 2.2.3 Regulate the use, acquisition and disposal of municipal agricultural land in accordance with the applicable regulations.
- 2.2.4 Ensure that municipal agricultural land held by it, which is not envisaged for or already used for public purposes and/or in the public's interest, be dealt with in a manner that will ensure the greatest benefit to the Council and the community.

- 2.2.5 Ensure current long term lease agreements pertaining to agricultural land are periodically revisited, especially where land is not currently being optimally used and provide for the necessary procedure for the disposal or awarding of rights of such land in terms of the applicable regulations.
- 2.2.6 Ensure fairness, equity, transparency, cost effectiveness and competitiveness.
- 2.2.7 Ensure speedy availability of land to qualifying residents.
- 2.2.8 Provide for a standard process to be followed for the application and allocation of municipal agricultural land in line with the Municipal Financial Management Act (MFMA) and the MATR.
- 2.2.9 Provide for the institutional arrangements for the management and administration of municipal agricultural land and guide the establishment of an intergovernmental and public/private sector body to monitor implementation and provide support.
- 2.2.10 Discourage the direct sale of municipal agricultural land. In this regard, the Council may dispose of land or other immovable capital assets only once it is satisfied that such an asset is not needed to provide the minimum level of basic municipal service and that it has considered fair market value for the asset and the economic and community value to be received in exchange for the asset, in accordance with section 14(2) of the MFMA and Council has complied with subsections (1) to (6) thereof. However, the above must be done with the greatest circumspection as it is imperative to keep a balance between righting the wrongs of the past with the conservation of the Municipality's greatest cultural and economic asset - its historical treasures that gives the town its special ambiance.

3 ALIGNMENT OF THE POLICY: THE NDP AND LEGISLATION

It is important that initiatives such as this are aligned with current government development policies and the realities of the market place. To this end the National Development Plan (NDP) proposals on employment in agriculture and on land reform are presented first. This is followed by a review of the relevant legislation that impacts on the management of agricultural land in Stellenbosch.

3.1 Alignment with the National Development Plan

Chapter 6 of the National Development Plan (NDP) recognizes that the end result of more than a century of racially discriminatory practices, policies and laws regarding access to, and ownership of land in South Africa is a profound inequality, basically between commercial farmers, who are still mostly white, and small scale, often subsistence and sometimes emerging, mostly black farmers. While the exact patterns of land access differ between the provinces, this strong dualism is still the most important characteristic of South Africa's rural areas.

As a result, the NDP identifies strategies to end the dualism in South African agriculture, which distorts the spatial organisation of the country's rural areas and makes access to markets for smaller scale producers all but impossible. The Chapter addresses three sets of strategies:

- a) Rural development and food security,
- b) Employment creation in agriculture and related upstream and downstream industries, and
- c) Land reform. The last of these three is of direct interest to this policy document.

Land reform, as proposed in the NDP, is a three step process that addresses some of the realities of land reform in South Africa as defined in the National Development Plan (NDP).

Step 1:

is to convene an area-based Land Committee with representation by all interest groups such as Department s and agents of the State, farmer organizations, financial institutions including the Land Bank. The first task of this area-based initiative is to decide on a short and long term vision for land reform in their area of jurisdiction: for example, do they want only small-scale farmers, do they want to encourage the production of any particular crop or livestock enterprise, can they identify agro-processing opportunities that are suited to their area, etc.? This vision will guide their selection of prospective farmers, as is shown below. Importantly, the District Committee also considers what farmer support services, from hard infrastructure to farmer support, is required in their area of jurisdiction in order to secure the success of their vision of land reform, and starts to negotiate its provision with the relevant stakeholders. Importantly, the NDP argues that successful land reform requires that the appropriate farmer support services (access to rights in land and to supply chains such as export licences; access to input and produce markets, the appropriate physical and institutional infrastructure, access to inclusive financial services and to research and extension services, et c.) should be in place *ex ante*. Without farmer support services, land

reform will fail. *Ex post* provision of services such as those produced via CASP and RECAP are invariably too little and too late, and are not a substitute for the real thing.

Step 2

is where the Committee identifies 20 per cent of the privately owned commercial farm land in their area of jurisdiction that is available for land reform. In the short term (the first year or so) this will most likely be state land, municipal commons, land already purchased for land reform but not settled, farms that are under severe financial stress and commercial farmers willing to offer land for sale, while in the longer term (around five years), other farms will be identified. The Committee then sets criteria for tenders for the beneficial use of the targeted farm land, and invites tenders that meet these criteria. It is important that this should be a transparent process, with well-reasoned criteria. The criteria could include factors such as the age and formal educational status of the prospective beneficiary, their farming experience, the presence of a mentor, the 'fit' between their business plan and the vision of the District Committee, etc. The successful tenders will immediately be put on a professionally managed performance monitoring system that will be in place for at least the first three years of their new venture.

Step 3:

would usually commence with a scheme to purchase land for land reform. However, in the Stellenbosch case, the land will stay in the possession of the Municipality, at least in the medium run. For this reason, the scheme will commence with the free provision, for the first three years, of farming requisites (seed, fertilizer, agro-chemicals, fuel, maintenance and repairs, packaging, etc.), working capital (machines, equipment, animals, buildings, etc.) and land rental once the successful beneficiaries are identified. To this end current commercial farmers can be partnered with the new farmers, and the Municipality can coordinate with the Provincial Department of Agriculture for access to CASP funding as well as other government agencies where support is already given. It is important, however, to note that the Municipality has no jurisdiction over land reform, and cannot be expected to finance this aspect of the scheme - it can at best voluntarily coordinate the provision of support. Next, if the farmer fails the performance appraisal in the third year, they lose their preferential access to the land. In the case that she or he passes this test, the Municipality is free to increase the length of the lease immediately, or in increments, and phases a market rate of rental in over four years at 25 per cent increments per year. In year 4 (i.e. after 7 years in total) the Municipality may, if it deems this to be in the best interests of the Stellenbosch community, sell the land to the beneficiary, who, under the NDP proposals, will have recourse to the Land Bank for financing of the mortgage. This means that the new farmer will now either pay a normal market rental in the event that the land remains under leasehold or a normal market premium in the event that title is conferred. From this point onwards (i.e. after seven years), the new farmer may exercise all the rights of ownership of the lease or the title deed that accrue to any farmer within the framework of Stellenbosch Municipality policies - they may sell, buy or hire additional land, etc. Finally, the NDP also provides detailed guidelines on how the new farmers can leverage their participation in the programme to access financing in a manner that allows them a fair chance of becoming successful.

Note that the NOP is in many respects not prescriptive and is encouraging of local initiatives to address local problems. In particular, the NOP proposals encourage experimentation with:

- 3.1.1 The criteria by which success in land reform should be measured, whether this be the number of hectares transferred, the number of beneficiaries assisted, the reduction in income inequality in the area, etc. This is something that should form part of the vision for land reform, as discussed under Step 1.
- 3.1.2 The sequence of land reform implementation: In particular, it does not prescribe that a representative, area-based land committee be set up prior to the implementation process. This would especially be the case where the democratically elected local government authority takes the lead. It also does not prescribe that step 1 should precede step 2, etc.
- 3.1.3 Who should participate in the land committee?
- 3.1.4 How the Committee is to arrive at a longer term vision for land reform in its area of jurisdiction, and what that vision should look like.
- 3.1.5 What farmer support services are required, who should provide them, and how should they be provided: as long as they are planned for ex ante, and actually implemented.
- 3.1.6 The nature and origin of land targeted for early implementation of the vision for land reform. In this case, it is municipal land that is not currently encumbered or that will become so in the near future. This could, in other words, form the vanguard of a wider land reform program in the Stellenbosch Municipal area.
- 3.1.7 The criteria by which beneficiaries will be selected: The NOP is, however, prescriptive about performance monitoring of the beneficiaries and about how access for them should be financed (see Steps 2 and 3) in order to improve the prospects of success.

3.2 Relevant legislation

The legislative framework for the management of the Stellenbosch municipal property is contained and governed in a number of laws, including but not limited to:

- The Local Government: Municipal Finance Management Act 2003, Act 56 of 2003 (MFMA), in particular section 14, which deals with disposal of capital assets;
- The Local Government : Municipal Asset Transfer Regulations, 2008 (M ATR), which governs
 - o The transfer and disposal of capital assets by municipalities and municipal entities; and
 - o The granting by municipalities and municipal entities of rights to lease, use, control or manage capital assets;
- Any other applicable legislation, regulations and policies that may govern the disposal, letting or transfer of ownership of municipal land and related activities that are not in contradiction with the primary legislation referred to above.

Further relevant pieces of legislation governing property management include the following:

- Broad Based Black Economic Empowerment Act (Act No. 53 of 2003);
- Constitution of the Republic of South Africa, 1996;
- Extension of Security of Tenure Act (Act No. 62 of 1997);
- Local Government : Municipal Structures Act (Act No. 117 of 1998);
- Local Government: Municipal Systems Act (Act No. 32 of 2000);
- Preferential Procurement Policy Framework Act (Act No. 5 of 2000);
- Property Rates Act (Act No. 6 of 2004);
- Land Reform: Provision of Land and Assistance Act, 1993 (Act No. 126 of 1993).

4 THE IMPLEMENTATION PLAN

4.1 Guiding principles

The following principles will guide the implementation of this Policy:

- 4.1.1 Promote social integration, provide redress to the Council's existing spatial inequalities, build strong and dignified communities and provide adequate infrastructure for easier access to places of work.
- 4.1.2 Optimizing property, in particular municipal agricultural land as a sustainable resource to provide better economic growth and improve agricultural diversity with regard to value adding to fresh produce.
- 4.1.3 Promote land reform by fundamentally changing unequal land ownership patterns through optimization and redistribution of long term leased land, especially that which is lying fallow.
- 4.1.4 Use property as a catalyst for economic development by establishment of agriculture beneficiation nodes.
- 4.1.5 Acquisition of additional municipal agricultural land to further the Municipality's strategic objectives.
- 4.1.6 No rights or usage of municipal owned land shall be sublet or ceded to a third party without the prior written approval of the municipality.
- 4.1.7 Under no circumstances should any mining of land, excavation of soil for selling purposes or any permanent damage to land be allowed.
- 4.1.8 No new buildings shall be permitted on leased municipal land whether long term or not unless with specific agreement of the Council and then for a use and in a style that complements the environment.
- 4.1.9 Utilization of land and other immovable assets is guided by the Municipality's Integrated Development Plan (IDP), the Spatial Development Framework and the Local Economic Development Strategy
- 4.1.10 Create an enabling environment to users of the land to participate meaningfully in agricultural activities to:
 - 4.1.10.1 Promote entrepreneurship
 - 4.1.10.2 Contribute to food production and economic opportunities
 - 4.1.10.3 Leverage the expertise and markets of existing commercial farmers to assist emerging farmers through partnerships and/or shareholding especially new entrants.

4.2 Bill of Rights - Equality

Fundamental human rights are entrenched in Chapter 2, sections 7 to 39, of the 1996 Constitution. *'The Bill of Rights is a cornerstone of democracy in South Africa. It enshrines the rights of all people in our country and affirms the democratic values of human dignity, equality and freedom. The state must respect, protect, promote and fulfil the rights in the Bill of Rights.'*

Rural development is a central pillar of the struggle against unemployment, poverty and inequality. High levels of rural poverty and inequality inhibit the growth of the economy and undermine any efforts to ensure that growth is more equitably shared amongst citizens.

Although agriculture is not a local government mandate, Council has a developmental role to play in facilitating and advancing rural development to bring about sustainable change in the socio-economic situation of the area and to support economic growth. This developmental role is further emphasized in sections 152 and 153 of the South African Constitution.

The objects of Local Government in particular are set out in section 152 of the Constitution, which reads thus:

"{1} the objects of local government are-

- (a) to provide democratic and accountable government for local communities;
- (b) to ensure the provision of services to communities in a sustainable manner;
- (c) to promote social and economic development
- (d) to promote safe and healthy environment and;
- (e) to encourage the involvement of communities and community;
- (f) Organization in the matters of local government.

- (2) A municipality must strive with its financial and administrative capacity to achieve the objectives as set out in this sub-section.

{3} The Constitution further determines that local government shall have the developmental duties as set out in section 153 that reads as follows:

'A municipality must-

- (4) Structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community; and
- (5) Participate in national and provincial development programs ."

A reformist policy, particularly incorporating previous disadvantaged groups, is to be implemented in line with the above objectives prescribed for local governments. This policy must at all times include the fair distribution of the land with particular reference to optimal production and allocation to suitable qualifying beneficiaries.

Considering the fact that the bulk of Stellenbosch municipal agricultural land has already been allocated in long term leases, there is limited agricultural land available which can be gainfully applied. A further hindrance is the availability of water without which agricultural land is virtually worthless as far as viticulture and fresh produce is concerned.

It is therefore incumbent on the administration of the Municipality to ensure that the limited land currently available is optimized for the benefit of the community as a whole without taking away from the historical heritage which ensures economic progress.

4.3 Sustainable development

Implicit in the concept of sustainable development is the requirement that a broader view of the Stellenbosch economy is always at the forefront of the process; the town and surrounds are highly dependent on the historical heritage and tourism and agriculture which are the main sources of job creation.

Sustainability in this instance implies the use of land to feed urban residents and to provide for additional economic value, but not to harm the aesthetic appearance and ambiance of the countryside which is the attraction for tourism income.

Due regard for the scarcity of water and prudent use of other resources together with the application of innovative new methods of farming lies at the bottom of these efforts.

Recognition should be given to the wealth of farming experience on the one hand but a lack of business acumen on the other which should direct any training efforts towards access to markets and proper planning for the longer term. It is also essential that new farmers pool their resources to obtain maximum value for their produce.

As the right Partner can add immeasurable value to particularly HDI beneficiaries it is incumbent on the Operational Committee to facilitate, where possible, that such a Partner is introduced and that the required steps is followed to ensure that an equitable arrangement is reached with the HDI not forfeiting more than 49% of the shares.

4.4 Council powers

The Council is permitted to:

- 4.4.1 Reserve and manage immovable property in its ownership for municipal purposes in a manner that supports its strategic objectives and permit such property to be enclosed and cultivated.
- 4.4.2 Reserve and manage immovable property in its ownership for municipal purposes aligned with operational needs.

- 4.4.3 Acquire immovable property and rights in property by way of private treaty, cession, donation and expropriation to support its strategic objectives.
- 4.4.4 Alienate immovable property and rights in property by way of direct sale, public tender, auction and donation.
- 4.4.5 Let immovable property in its ownership on a long term or short term basis by way of direct negotiation or public tender.
- 4.4.6 Acquire, use or dispose of any capital assets owned by the Municipality, unless it is precluded from so doing by law or the conditions under which such immovable assets were acquired by the Municipality.

4.5 Guidelines for land allocation

The Policy prescribes the following guidelines to be followed by Council for the allocation and management of municipal agricultural land within the framework of compliance with the applicable legislation and regulations:

- 4.5.1 In a bid for municipal agricultural land, where bidders are equally competitive; preference will be given to HDI's.
- 4.5.2 In this event cognisance should be taken of Chapter 7 of the Draft policy on the Management of Municipal Immoveable property that deals with "preference points".
- 4.5.3 Special affirmative measures towards HDI's may be applied by the Municipality to ensure fairness in the disposal process of agricultural land in accordance with the Preferential Procurement Regulations.
- 4.5.4 Ensure the protection or advancement of persons, or categories of persons, disadvantaged by previous unfair discrimination.
- 4.5.5 Market forces will always be the point of departure in any land or property transaction and this must be recognised and acknowledged.
- 4.5.6 Preference will be given to bids that support economic development initiatives on a macro scale, including tourism initiatives;

- 4.5.7 May enter into Public Private Partnership agreements but only in accordance with the provisions of Section 120 of the MFMA.
- 4.5.8 Aim to redress past land ownership patterns to reflect the population demographics of the Municipality.
- 4.5.9 Council reserves the right not to dispose of any portion of land.
- 4.5.10 Compliance with the Local Agenda 21 principles of sustainable development and environmental preservation.
- 4.5.11 Council will respect all current ownership and other vested rights to property.

Current long term lease agreements pertaining to agricultural land should be revisited, especially where land is not currently being optimally used, with the aim of achieving socio-economic development, providing access to land for eligible emerging farmers and in fulfilling council's strategic objectives. Local Economic Development should therefore on a continuous basis verify that land allocated on long term leaseholds to established farmers; industry and other bodies is used for the purpose for which it was allocated on a regular basis.

4.6 Institutional & Governance Structure

While the details can be worked out when appropriate, the institutional structuring for the implementation of this draft policy will consist of the following :

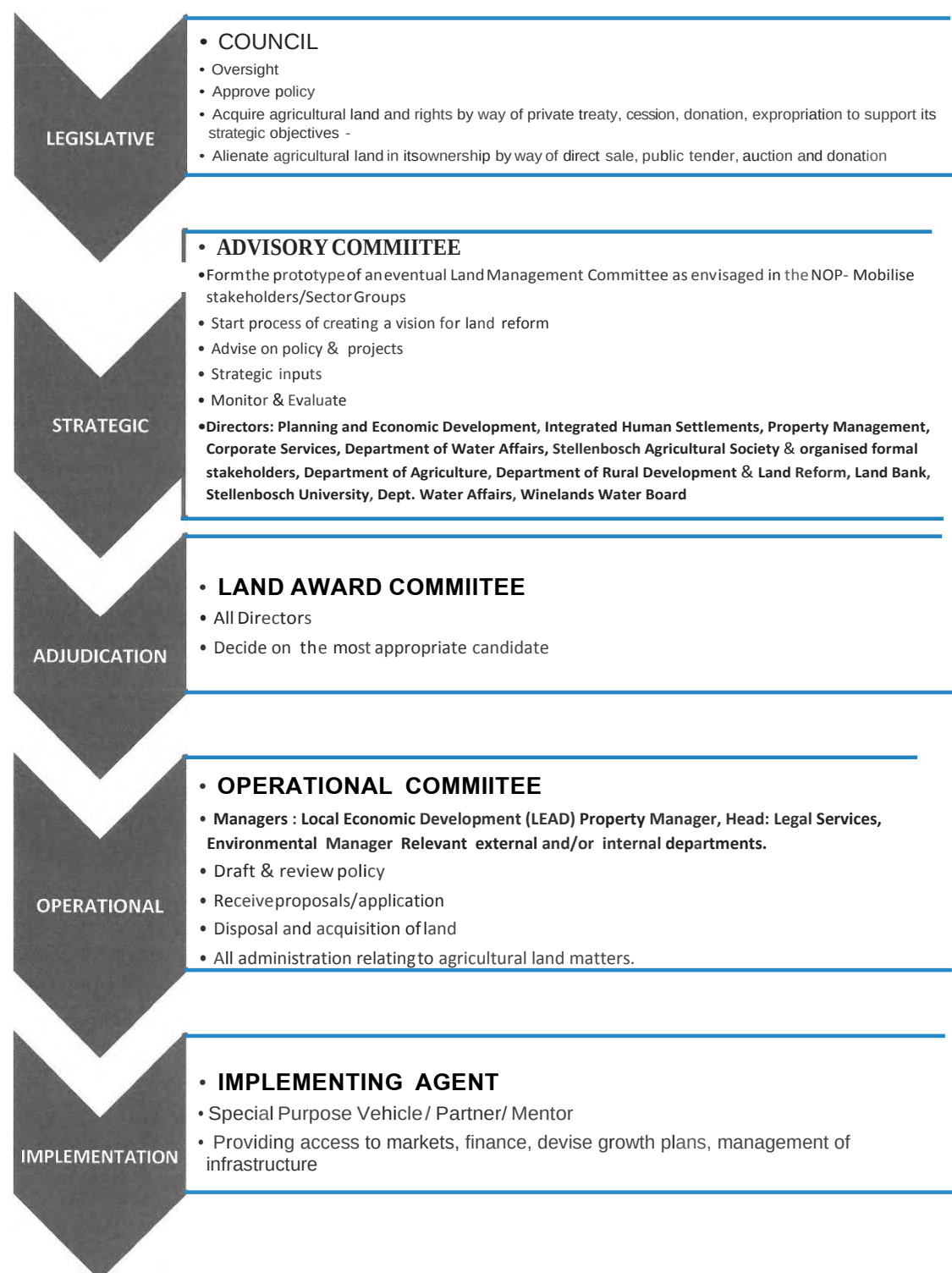


Figure 1: Institutional & Governance Structure

4.6.1 Compilation of a Strategic Advisory Committee:

It is suggested that a Committee be established to play a key role in municipal agricultural land administration and management in line with the applicable legislation as explained in section 3. The committee should ideally comprise of:

- The Municipal Manager (or assigned)
- Director: Planning and Economic Development (including officials from LED),
- Director: Integrated Human Settlements and Property Management (including officials from Property Management)
- Senior Legal Advisors of Legal Department;
- Western Cape Department of Agriculture;
- Department of Water Affairs
- Winelands Water Board
- Stellenbosch University
- Department of Rural Development and Land Reform
- Special Purpose Vehicle
- Organised stakeholders with formalised relationships, e.g. Agricultural Society
- Any other relevant stakeholder as approved by the Municipal Manager

Guided by the Policy principles as stated earlier, the responsibilities of the Strategic Advisory Committee are varied and include the following:

- Providing strategic land access management and information to Council (among others)
- Changing the existing land ownership patterns whilst respecting and upholding current property rights. This should be undertaken by terminating current leases where municipal agricultural land is not currently being used optimally;
- Ensure the productive and sustainable use of land to attain both household and food security as well as increase agricultural output;
- Provide sound and competent advisory service regarding municipal agricultural land allocations and matters of access;
- Identify where to acquire land from and identify eligible occupants based on specified criteria
- Ensure compliance with the relevant strategic plans, policies and legislation;
- Ensure equitable balance between interests of the public,
- Ensure that inter-departmental and inter-sectorial cooperation and alignment takes place;
- Ensure alignment with National Development Plan, Municipal Integrated Development Plan, Municipal Spatial Development Framework and other relevant development plans;
- Supporting the formulation and implementation of limitations on land holdings and monitor ownership patterns in the Stellenbosch Municipal area;

Coordinate the municipal agricultural land allocation system to ensure the success of implementing this policy;

4.6.2 Compilation of an Operational Committee

Guided by the Policy principles as stated earlier, the responsibilities of the Operational Committee are varied and include providing land administration and information to the Strategic Advisory Committee. It is recommended that the following departments form part of the Operational Committee:

- Property Management
- Local Economic Development
- Legal Services
- Environmental Management

The functions of this Committee will be to:

- Facilitate partnerships between established and emerging farmers, industry and government to facilitate investment, sustainability and efficiency of farming enterprises.
- Coordinate local support services.
- Receive and review land applications and/or proposals in terms of principles and specified criteria as set out in this policy and the applicable legislation.
- Maintain a database or register of land inventory and conduct a land audit periodically.

4.7 Criteria to obtain access to land

Rural development and land reform are not municipal functions per se; however, rural development has a spatial dimension and is implemented in municipal spaces. Therefore, the role of local government cannot be overemphasized.

As the custodian to relatively large tracts of land, Stellenbosch can make a meaningful contribution to Government's efforts to correct disparities in land use as a result of policies of a previous dispensation. The Municipality has a core responsibility to acquire and avail land, in the first instance, for its own use for purposes of developing and maintaining municipal infrastructure, promoting service delivery and for facilitating social and economic development and spatial integration.

The Municipality has a further responsibility in terms of acquiring, managing, developing and releasing its land and other immovable assets and rights on behalf of its residents and ratepayers. In this regard, the key consideration is that the best interests of the Municipality (and thus its residents) should be paramount in all land transactions that the Municipality enters into.

Beneficiaries will be selected from lists compiled from advertising in all the printed media in Stellenbosch. The advertisements will specify the size and type of land available and for which type of farming or land use the land is earmarked. Applicants for land lease must complete a set of documents obtainable from LED which will specify inter alia:

- What documents should be attached to the application (ID's etc.)
- Type of application (Cooperative, Trust or individual Farmer)
- Farming category: Community gardens; emerging farmers; commercial farmers
- Agricultural beneficiation: Development or use of existing or agreed infrastructure for value adding by refinement, bottling, packaging, processing, etc.
- A business plan covering:
 - o Proposed business model
 - o Production viability
 - o Market access
 - o Financial Viability
 - o Support Services
 - o Financial model.
- Further criteria as occasioned by the needs of the specific project, which may include, where appropriate:
 - o A residential requirement (e.g. must have been a resident of Stellenbosch for a period of 10 years or more);
 - o Experience in farming and/or business management at an appropriate level;
 - o A means test income requirement;
 - Monthly cash flow or banking statements
 - Assets owned without encumbrance
 - Assets available but encumbered
 - o Partnership and cooperation with a mentor if required;
 - o Attendance of human development opportunities as prescribed;
 - o Compliance with the policies of the Municipality and other applicable legislation and with the rules and regulations as set out by the Municipality from time to time.
- The criteria and process to be determined by the Municipal Manager and may vary on project to project basis based on the following principles:
 - o Must be a South African citizen
 - o Must be an adult.
 - o Must be of a previous disadvantaged group
 - o Must at least have been a permanent resident of Stellenbosch Municipal Area (minimum 5 years) on a sliding scale.
 - o Must have a proven agriculture track record weighted by the fact that such a person have been employed in an overseeing capacity.
- Supply chain guidelines to be followed.

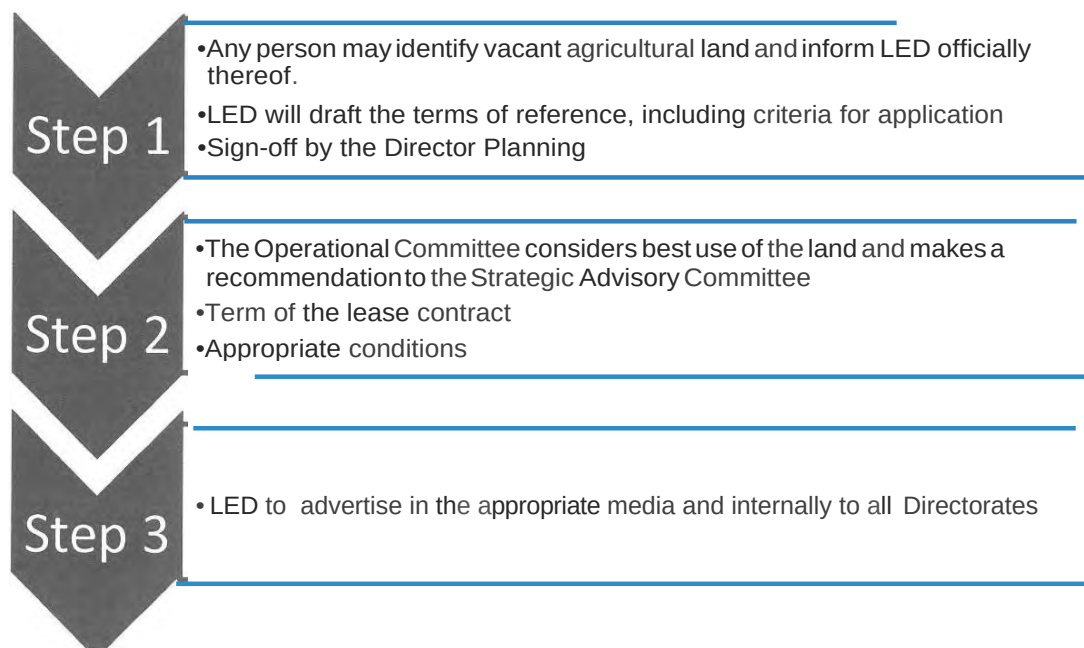
4.8 Exclusions

Land allocation will exclusively be made available for agricultural purposes and beneficiation of locally produced products. Due to the fact that the historical character and rural ambiance is important to maintain the status quo of Stellenbosch as destination of choice which is responsible for an important part of the local economy, all efforts must be made to conserve the natural environment. Unless by special decision of the Municipal Council, no agricultural land will be made available for industrial, residential, special nodal developments or any such developments that may take away from the charisma of the District or reduce farmland as a resource

- No permanent land rights for inefficient land users. Therefore continuous review, evaluation and increased productivity checks will be put in place;
- Immediate exclusion for any fraudulent activities by beneficiaries in application, during process or after allocation resulting in disqualification and prohibition of future participation (of the beneficiary or beneficiary group);
- Ensure land access only to capable, skilled, hardworking groups without farming activities in other regions of South Africa or internationally;
- Discourage speculative and unproductive land use.
- Save with prior approval, the municipal agricultural land may only be used for the purpose for which occupation was granted and purposes regularised by the relevant zoning schemes.

4.9 Process to acquire land or rights on agricultural land

The disposal of agricultural land and the awarding of rights in agricultural land will be dealt with in terms of this policy and the applicable legislation.



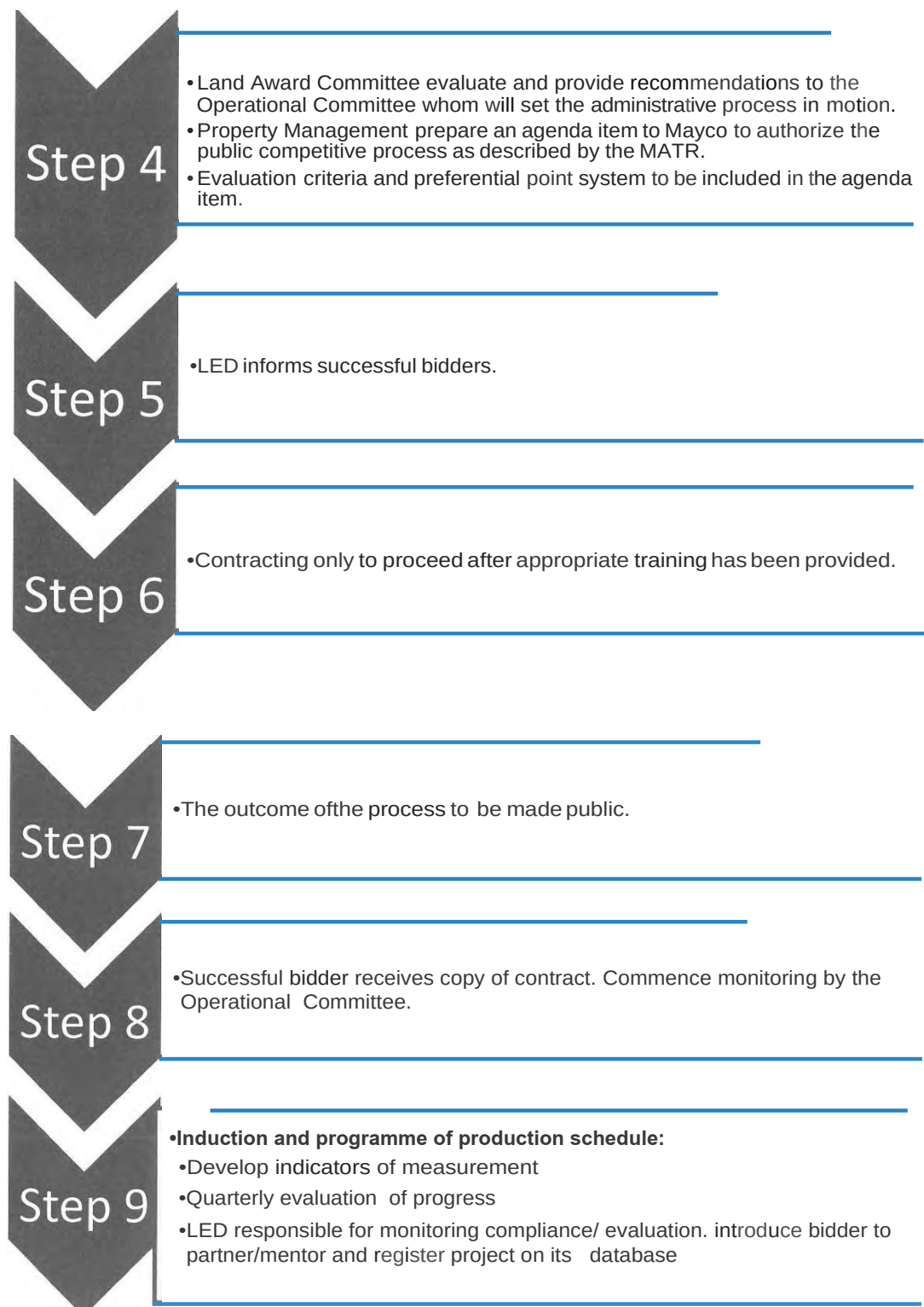


Figure 2: Process to acquire land or rights on agricultural land

4.10 **Monitoring and evaluation**

The municipality does not have the capacity to monitor and evaluate the progress of agricultural land and the farming practices in general. It is therefore imperative that Partners / Mentors must be found to assist in the process to not only mentor a new generation farmers but also take up the responsibility to oversee proper farming processes that is in the best interest of Stellenbosch.

It will however be in the best interest of Stellenbosch municipality to have its own database of Partners/ Mentors and therefore LED will set a process in motion to identify willing and able persons, with expertise not only in agriculture, but also in other aspects (e.g. beneficiation) relating to farming enterprises.

4.11 **Policy Reviewprocess**

- o This Policy shall come into effect on the date of the Council resolution;
- o This Policy may be reviewed annually and when required by way of Council resolution.

5 REFERENCES

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6 ANNEXURE A: Municipal land under leasehold

6.1 Land currently under long term leasehold

Property description	Size	Lessee	Contract Period
29	40 ha, no water	Vacant	
165/1	0,14 ha, no water	Vacant	
165/1A	10,5 ha, no water	Vacant	
183	1,55ha, no water	Vacant	
183A	35.54 ha, 12,0 ha water	W.S Smit Boerdery (Edms) Bpk	01/04/1994- 31/03/2044
183B	11 ha, 3 ha water	W.S Smit Boerdery (Edms) Bpk	01/04/1994- 31/03/2044
183C	8,5 ha, 2 ha water	W.S Smit Boerdery (Edms) Bpk	01/04/1994- 31/03/2044
183D	24 ha, 8 ha water	Joretha Boerdery	01/04/1994- 31/03/2044
183E	21,84 ha, 7 ha water	Devon Valley Boerdery (Edms) Bpk	01/04/1994- 31/03/2044
183F	8,13ha, 3 ha water	Devon Valley Boerdery (Edms) Bpk	01/04/1994- 31/03/2044
183G	0,43 ha, No water	Devon Valley Boerdery (Edms) Bpk	01/04/1994- 31/03/2044
183/23	20,5 ha, 8 ha water	W.S Smit Boerdery (Edms) Bpk	01/04/1994- 31/03/2044
203/2A	4,36 ha, 2 ha water	Devon Valley Boerdery (Edms) Bpk	01/04/1994- 31/03/2044
279A	6,8 ha, 5 ha water	Asara Properties (Pty) Ltd	01/04/1994- 31/03/2044
279BN	25,3 ha, no water	Vacant	
279D	5 ha, no water	Vacant	
295/3 Remainder Erf 376 Remainder Erf 9190	70,4 ha, 10 ha water	Stellenbosch Golf Club	20/12/1994- 31/03/2041
352/2	.0297 ha, no water	Okkie Jooste Kampterrein	24/03/1934-23/03/2033
352/2 other	174,8 ha, no water	MTO	24/03/1934-23/03/2033
368/2	3,5 ha, no water	Vacant	
369/C	3,5 ha, no water	Vacant	
369F	8,5 ha, 2,5 ha water	Paradyskloof Boerdery (Edms) Bpk	01/04/1991-31/03/2041
369P	60,5 ha, 25 ha water	KWV (Pty) Ltd	01/04/1991-31/03/2041
369T	1,2 ha, no water	Paradyskloof Tennis Club	21/06/1999-20/06/2041
369U	0,31 ha, 0,1 ha water	Paradyskloof Boerdery (Edms) Bpk	01/04/1991-31/03/2041
369V	2,84 ha , 0,9 ha water	Paradyskloof Boerdery (Edms) Bpk	01/04/1991-31/03/2041
369W	38,1 ha, 11,4 ha water	Paradyskloof Boerdery (Edms) Bpk	01/04/1991-31/03/2041
377A	9,42 ha, no water	Vacant	
377B	16,27 ha, no water	Goedvertrouw (Kirsten)	01/04/2007-31/03/2032
377C	36 ha, 10 ha water (Originally 39,4ha see erf 9190)	J.P Roux & Son	01/09/1999-31/03/2041
Lease Area 2 of over Rem Erf 9190 (Originally part of 377 C)	3,4 ha, no water	J.P Roux & Son	01/09/1999-31/03/2041
Lease area 1	16,2241 ha, 12 ha water	Blaauwklippen Agricultural	01/09/1999-31/03/2041

over Rem Farm 377 (Originally part of 377F)		Estate	
Portion 13 of 491/1	11,36 ha, 5 ha water	Spier Holdings (Pty) Ltd (Newshelf 31 (Pty) Ltd	01/04/1999-31/03/2041
502AA	11,1 ha, 6 ha water	Spier Holdings (Pty) Ltd (Newshelf 31 (Pty) Ltd	01/04/1999-31/03/2041
502AB	17,5 ha, 9 ha water	Spier Holdings (Pty) Ltd (Newshelf 31 (Pty) Ltd	01/04/1999-31/03/2041
502AC	3,5 ha, 1 ha water	Roulou Boerdery Trust	01/04/1999-31/03/2041
502AD	8 ha, 3 ha water	Roulou Boerdery Trust	01/04/1999-31/03/2041
502AE	27,4 ha, 8 ha water	Roulou Boerdery Trust	01/04/1999-31/03/2041
502AF	14,1 ha, 4 ha water	Roulou Boerdery Trust	01/04/1999-31/03/2041
502AG	13,3 ha, 4 ha water	Roulou Boerdery Trust	01/04/1999-31/03/2041
502AH	7,2 ha, 2 ha water	Roulou Boerdery Trust	01/04/1999-31/03/2041
502AJ	10,7 ha, 3 ha water	Roulou Boerdery Trust	01/04/1999-31/03/2041
502AK	22,5 ha, 8 ha water	Poker Hill Vineyards (Pty) Ltd	01/04/1999-31/03/2041
502AL	13,5 ha, 4 ha water	Poker Hill Vineyards (Pty) Ltd	01/04/1999-31/03/2041
502AM	8,56 ha, 3 ha water	Vacant	
502AN	28,5 ha, 9 ha water	Paul Roos Boerdery (Edms) Bpk	
502AP	7 ha, 2 ha water	Vacant	
502AQ	8 ha, 3 ha water	Paul Roos Boerdery (Edms) Bpk	
502AR	4 ha, 1 ha water	Paul Roos Boerdery (Edms) Bpk	
502AS	26,5 ha, no water	H. W Gebers	
502AU	8,9ha, no water	Vacant	
205AW	6 ha, no water	Vacant	
502AX	6,96 ha, 2,3 ha water	R Myburgh Boerdery	01/04/1991- 31/03/2041
502AY	4,28 ha, 1,3 ha water	H.C Myburgh Boerdery	01/04/1991- 31/03/2041
502BB	18,84 ha, 6 ha water	Roulou Boerdery Trust	01/04/1991- 31/03/2041
502BC	8,5 ha, 2,5 ha water	H.C Myburgh Boerdery	01/04/1991- 31/03/2041
502BD	8,5 ha, 3 ha water	Roulou Boerdery Trust	01/04/1991- 31/03/2041
502BE	11 ha, 4 ha water	Roulou Boerdery Trust	01/04/1991- 31/03/2041
502BFN	15,5 ha, 6 ha water	Vacant	
502BH	65,5 ha, 26 ha water	Organic Small Farm Holding Trust	01/04/1991- 31/03/2041
505BJ	5,9 ha, 3 ha water	Limberlost Berry Farm	01/04/1991- 31/03/2041
502BK	72 ha, 22 ha water	Roulou Boerdery Trust	01/04/1991- 31/03/2041
502BL	12 ha, 4 ha water	Medi-Prop cc	01/04/1991- 31/03/2041
502BM	5,35 ha, 1 ha water	Vacant	
502E	15,5 ha, 5,2 ha water	Gielie Hanekom Trust	01/04/1991- 31/03/2041
502L	28,2 ha, 2 ha water	Stellenbosch Vliegveld Maatskappy	01/04/1991- 31/03/2021
502M	5,1 ha, 3 ha water	Higgs Trust (Pty) Ltd	01/04/2002- 31/03/2041
502N	4,2 ha, 1,5 ha water	Stellenbosch District Riding Club	01/04/1991- 31/03/2021
502R	28, 8 Ha, 8 ha water	Roulou Boerdery Trust	01/04/1991- 31/03/2041
502S	23,6 ha, 7,9 ha water	Gielie Hanekom Trust	01/04/1991- 31/03/2041
502T	11,3 ha, 3,8 ha water	Gielie Hanekom Trust	01/04/1991- 31/03/2041
502V	21,6 ha, 8 ha water	Vacant	
502W	9 ha, 3 ha water	Gielie Hanekom Trust	01/04/1991- 31/03/2041
502X	7,8 ha, 2 ha water .6855ha – sub-leased	Die Groothoek Trust Sub-lease of 6855 ha to Stellenbosch Restaurant CC	01/04/1991- 31/03/2041
527A	2 ha, 1ha water	G.JC Norval	
527E	14,78 ha, 7 ha water	Blaauwklippen Agricultural	01/09/1999-31/03/2041

		Estate	
527F	53,5 ha, 8 ha water	Redlex 421 (Edms) Bpk	01/04/1991- 31/03/2041
527J	28,3 ha, 9 ha water	Nietbegin Boerdery	01/04/1991- 31/03/2041
528A 529C	20,3 ha, 2 ha water	Mountain Breeze Caravan Park cc	01/04/1991- 31/03/2021
529A	51,7 ha, 25 ha water	P.G Du Toit Boerdery	01/04/1991- 31/03/2041
529B	17,4 ha, 9 ha water	Redlex 421 (Edms) Bpk	01/04/1991- 31/03/2041
619/1	26 ha c/water	Vacant	
1024/1 Franschoek	43,7 ha, no water	Franschoek Trust	11/08/2012
1135/1	127,2 ha, no water	Theewater Bevaria	20/06/2032
Lease area 1 over Rem Erf 9190 (Originally 377F)	6,418 ha, no water	Blaauwklippen Agricultural Estate	01/09/1999-31/03/2041
Total leased	1 416.79ha		
Total vacant	286.34 ha		
Total	1703.13 ha		

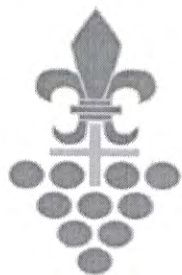
6.2 Current vacant land

Property Description	Size	Total	Water
29(26)	40 ha No water	40	
165/1A	10.5 ha No water	10.5	
165/1B	0.14 ha No water	0.14	
279BN	25.3 ha No water	25.3	
368/2	20ha	20	
369/C	3.5 ha No water	3.5	
377A	9.42 ha No water	9.42	
502AM	8.56 ha 3 ha water	8.56	3
502AP	7 ha 2 ha water	7	2
502AU	8.9 ha No water	8.9	
502AW	6 ha No water	6	
502BFN	15.5 ha 6 ha c/water	15.5	6
502BM	5.35 ha 1 ha water	5.35	1
502V	21.6 8 ha water	21.6	8
619/1	26 ha c/water	26	
Total		207.77 Ha	20 Ha

6.3 Stellenbosch municipal land under Empowerment projects

Farm Number	Size (approximate)	Owner	Water available
377c	36 Ha	Eerste Oorkant Boerdery	10 ha water
2/9190	3.4 Ha	Eerste Oorkant Boerdery	No water
502 AX	TBC	TBC	TBC
502AY	TBC	TBC	TBC
502BC	TBC	TBC	TBC
502BH	65 Ha	Organic Small Farm Holding Trust	26ha water
502BL	12 Ha	Medi Prop	4ha water
502M	5.1 Ha (60%)	Higgs Trust (Pty) Ltd J de Munk	3 ha water
527F	53.5 Ha (51%)	Redlex 421 (Edms) Bpk	8ha water
529B	17.4 Ha (51%)	Redlex 421 (Edms) Bpk	9ha water
Total	212.16 Ha		

APPENDIX 3: ATTENDEES TO THE INFORMATION SESSION.



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1	Fred. Abselen	29 Jacaranda Street, Bloetsville Stellenbosch	
2	NININI SAMSON NGXUBULA	B144 NOALI STREET KLAGAMANDI	
3	Vuyiwe Hani	34 Masithandane Street, 076 523 5389	
4	Jerome Thomas	Po Box 175, Mulderskloof, Stellenbosch - 7607	
5	GEOFF BROWNELL	PO Box 4 FARM 619	
6	NIELSEN VAN NIEKERK	" " " "	
7	SIPHAMANDLA Mabesi	811 4th Avenue Klagamandi Stellenbosch 7600	
8	Byron RUIZENS	37 Dahlia Street, Idas Valley.	
9	Ashley Menter	Johannesdal humleys 16 0937034295	
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2	Gle Watson	De Talle, HOA, Ruy.	
3	S.W Ntshahle	49 Ceolile Street K-mandi	
4	Patrick Makweso	D130 Mondé Crescent Kayamandi, Stellenbosch 0760525176	
5	Chris Pieterse	Calence farm Stellenbosch	
6	Fezile Ramlwana	Watergang, KAYAMANDI	
7	Malebogo Phetlu	DOA	
8	SYDNEY CLAASSEN	Pinehaven Agri Trading	
9	Charles Quint	Pinehaven Agri Trading	
10	Julian Zetter	Lumberlost, P.O Box 46 Lynedoch	



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1	James Williams	KROMME RHEE Huis P.O. Roelenhof 7605 James.Williams@ Stellenbosch.gov.za	
2	Thebo Ledwaba	856 Bas. Street Kayamandi Stellenbosch 7607	
3	Bonga Ngweni	Kayamandi Stellenbosch at Makupula Street I107 Code: 7600	
4	Mondolosi Mxheba	Zone 074 D Luyolo Street Kayamandi Stellenbosch 7600	
5	Willig Booysse	23 JOHNSON STRAAT IBasvalle Stellenbosch 7600	
6	V. Malunias	5 van geendt De Zalze Ward 21	
7	Rund Carlissen	16 King Street Cloofsville Stellenbosch	
8	SIXOLE GEWABE	13 EAGLES NEST SUMMINGDAL 0836 207648	
9	CRAIG DUNSTAN	13 OSTARA AVE. JUMESTOWN	
10	HILTON ALENISE	131 WEBERS VALLEY RD JAMESTOWN	



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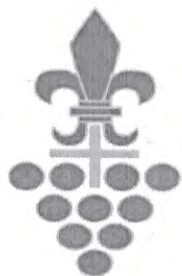
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3	Carmen Stevens	9 Panorama Street Somerset West 082 5571476	
4	William Matimba	NS8 7th Avenue 0839786 416	
5	Emmanuel Nkumbi	080 Bassie Str 0724283552	
6	B. TAFEMI	5233 Bassie 0710015461	
7	T. Masokanye	B150 Kayamandi 0784015995	
8	Lyle Tinter	0765890705 lyle and Lorraine @ Lymail.com	
9	TEMBELANI SIYO	0718456530 Room 13 u/s Hostel MPUTA CLOSE	
10	MAVIS Nongogo	zone 0369 Khayamadi 0784660403	



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3	GLORIA MASIZA Johannes ANDREWS	940 10th Str, Kayamandi Stellenbosch 071 8211024 0996990958	
4	M Bergstedt	37 Eike str cloetesville 062 5564678	
5	B. Cortereal	Cloetesville 76 Williams str 071 3688104 076 802 6128	
6	J. West	June West 012 121 0000 g-mail.com 33 Brooks Ave. Pniel. 0611 926753	
7	A.T. Tshabani	L 33 M Jandana 0731933566	
8	KWEZA NOMONDE	L 33 M Jandana 076 965 2073	
9	KENNETH S. KHAYI	MASHANDANE No. 33 0727806547	
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Andrew

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Ntandokazi

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1

APPENDIX 4: EXTENSION OF THE CLOSING DATE FOR APPLICATIONS

EXTENSION OF CLOSING DATE FOR OFFERS - LEASE OF MUNICIPAL AGRICULTURAL LAND

The Stellenbosch Municipality advertised for the lease of 12 identified portions of agricultural land on the 12th of April 2018. The application closing date was set for the 11th of May 2018. Due to various requests from interested individuals it was decided to extend the closing date to the 30th of September 2018.

To accommodate all interested emerging farmers, a briefing session will be held on Tuesday the 22nd of May from 10:00 – 13:00 in the Plein Street Library Hall (2nd floor).

For more information contact Melissa Nel at Melissa.Nel@stellenbosch.gov.za or at 021 808 8173.

VERLENGING VAN SLUITINGSDATUM VIR AANSOEKE OM HUUR VAN MUNISIPALE LANDBOUGGROND

Stellenbosch Munisipaliteit het 12 porsies vakante landbougrond adverteer op die 12de April 2018. Die sluitingsdatum was aangedui as die 11de Mei 2018. Na vele navrae en versoeke van die publiek was daar besluit om die sluitingsdatum te skuif na 30 September 2018. :

Om alle belanghebbendes te akkomodeer sal 'n inligtingssessie gehou word op Dinsdag 22 Mei 2018 om 10:00 – 13:00 in die Pleinstraat Biblioteeksaal (2de vloer).

Vir meer inligting kontak Melissa Nel by Melissa.Nel@stellenbosch.gov.za of telefonies 021 808 8173.

	PROPERTY DESCRIPTION	SIZE	TOTAL (HA)	WATER (HA)
1	165/1A	10.5 ha no water	10.5	
2	279BN	25.3 ha no water	25.3	
3	502 AM	8.56 ha 3 ha water	8.56	3
4	502 AP	7 ha 2 ha water	7	2
5	502 AU	8.9 ha no water	8.9	
6	502 AW	6 ha no water	6	
7	502 BFN	15.5 ha 6 ha c/water	15.5	6
8	502 V	21.6 ha 8 ha water	21.6	8
9	619/1	26 ha no water	26	
10	502 BH PORTION 17&18	5 ha 3 ha water	5	3
11	502M	5.1 ha 3 ha water	5.1	3
12	502W	9 ha 3 ha water	9	3
	TOTAL		148.46 ha	

APPENDIX 5: PROOF OF PREFERENCES

FILE MESSAGE MIMECAST

[EX] Re: Application for vacant Municipal land - Message (HTML)

Wed 2019/05/22 10:09 AM

 Hylton Arendse <hparendse1@gmail.com>
[EX] Re: Application for vacant Municipal land

To: Widmark Moses

Cc: Sharon Pedro; izanne.arendse@gmail.com; Rikus Badenhorst; Nelmar Williams

Morning Mr Moses

See below my preference for the vacant municipal land that I applied for:

First Preference: 502V (21.6ha 8ha water)

Second Preference: 502BFN (15.5ha 6ha water)

Third Preference: 502 AM (8.56ha 3ha water)

Feel free to contact me for any questions regarding my Preference's above

Regards
Hylton Arendse

Sent from my iPhone

On 22 May 2019, at 09:46, Widmark Moses <Widmark.Moses@stellenbosch.gov.za> wrote:

Dear Mr Arendse

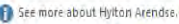
You have applied for 3 pieces of vacant municipal land (**502 BFN, 502 V, 502 AM**) in accordance with the Policy for the Management of vacant municipal land. The department has submitted the applications to the Lands Committee of the municipal. The Lands Committee requested order of preference in terms of the vacant land you applied for.

Please give an indication in order of preference:

First Preference:

Second Preference:

Third Preference:







[EX] RE: Application for vacant Municipal land - Message (HTML)



FILE MESSAGE MIMECAST



Wed 2019/05/22 07:25 PM

Christie Jacobs <christiejacobs@telkomsa.net>

[EX] RE: Application for vacant Municipal land

To: Widmark Moses

Mr Moses

As Requested

As per my my application to do a cattle farming.

1. 691/1
2. 502AP with 502AM

I thank you in this regard.

Christie

From: Widmark Moses [<mailto:Widmark.Moses@stellenbosch.gov.za>]**Sent:** Wednesday, May 22, 2019 4:38 PM**To:** 'christiejacobs@telkomsa.net' <christiejacobs@telkomsa.net>**Cc:** Sharon Pedro <Sharon.Pedro@stellenbosch.gov.za>**Subject:** FW: Application for vacant Municipal land**Subject:** Application for vacant Municipal land

Dear Mr Jacobs

You have applied for 4 pieces of vacant municipal land (502 BFN, 502 AP, 502 AM, 619/1) in accordance with the Policy for the Management of vacant municipal land. The department has submitted the applications to the Lands Committee of the municipal. The Lands Committee requested order of preference in terms of the vacant land you applied for.

Please give an indication in order of preference:

First Preference:

Second Preference:

Third Preference:

See more about Christie Jacobs.

12:27 PM
2019/05/22

APPENDIX 6: E-MAIL FROM JOHN MULLER CONFIRMING HE OWNS MORE THAN 10 HA

From: Sharon Pedro
Sent: 19 June 2019 09:42 AM
To: Widmark Moses
Subject: FW: [EX] RE: Allocation of land

fyi



Kind regards

Sharon Pedro

Admin. Assistant : LED & Tourism
Planning & Economic Development

T: +27 21 808 8974 | F: +27 886 7323
58 Andringa Street, Stellenbosch, 7600 /
P O Box 17, Stellenbosch, 7599
www.stellenbosch.gov.za



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http://www.stellenbosch.gov.za/main_pages/disclaimerpage.htm

From: John Muller [<mailto:john@imodie.co.za>]
Sent: 19 June 2019 09:25 AM
To: Sharon Pedro
Subject: [EX] RE: Allocation of land

Good Morning Sharon

I currently own a 90ha of land in the area of Gouda.

Kind Regards

John Muller

From: Sharon Pedro [<mailto:Sharon.Pedro@stellenbosch.gov.za>]
Sent: Wednesday, June 19, 2019 8:59 AM
To: 'john@imodie.co.za' <john@imodie.co.za>
Subject: Allocation of land

Good day

As per instruction from Mr Moses could you please confirm as part of the land allocation how may hectares of land do you own?

Kindly assist



Kind regards

Sharon Pedro obo Widmark

Moses

Admin. Assistant : LED & Tourism

Planning & Economic Development

T: +27 21 808 8974 | F: +27 886 7323

58 Andringa Street, Stellenbosch, 7600 /

P O Box 17, Stellenbosch, 7599

www.stellenbosch.gov.za



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MUNICIPALITY • VERENIGDE • MUNISIPALITEIT



About Stellenbosch Municipality

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



Our head office is at Town House Complex, Plein Street, Stellenbosch, 7600, South Africa. For more information about Stellenbosch Municipality, please call +2721-808-8111, or visit www.stellenbosch.gov.za

Disclaimer:

The information contained in this communication from sharon.pedro@stellenbosch.gov.za sent at 2019-06-19 08:58:35 is confidential and may be legally privileged. It is intended solely for use by john@imodie.co.za and others authorized to receive it. If you are not john@imodie.co.za you are hereby notified that any disclosure, copying, distribution or taking action in reliance of the contents of this information is strictly prohibited and may be unlawful. Powered by [Afrovation](#)



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13.2	APPROVAL TO APPLY FOR AN URBAN DEVELOPMENT ZONE (UDZ) WITHIN THE STELLENBOSCH AREA
------	---

Collaborator No:

IDP KPA Ref No:

Date:

Good of Opportunity

Council- 28 August 2019

1. SUBJECT: APPROVAL TO APPLY FOR AN URBAN DEVELOPMENT ZONE WITHIN THE STELLENBOSCH AREA

2. PURPOSE

To obtain approval from Council to submit an application for an Urban Development Zone to National Treasury to consider the Adam Tas Corridor within the Stellenbosch area to attract investment in the Adam Tas Corridor.

3. DELEGATED AUTHORITY

Council.

4. EXECUTIVE SUMMARY

South Africa has a number of urban areas that are impoverished and are suffering from extensive urban decay. In order to address these concerns, tax measures are utilised to support efforts to spatially target investment to attract private sector businesses to areas where interest would otherwise be lacking.

In 2003, the Minister of Finance introduced the Urban Development Zone (UDZ) tax incentive for investment in 16 designated inner cities. The UDZ tax incentive was designed to encourage property investment in central business districts and to address dereliction and dilapidation, and to promote investment in urban renewal. The incentive is in the form of an accelerated depreciation allowance applicable on the value of new buildings and improvements to existing buildings in the qualifying municipalities demarcated as UDZs. In 2013 the window period for the UDZ incentive was extended from 31 March 2014 to 31 March 2020.

Whereas the demarcation of urban development zones were previously only granted to municipalities with a population of more 2 million people (reduced to 1 million people in 2016) the scope has been extended to included municipalities like Stellenbosch. Municipalities outside of the 16 currently designated areas approached the Minister of Finance to broaden the scope of UDZ incentive to cover additional municipalities. This resulted in proposals that the UDZ tax incentive be amended to provide a framework for the Minister of Finance to consider applications from municipalities currently not allowed to designate a UDZ area.

Stellenbosch has a large proportion of the Adam Tas area that was formerly utilised for light industrial purposes that has fallen into dereliction. For Stellenbosch Municipality to attract investors to redevelop parts of that areas, classification as an urban development zone will contribute to attracting investors to rebuild these spaces into vibrant urban structures more suited to the future growth and development of the Stellenbosch urban centre.

5. RECOMMENDATION

that the Urban Development Zone application to National Treasury be submitted for the Adam Tas Corridor to attract investment for the regeneration of this area.

6. DISCUSSION**6.1 Background**

In 2003, the Minister of Finance, Trevor Manuel introduced a tax incentive to encourage investment in areas with high population carrying capacity, central business district or inner city environments and areas with developed urban transport infrastructure (trains, busses, taxis). This incentive has been effected by the insertion of section 13 quart into the Income Tax Act (58 of 1962).

This incentive was introduced as an accelerated depreciation allowance, which reduces the taxable income on properties developed within a formally classified urban development zone. This clause has been extended to 31 March 2020 and is currently under extensive review, both in terms of time extension and the option for new municipal applications. This could provide municipalities like Stellenbosch with the opportunity to utilise this tax incentive for private investors as a means to attract investment to uplift the face of the Adam Tas Corridor.

The UDZ seeks to attract development to areas where interest would otherwise be lacking. The incentive is intended to encourage investment in:

- Areas with high population carrying capacity;
- Central business districts or inner city environments;
- Areas with developed urban transport infrastructure for trains, buses or taxis.

Once a municipality receives formal approval from the National Treasury for a UDZ, it supports urban renewal initiatives in the following way:

- Refurbishment and construction of both commercial and residential buildings in designated decaying inner city areas;
- Private investment in affordable rental housing in the inner city (Legislative amendments in 2008 - low-cost housing).

Any investor (including individuals, companies, close corporation and trusts as well as partners in a partnership) is eligible for the incentive once the following conditions are met.

- Firstly, the investor must improve an existing building or erect or construct a new building within the urban development zone. Hence, an investor purchasing a pre-constructed building or improvements is eligible for the incentive. In other words the investor must add value to the zone.
- Secondly, the investor must use the improved or new building solely for purposes of the investor's trade. The trade can be of any kind.
- It covers construction costs. Costs incurred by an investor in demolishing or destroying any existing building. These costs include provision for the following amenities:
 - o Power, water, sewerage, access or parking for the building, drainage, security for the building, means of waste disposal, sidewalks and, landscaping (including earthworks, greenery and irrigation).

6.2 Financial Implications

This spatial investment will require that the Stellenbosch Municipality provide service discounts for the registered UDZ participations, w.r.t. property rates and service tariffs.

6.3 Legal Implications

Will affect the Land Use By-Law if approved by National Treasury.

6.4 Staff Implications

This report has no staff implications at this point.

6.5 Risk Implication

None

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

Noted.

6.6.2 Chief Financial Officer

Support.

6.6.3 Director: Infrastructure Services

Noted.

6.6.4 Director: Corporate Services

Noted.

6.6.5 Director: Planning and Economic Development

Support.

6.6.6 Comments from the Municipal Manager

Support.

ANNEXURES

- Explanatory memorandum on the taxation laws amendment bill, 2016 (Draft)

FOR FURTHER DETAILS CONTACT:

NAME	Geraldine Mettler
POSITION	Municipal Manager
DIRECTORATE	Office of the Municipal Manager
CONTACT NUMBERS	021 808 8025
E-MAIL ADDRESS	mm@ Stellenbosch.gov.za
REPORT DATE	20 August 2019

APPENDIX 1



**NATIONAL
TREASURY**

REPUBLIC OF SOUTH AFRICA

EXPLANATORY MEMORANDUM

**ON THE
TAXATION LAWS AMENDMENT BILL, 2016
(DRAFT)**

08 July 2016

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1. INCOME TAX: INDIVIDUALS, SAVINGS AND EMPLOYMENT

1.1. RETIREMENT FUND CONTRIBUTION DEDUCTION AGAINST PASSIVE INCOME

[Applicable provision: Section 11(k) of the Income Tax Act No.58 of 1962 ('the Act')]

I. Background

From 1 March 2016 the tax treatment of contributions to retirement funds was amended to be harmonized across all retirement funds. Previously, deductions to retirement annuity funds were only allowed to be set off against "non-retirement funding income" (which included passive income such as interest or royalties, but excluded taxable capital gains), while deductions to pension funds could only be set off against "retirement funding income" (which represented income from employment and did not include passive income).

II. Reasons for change

The harmonisation of the tax treatment of contributions in section 11(k) allowed for a deduction against income from "carrying on a trade", which unintendedly excluded passive income. This resulted in members of retirement annuity funds who were using the deduction against passive income to no longer able to deduct their contributions against the passive income.

III. Proposal

In order to correct this anomaly and to allow retirement annuity members to continue to receive a deduction and fully align the treatment between all retirement fund members, it is proposed that deductions for contributions to all retirement funds should be allowed to be set off against passive income. For the purpose of the section 11(k) deductions, the passive income does not include taxable capital gains.

Example 1

Facts:

Mr Thrift receives remuneration of R75 000 for part-time work over the course of the 2016/17 year of assessment. He also receives R10 000 in interest from a money market account and sells unit trusts to receive a capital gain of R750 000. The value of the taxable capital gain is R300 000. Before the end of the year he contributes R100 000 to his retirement annuity fund.

The maximum allowable deduction for the contribution to the retirement annuity fund is limited to either 27.5 per cent of the greater of taxable income or remuneration, or R350 000. Mr Thrift's taxable income of R385 000 in this case is higher than his remuneration and his maximum allowable deduction is thus R105 875.

Result:

The R100 000 retirement annuity fund contribution is below the maximum allowable deduction and may be deducted against income from “carrying on a trade” and passive income (but excluding taxable capital gains). Mr Thrift can deduct R85 000 (remuneration and interest income). The R15 000 in contributions that was not deductible can be carried over to be deducted in a subsequent year of assessment or will be tax free on receipt of the retirement benefit when Mr Thrift retires.

IV. Effective date

The proposed amendments are deemed to have come into effect from 1 March 2016.

1.2. ROLLOVER OF EXCESS RETIREMENT FUND CONTRIBUTIONS BEFORE 1 MARCH 2016

[Applicable provision: Section 11(k) of the Act]

I. Background

Before 1 March 2016 retirement annuity contributions that were above the allowable deductible amounts were allowed to be rolled over to the following year to potentially be deducted in that year. Pension fund contributions that were above the limit were not allowed to be rolled over to the following year, but upon retirement these amounts could be taken tax free.

II. Reasons for change

The 2016 changes to the legislation relating to the harmonisation of the tax treatment of contributions to retirement funds applies to contributions made after 1 March 2016, and any contributions above the limit to any retirement fund can be rolled over to the following year. However, these legislative changes do not cater for any excess contributions made before 1 March 2016 and previous contributions above the limit to retirement annuity funds can no longer be rolled over. Contributions above the limits to both retirement annuity funds and pension funds made before 1 March 2016 would then not be afforded the rollover treatment and could only be received tax free at retirement.

III. Proposal

To continue with the current rollover treatment for retirement annuity funds and align the treatment for excess contributions to pension funds it is proposed that excess contributions to both of these funds before 1 March 2016 should be allowed to be rolled over and deducted in the following tax year. Excess provident fund contributions would not be allowed to be rolled over since there was no requirement for provident funds to purchase an annuity before 1 March 2016.

IV. Effective date

The proposed amendments are deemed to have come into effect from 1 March 2016.

1.3. CLARIFYING SOURCE RULES FOR RETIREMENT ANNUITY FUNDS

[Applicable provisions: Sections 9(2)(i) and 9(3) of the Act]

I. Background

Sections 9(2)(i) and 9(3) of the Act deems the portion of the lump sum and annuity payments from a pension fund and provident fund to be from a source outside South Africa, if the amounts received are in respect of services rendered outside South Africa.

II. Reasons for change

There is a view within the industry that the exclusion from South Africa source rule referred to in sections 9(2)(i) and 9(3) of the Act also includes payments made from retirement annuities. However, contributions to retirement annuities are not linked to employment and should not be associated with any type of services rendered, whether they are within South Africa or outside of South Africa.

III. Proposal

It is proposed that changes should be made in section 9(2)(i) of the Act to remove the ambiguity and clarify that the exclusion from South Africa source rule in section 9(2)(i) does not apply to lump sum, or annuities received from retirement annuity funds.

It is also proposed that section 9(3) of the Act be repealed as it creates ambiguity.

IV. Effective date

The proposed amendments will come into effect on the date of promulgation of the Taxation Laws Amendment Act, 2016.

1.4. USING THE CORRECT DEFINITION OF INCOME FOR THE FORMULA TO DETERMINE THE FRINGE BENEFIT FOR DEFINED BENEFIT CONTRIBUTIONS AND ELIMINATING A POTENTIAL LOOPHOLE

[Applicable provision: Paragraph 12D of the Seventh Schedule of the Act]

I. Background

The new paragraph 12D of the Seventh Schedule (dealing with the valuation of contributions made by employers to certain retirement funds) inserted a formula to calculate the taxable fringe benefit for contributions to a retirement fund that has a defined benefit component. The provisions of paragraph 12D of the Seventh Schedule stated the formula would cover contributions by the employer to the retirement fund.

II. Reasons for change

The formula in paragraph 12D of the Seventh Schedule to the Act assumes that the value “A” represents the income that the retirement fund uses to calculate the required level of contributions given the expected liabilities of the fund. However, the wording of the provision

currently refers to “remuneration” which is a different income figure. Remuneration may also differ for two individuals depending on the level of travel allowance, leading to a situation where two identical members of the same defined benefit fund would have a different fringe benefit value for the employer contribution.

This wording also refers only to employer contributions and is silent on contributions made on behalf of the employer by the fund. These types of contributions may be interpreted to be exempt from the formula, creating a potential loophole.

III. Proposal

It is proposed that changes be made in paragraph 12D of the Seventh Schedule to adjust the definition of income to determine the value “A” in the formula and to include contributions made by the fund on behalf of the employer.

IV. Effective date

The proposed amendment in respect of the adjustment of the definition of income to determine the value “A” in the formula will apply in respect of contributions made after 1 March 2017.

The proposed amendments in respect of inclusion of contributions made by the fund on behalf of the employer will be deemed to apply in respect of contributions made after 1 March 2016.

1.5. INCREASE ON THRESHOLDS FOR EXEMPTION OF EMPLOYER PROVIDED BURSARIES

[Applicable provision: Section 10(1)(q) of the Act]

I. Background

Currently, the Act makes provision for tax exemption for all “bona fide” bursaries or scholarships granted by employers to employees or relatives of qualifying employees, subject to certain monetary limits and other requirements.

If a bursary or scholarship is awarded to a relative of the employee, the exemption will apply only if the employee’s remuneration does not exceed R250 000 during the year of assessment. In addition, the amount of the bursary or scholarship will only be exempted up to a limit of R10 000 for studies from Grade R to 12 including qualifications in NQF levels 1 to 4 and R30 000 for qualifications in NQF levels 5 to 10.

II. Reasons for change

The monetary limits associated with bursaries and scholarships granted to relatives were last revised in 2013. In order to support skills development and to encourage the private sector (employers) in the provision of education and training, Government intends to increase the monetary limits for bursaries and scholarships granted to the relatives of qualifying employees.

III. Proposal

It is proposed that the monetary limits be increased for bursaries and scholarships granted by employers to employees or relatives of qualifying employees:

- a. The monetary limit in respect of remuneration for qualifying employees will be increased from R250 000 to R400 000.
- b. The monetary limits in respect of exempt bursary or scholarship will be increased from R10 000 to R15 000 and from R30 000 to R40 000 respectively.

IV. Effective date

The proposed amendments are deemed to have come into effect from 1 March 2016 and will be applicable in respect of years of assessment commencing on or after that date.

1.6. INTRODUCING MEASURES TO PREVENT ESTATE DUTY AND DONATIONS TAX AVOIDANCE THROUGH TRANSFER OF ASSETS TO A TRUST USING INTEREST FREE LOANS

[Applicable provisions: New sections 7C and 56 of the Act]

I. Background

When transferring assets to a trust, a person currently has the following options. Each of these options gives rise to different tax outcomes.

- a. In the first instance, a person may donate the assets and trigger donations tax at 20 per cent of the fair market value of the assets in the hands of the person.
- b. Secondly, a person may sell the assets to the trust on loan account at an arm's length interest charge. If interest on the loan is market related, the seller will be fully taxed on the interest portion of the loan repayments.
- c. Lastly a person may sell the assets to the trust on loan account at an interest charge that is below arm's length or charge no interest on the loan.

II. Reasons for change

At issue is the avoidance of estate duty and donations tax when a person sells assets to a trust and the sale of those assets is financed by way of an interest free loan or a loan with interest below market rates. Donations tax will not be triggered on the asset when the asset is sold at market value to a trust in this manner because there is no gratuitous disposal as required for donations tax purposes.

Coupled with the above, in some instances the seller reduces the loan capital which is supposed to be paid back to him/her by donating amounts to the trust to be set off against the loan to the trust using the current provisions of section 56(2)(b) which provides for the R100 000 annual exemption from donations tax. This further avoids estate duty through the tax-free reduction of the asset base of the seller achieved by such annual donation to the trust.

Due to the fact that the loan is an interest free loan or a loan with interest below market rates, no interest is paid to the seller or interest paid is less than market rates, the seller will not be liable

for income tax on the interest that is forgone or will not be liable for income tax on the interest that is below market rates. This results in a further reduction of the tax base.

III. Proposal

In order to limit taxpayers' ability to transfer wealth without being subject to tax, it is proposed that rules focusing on interest free loans or loans with interest below market rates that are made directly or indirectly by a natural person, or by a company that is a connected person in relation to that person to a trust, be introduced.

According to these rules, it is proposed that an amount equal to the difference between interest that would arise as determined with reference the official rate of interest (as determined in terms of the Seventh Schedule to the Act) and the applicable actual rate of the loan below market rates made to a trust and will be regarded as an amount of income accrued or received by the seller. Such amount imputed as income in the hands of the seller will not qualify for the section 10(1)(j) exemption in respect of interest.

Further, with regard to interest free loans, as there is no actual payment of interest by the trust to the seller, no deduction may be claimed by the trust. On the other hand, with regard to loans with interest rates below market value, only the amount of interest below market rates that is actually paid by the trust to the seller can be claimed as a deduction if the requirements of the general deduction formula are met.

In addition, any reduction of the interest free loans or to loans with interest below market rates to which these rules apply will not qualify for the section 56(2)(b) R100,000 annual exemption of donations tax.

Furthermore, the amount of normal tax attributable to the income which is included in the income received or accrued to the seller may be recoverable by the seller from the trust as the trust benefits from the low or no interest charge. If the seller does not recover this amount of tax from the trust within a period of three years after the end of the year of assessment in which the income was included in the income of the seller, the tax attributable to that income will be treated as a donation by the seller to the trust on the date on which the three year period ends, and thus attracting donations tax.

IV. Effective date

The proposed amendments will come into effect on 1 March 2017 and applies in respect of years of assessment ending after that date.

1.7. ADDRESSING THE CIRCUMVENTION OF RULES DEALING WITH EMPLOYEE BASED SHARE INCENTIVE SCHEMES

[Applicable provisions: Section 8C, new section 8CA and section 10(1)(k) of the Act]

I. Background

Amounts in cash or in kind that are received or accrue in respect or by virtue of services or employment are treated, as a point of departure, as ordinary revenue. Section 8C (dealing with taxation of directors and employees on vesting of equity instruments) forms part of a set of anti-

avoidance measures aimed at preventing the characterisation of an amount that relates to services or employment as a capital gain or as an exempt amount subject only to dividends tax. For example, dividends that are received or that accrue in respect of services or by virtue of employment or the holding of an office are treated as ordinary revenue.

Section 8C governs schemes that are based on equity shares. A restricted equity instrument represents an interest in the equity shares underlying the scheme that is held either directly or through a derivative mechanism. The retention or acquisition, by a scheme beneficiary, of the benefits flowing from the scheme, e.g. dividends, is subject to suspensive or resolute terms or conditions. These benefits are dependent, in essence, on continued employment or the rendering of services for a specified period. The distributions derived from a restricted equity instrument and the growth in value of the underlying shares until the date the restrictions fall away constitute, in effect, benefits that arise in respect of services and form part of the reward for services rendered. Dividends in respect of a restricted equity instrument will be exempt only if that instrument complies with specific requirements.

Taxation under section 8C is as a general rule triggered when the restrictions in respect of the interest in the underlying equity shares fall away, i.e. when the employee can, in broad terms, freely dispose of or deal with those shares on the same basis as any shareholder who is not an employee, or is entitled to an amount equal to their value. The amount subject to s 8C is determined with reference to the value of those shares at that time, thus treating the growth in value of that payment in kind as revenue.

II. Reasons for change

Section 8C is based on the implicit assumption that the full value of the equity shares underlying a restricted equity instrument will vest in the employee when the restrictions fall away. The value derived from the underlying shares may, however, be liquidated in full or in part by means of distributions that are effected before these restrictions fall away, e.g. distributions resulting from the disposal or redemption of the underlying shares or resulting from a return of capital in respect of the underlying shares. Distributions qualifying as a return of capital or a foreign return of capital in respect of the underlying equity shares are treated as revenue. The current inclusion does not extend, however, to a return of capital by way of a distribution of an equity instrument. Distributions in the form of dividends may also impact negatively on the value of the underlying shares.

The policy intent underlying the inclusion, in the income of a holder of a restricted equity instrument, of a return or foreign return of capital was expressed as follows in the Explanatory Memorandum on the Taxation Laws Amendment Bill, 2010: “Capital distribution will generally trigger ordinary revenue in recognition of this partial cash-out. However, if the capital distribution consists of another restricted equity instrument, the capital distribution will be treated as a non-event.” The current exclusion of a return or foreign return of capital does not reflect this policy clearly. A return of capital in the form equity shares that are not restricted will erode the value of the equity shares from which the value of a restricted equity instrument is derived.

The exclusion should apply only in respect of an equity instrument that qualifies as a restricted equity instrument subject to section 8C, i.e. if the gain or loss in respect of that instrument will be treated as being of a revenue nature. Other receipts or accruals in respect of a restricted equity instrument that are not treated as dividends and that are not taken into account in determining the gain or loss in respect of the restricted equity instrument may also erode the value of the underlying shares and result in a leakage of the gains that should be treated as income in terms

of section 8C. The current requirements regarding dividends in respect of restricted equity instruments that are exempt from normal tax do not deal adequately with dividends consisting of or derived from—

- a. the proceeds from the disposal or redemption of—
 - 1. the underlying equity shares; or
 - 2. shares from which those equity shares derive their value; or
- b. the liquidation of a company from which those equity shares derive their value.

The treatment, as an exempt dividend, of an amount that reduces or liquidates the gain subject to section 8C converts, in effect, an amount that should be taxed at marginal rates to an amount that is taxed at a lower rate. This conflicts with the policy objective underlying section 8C (i.e. that there should be parity of treatment of amounts in cash and in kind).

III. Proposal

The dispensation regarding restricted equity instruments should be aligned more clearly with the policy intent regarding amounts that should be subject to revenue treatment in terms of section 8C. Based on the above, the following is proposed:

- a) It is proposed that the current inclusion, in the income of a holder of a restricted equity instrument, in respect of a return or foreign return of capital be extended to any amount received or accrued if that amount is not—
 - 1. a return of capital or foreign return of capital by way of a distribution of a restricted equity instrument; or
 - 2. subject to the provisions of the Act with respect to a dividend in respect of that restricted equity instrument; or
 - 3. taken into account in terms of section 8C in determining the gain or loss in respect of that restricted equity instrument.

Example 1

Facts:

Mr Eager, an executive director of Last Hope Ltd, holds a restricted equity instrument in the Last Hope Employee Share Trust that will remain restricted for a period of 5 years after that instrument was awarded to Mr Eager. It entitles him to dividends derived from 10 000 of the equity shares in Real Hope (Pty) Ltd that are held by the trust while the restrictions governing that equity instrument apply and the transfer of those shares once those restrictions fall away. Real Hope (Pty) Ltd is a subsidiary of Last Hope Ltd.

Real Hope buys back 90 per cent of the shares held in it by the trust at R200 per share 4 years after the award of that restricted equity instrument. The trust distributes an amount of R1 800 000 to Mr Eager as a dividend in respect of his restricted equity instrument.

Result:

The dividend of R1 800 000 will not be exempt as it consists of the consideration paid by Real Hope in respect of the share buy-back. This result will apply irrespective of whether the consideration in respect of the share buy-back consists of cash or an asset in kind.

- b) It is proposed that a dividend in respect of a restricted equity instrument scheme be treated as ordinary revenue. As a result, carve out measures which qualified certain dividends in relation to restricted equity instruments as exempt from normal taxation will fall away. This implies that paragraph (dd) of the proviso to section 10(1)(k)(i) will be deleted. Further changes will be made to paragraph (ii) of the proviso to section 10(1)(k)(i) to clarify that dividends will only be exempt after the restriction falls away and the equity instrument vests in the employee in terms of section 8C or when a marketable security is held by an employee in terms of section 8A.

Example 2**Facts:**

Ms Sharp, an executive director of Tower Projects, holds a restricted equity instrument in the Tower Group Employee Share Trust that will remain restricted for a period of 5 years after that instrument was awarded to her. It entitles her to dividends derived from 10 000 of the equity shares in Mini Tower that are held by the trust while the restrictions governing that equity instrument apply and the transfer of those shares once those restrictions fall away. Mini Tower holds 100 per cent of the class B equity shares in Tower Software while Tower Projects holds all the class A equity shares in Tower Software.

Tower Software redeems 80 per cent of the class B equity shares at R200 per share 4 years after the award of that restricted equity instrument. Mini Tower distributes this amount as a dividend to the trust. The trust distributes an amount of R1 600 000 to Ms Sharp as a dividend in respect of her restricted equity instrument scheme.

Result:

The dividend of R1 600 000 will not be exempt as it is derived from the consideration in respect of the redemption of the class B equity shares.

- c) Due to the fact that employee share schemes are aimed at encouraging employees to remain in employment and providing an incentive to employees to align their interests with that of the company, any value flowing to an employee (whether through dividends or shares that vest) can be seen as remuneration in the hands of the employee. This reflects that regardless of whether an employee receives payment for employment in cash or another form, the resulting tax treatment is the same. Based on the above, it is

proposed that more certainty be provided on how the employer should treat the contributions in respect of restricted equity instruments. The following is proposed:

1. The historic cost actually incurred and paid by the employer to provide its employees with restricted equity instruments scheme will be regarded as being in the production of income and will qualify for a deduction in terms of the new section 8CA.
2. This deduction will be spread over the period during which the restriction in respect of the equity instrument applies. The new section 8CA will cater for this.
3. In instances where an employee leaves the employee share scheme, the current recoupment provisions in section 8(4)(a) will apply.

IV. Effective date

The proposed amendments will come into effect on 1 March 2017 and applies in respect of any amount received or accrued on or after that date.

1.8. DISALLOWING THE EXEMPTION FOR A LUMP SUM, PENSION OR ANNUITY FROM A RETIREMENT FUND THAT IS LOCATED WITHIN THE REPUBLIC

[Applicable provision: Section 10(1)(gC)(ii) of the Act]

I. Background

When the residence based system was introduced in 2001, section 10(1)(gC) was included in the Act to exempt the receipt of foreign pensions arising from employment outside of the Republic. The provisions of section 10(1)(gC) allows a South African tax resident who is employed outside of the Republic to receive those retirement benefits (that they earned while outside the country) free from tax.

II. Reasons for change

There is uncertainty regarding the interpretation of the current provisions of section 10(1)(gC). The consequence is that South African tax residents who work outside of the Republic can receive a tax deduction on contributions made to the South Africa retirement fund (local retirement fund). The deduction can either be made in the same tax year if they have other forms of taxable income or worked partially within that year or the amounts can be rolled over to be deducted in a future year of assessment. However, upon receipt of the retirement benefits the amount that accrued while the South African tax resident was employed outside the Republic will be free from tax.

III. Proposal

To ensure a fair tax treatment of retirement benefits received by South African residents, it is proposed that the exemption provided in section 10(1)(gC)(ii) only applies to retirement benefits from foreign retirement funds, i.e. retirement funds other than a pension fund, pension

preservation fund, provident fund, provident preservation fund or retirement annuity fund as defined in section 1 of the Act (where members are eligible for deductible contributions).

IV. Effective date

The proposed amendments will come into effect on 1 March 2017 and applies in respect of years of assessment commencing on or after that date.

1.9. INCLUSION OF EMIGRATION FOR EXCHANGE CONTROL PURPOSES IN RESPECT OF WITHDRAWALS FROM RETIREMENT FUNDS

[Applicable provision: Definition of “retirement annuity fund” in section 1 of the Act]

I. Background

In 2015, changes were made in the Act to allow individuals to withdraw a lump sum from the retirement annuity fund when they cease to be tax resident or when they leave South Africa at the end of their work visa.

II. Reasons for change

The 2015 Draft Taxation Laws Amendment Bill (2015 Draft TLAB), which was released for public comments on 22 July 2016 made provision for the following criteria to be met in order for individuals to be able to withdraw a lump sum from their retirement annuity fund:

- a. when the individual emigrated from the Republic and that emigration is recognised by the South African Reserve Bank for purposes of exchange control, or
- b. when the individual ceases to be a tax resident; or
- c. when the individual leaves South Africa at the expiry of the work visa contemplated in the Immigration Act, 2002 and
- d. is not regarded as a resident by the South African Reserve Bank for purposes of exchange control

Based on the public comments received on the 2015 Draft TLAB, changes were made in the 2015 TLAB to limit the criteria to be met in order for the individuals to be able to withdraw a lump sum from their retirement annuity fund to only the following:

- a. when the individual ceases to be tax resident; or
- b. when the individual leaves South Africa at the expiry of the work visa contemplated in the Immigration Act, 2002.

It has come to Government attention that exclusion of the requirement that an individual must emigrate from the Republic and that emigration must be recognised by the South African Reserve Bank for purposes of exchange control creates a loophole for South African nationals or tax residents to be able to make an early withdrawal from their retirement annuity funds, without formally emigrating. This was not the original policy intention.

III. Proposal

In order to align the current provisions of the Act allowing individuals to withdraw a lump sum from their retirement annuity fund to the underlying policy objectives, the following is proposed:

- a. The definition of the “retirement annuity fund” in section 1(b)(x)(dd) should be amended to include the requirement that an individual must emigrate from the Republic and that emigration must be recognised by the South African Reserve Bank for purposes of exchange control as one of the criterion to be met in order for individuals to be able to withdraw a lump sum from their retirement annuity fund.

IV. Effective date

The proposed amendments are deemed to have come into effect on 1 March 2016 and applies in respect of years of assessment commencing on or after that date.

2. INCOME TAX: BUSINESS (GENERAL)

2.1. CROSS-BORDER HYBRID DEBT INSTRUMENTS

[Applicable provisions: Sections 8F and 8FA of the Act]

I. Background

In 2013, changes were made in the Income Tax Act to introduce specific anti-avoidance rules in section 8F and section 8FA dealing with hybrid debt instrument and hybrid interest. These anti-avoidance rules reclassify interest as dividends *in specie* under a two-fold regime. In the first instance, the anti-avoidance rules focus on the equity-like features that relate to the debt instrument itself. The second set of rules focuses on the nature of the yield (i.e. the interest labelled return).

The rules focusing on the debt instrument seek to identify the equity features of the debt instrument. By so doing the rules focus on the convertibility of the debt instrument into shares, the repayment of the debt or interest on the debt instrument conditioned upon the solvency of the issuer and the reasonableness of the period the debt will remain outstanding. The rules focusing on the nature of the yield require that the yield must be determined with reference to a rate of interest, and that the rate of interest must not be dependent on the profits of the issuer for that yield to qualify as interest instead of some other equity-like return (i.e. hybrid-interest).

These anti-avoidance rules are aimed at preventing the artificial generation of interest deductions by an issuer if the debt instrument qualifies as a hybrid debt instrument because of its equity features, or if the yield is determined not to constitute *bona fide* interest. In addition, the issuer is furthermore liable for dividends tax at a rate of 15 per cent.

II. Reasons for change

The 2013 Draft Taxation Laws Amendment Bill (2013 Draft TLAB) which was released for public comments on 4 July 2013 made provision for these specific anti-avoidance rules to only apply to debt that was issued by South African tax resident companies. Based on the public comments

received on the 2013 Draft TLAB, changes were made in the 2013 TLAB to extend the application of these rules to debt issued by both resident and non-resident companies.

It has come to Government's attention that the application of the current re-classification feature of the anti-hybrid debt instrument and anti-hybrid interest rules creates opportunities for tax arbitrage. Transactions involving non-resident issuers of debt instruments are intentionally made to include equity features in their debt instruments as a mechanism of taking advantage of the re-classification feature of these anti-avoidance rules.

Under these schemes, the parties (e.g. a non-resident issuer and a resident holder) intentionally make the debt instrument or the interest subject to the anti-hybrid debt instrument and anti-hybrid interest rules. The re-classification of interest as dividends in specie under these anti-avoidance rules will not, in these circumstances, deny the non-resident issuer an interest deduction. This is because the non-resident issuer would not be subject to the South African anti-hybrid debt rules. However, the re-classification will be beneficial for the resident holder as that holder will be deemed to have received a dividend in specie that is exempt from normal tax in respect of which the non-resident issuer is only subject to a dividends withholding tax of 15 per cent (subject to various exemptions and treaty benefits).

This creates a mismatch in the tax treatment applicable to the interest paid by the non-resident issuer as the non-resident issuer benefits from a full tax deduction of the interest it incurs in its country of residence, but only pays tax at a preferential tax rate of 15 per cent (or potentially no tax at all) as a result of the operation of the re-classification in the South African tax legislation and treaty benefits.

III. Proposal

In order to curb this mismatch and discourage non-resident issuers from structuring their loans to specifically contain the equity features that trigger the re-classification of their interest payments for South African tax purposes, it is proposed that both sets of anti-avoidance rules should be limited to instances under which the intended denial of the interest deduction will be applicable.

As a result, it is proposed that the anti-avoidance rules should only apply to the following:

- a. in instances where the issuer is a resident company,
- b. in instances where the issuer is a non-resident company, the rules should only apply in respect of a debt instrument that is solely attributable to a permanent establishment in South Africa or a controlled foreign company whose profits are attributed to a South African resident.

IV. Effective date

These amendments are deemed to have come into effect on 24 February 2016 and are applicable in respect of amounts incurred on or after that date.

2.2. HYBRID DEBT INSTRUMENTS SUBJECT TO SUBORDINATION AGREEMENTS

[Applicable provision: Section 8F of the Act]

I. Background

Section 8F of the Act makes provision for the specific anti-avoidance rules aimed at reclassifying any amount of interest in respect of a debt instrument or interest incurred as a dividend *in specie* declared and paid by the issuer if that debt instrument or the interest contain equity-like or dividend like features. This re-classification of the interest denies the issuer an interest deduction and the issuer also becomes liable for dividend withholding tax at a rate of 15 per cent in respect of such dividend *in specie*.

For purposes of section 8F, the anti-avoidance rules take into account not only the equity features of the instrument itself, but the side agreements or subordination agreements that were entered into in respect of the debt instrument. In particular, these anti-avoidance rules will be triggered by any arrangement where the obligation to repay any amount owing in respect of the debt instrument (i.e. the corpus or interest) will be disregarded if that obligation is conditional upon the solvency of the debtor (i.e. the market value of the issuer's assets being less than its liabilities).

In such an instance, these anti-avoidance rules do not only look to the imbedded features of the instrument itself, but any other side agreement or subordination agreement that gives rise to an arrangement that makes the issuer's obligation to make a payment in respect of the debt instrument conditional upon the solvency of that issuer.

II. Reasons for change

In the current economic climate, it is not uncommon for companies to find themselves going through periods of varying levels of financial distress. These periods of financial distress may be short-term or may be fairly sustained. As a result, many companies revert to entering into subordinate agreements aimed at subordinating their shareholder loans in favour of third party borrowings. Furthermore, it has come to Government's attention that oftentimes the trigger for these subordination agreements is that when a company is undergoing audit, auditors of the company will in certain circumstances require that shareholder loans should be subordinated to ensure that the annual financial statements do not need to be qualified as it may be questionable whether the company is a going concern given its financial position.

Typically a subordination agreement provides that the company will not make any payments in respect of a debt until such time as the assets of the company fairly valued exceed the liabilities of the company. This conditionality of the repayments and/or interest payments upon the solvency of the company is more aligned to the payment considerations directors of companies are faced with in paying out dividends and is a trigger for the re-classification under the anti-hybrid debt rules.

The re-classification of the interest as a result of the subordination agreement, gives rise to added pressures for the company. In the first instance the company will be treated as having paid a dividend *in specie* in respect of any interest payments it may make on the subordinated loan (which interest payments are not always suspended under the subordination agreement). Secondly, the denial of an interest deduction in respect of the paid or unpaid but incurred

interest charges may place the company in a tax paying position in its period of business difficulty.

III. Proposal

It is proposed that the re-classification feature of the anti-avoidance rules should not apply in the instances where an issuer that owes an amount to a company that forms part of the same group of companies as the issuer and payments in respect of that amount owing are suspended due to the financial difficulties of the issuer. For purposes of this concession, the liquidity and solvency tests envisaged under the Companies Act will be the benchmark for the levels of financial distress aimed at assisting. This is in line with audit practices, as auditors would require an issuer that is technically insolvent and/or illiquid to subordinate its shareholder loans in favour of third party creditors.

This concession for group debt that is subordinated in favour of third party creditors will result in the company continuing to claim its interest deduction of the debt. In addition, as there will be no re-classification of the interest as dividends *in specie*, the company will not suffer the added burden of a dividends withholding tax.

IV. Effective date

These amendments will come into effect on 1 January 2017 and are applicable in respect of amounts incurred on or after that date.

2.3. EXTENDING THE SMALL BUSINESS CORPORATION REGIME TO PERSONAL LIABILITY COMPANIES

[Applicable provision: Section 12E of the Act]

I. Background

In 2001, a special dispensation for qualifying business corporations was introduced. In order to qualify for the special dispensation, the entity had to meet the definition of a “small business corporation” as defined in the Act. The Act required that an entity qualifying as a small business corporation had to either be a close corporation or a company registered as a private company in terms of the then applicable Companies Act, 1973 (Act No. 61 of 1973). Furthermore, the scope of the definition of small business corporation was intentionally limited to curb the disguise of passive income and remuneration as business earnings. Such a disguise would otherwise have allowed persons rendering professional services to take advantage of the concessionary tax rates that apply to small business corporations instead of taxing the disguised passive income and remuneration at the normal company tax rate.

The limitation measure provides that an entity that has more than 20 per cent of its revenue receipts and accruals and capital gains being made up of passive income and income earned by the entity for rendering certain professional services which are performed by a person who holds an interest in the entity (i.e. personal services) could not qualify as a small business corporation. In 2005 the abovementioned measure in respect of personal services was relaxed. As a result entities that rendered personal services could qualify as small business corporations provided that they employ at least three full-time employees who do not have an interest in the entity and are not connected persons (i.e. relatives) in relation to those that have an interest in the entity.

II. Reasons for change

In 2009, the new Companies Act, 2008 (Act No. 71 of 2008) was promulgated and is administered by the Department of Trade and Industry. Many provisions of the Income Tax Act depended or referred to company law principles and definitions contained in the old Companies Act, 1973 (Act No. 61 of 1973). Over the past years subsequent technical corrections have been made in the Income Tax Act due to the commencement of the 2008 Companies Act in 2011.

It has come to Government's attention that amendments made to the provisions dealing with small business corporations as a result of the 2008 Companies Act did not adequately take into account some of the issues related to small business corporations, for example, under the 2008 Companies Act the definition of a private company expressly excludes a personal liability company. As the definition of a small business corporation in the Act includes a private company, the resultant anomaly is that personal liability companies which typically render personal services are currently automatically excluded from being small business corporations for tax purposes.

III. Proposal

In order to correct this anomaly created by the exclusion of personal liability companies from the definition of a private company in the 2008 Companies Act, it is proposed that personal liability companies should be expressly included in the definition of a "small business corporation" contained in the Income Tax Act. However, these personal liability companies would be subject to the requirement to employ at least three full-time employees who do not have an interest in the entity and are not connected persons in relation to those that have an interest in the entity.

IV. Effective date

These amendments will come into effect in respect of years of assessment ending on or after 1 January 2017.

2.4. ASSET-FOR-SHARE TRANSACTIONS FOR NATURAL PERSONS EMPLOYED BY A COMPANY

[Applicable provision: Section 42 of the Act]

I. Background

Roll-over treatment is granted where a person disposes of an asset to a company that issues shares to that person in exchange for the asset. This roll-over relief is granted in an asset-for-share transaction in the instance that either –

- a. subsequent to the transaction the person holds a qualifying interest in the company acquiring the asset of that person; or
- b. the person disposing of the asset to the company is a natural person who is engaged on a full-time basis in the business of that company of rendering a service.

When the roll-over provisions were introduced, the abovementioned qualifying conditions were put in place to ensure that only substantial and long-term transfers of assets in exchange for shares issued by the acquiring company could benefit from roll-over relief. Furthermore, the

latter condition in respect of natural person was aimed at professional service firms, which operate in an incorporated form, that wish to incorporate. It was intended that a Shareholder/Director of such professional service firm would not be required to hold a qualifying interest in the company after the asset-for-share transaction.

II. Reasons for change

Some taxpayers have indicated that the original intention of the qualifying condition in respect of natural persons that are involved in the business of the company that acquires the assets in an asset-for-share transaction is not clearly reflected. As it currently stands, the wording potentially allows for unintended roll-over relief without requiring the natural person to hold a qualifying interest in the acquiring company. This results in the qualifying condition going much further than the original policy intention to provide roll-over relief to a group of professionals setting up business under a professional services firm without regard for the qualifying interest requirement.

III. Proposal

To clarify the conditions under which an asset-for-share transaction between a natural person and a company will qualify for roll-over relief without having regard to the required qualifying interest at the close of that asset-for-share transaction, it is proposed that only asset-for-share transactions involving personal liability companies should qualify. This is because professional service providers to whom the benefit was initially intended for, such as lawyers, doctors or accountants after incorporation operate as personal liability companies.

IV. Effective date

The proposed amendments should be applicable in respect of transactions entered into on or after date of promulgation of the Taxation Laws Amendment Act, 2016.

2.5. REFINING THE TAX IMPLICATIONS ON OUTRIGHT TRANSFER OF COLLATERAL PROVISIONS

[Applicable provisions: Section 1, 22 and paragraph 11 of the Eighth schedule of the Act and section 1 of the Securities Transfers Act No. 25 of 2007]

I. Background

In 2015, changes were made in the tax legislation to provide relief in respect of an outright transfer in beneficial ownership of collateral. As a result, there are no capital gains tax and securities transfer tax implications if a listed share is transferred as collateral in a lending arrangement, provided that the identical shares are returned to the borrower by the lender within a limited period of 12th months from the date in which the collateral arrangement was entered into. The 2015 tax dispensation that was introduced in the tax legislation for the outright transfer of collateral is similar to the tax dispensation applicable to securities lending arrangements.

The above-mentioned new tax dispensation for collateral arrangements necessitated the introduction of a concept of “identical share” in the tax legislation as well as changes to the provisions dealing with amalgamation transactions in section 44 of the Act, to take into account the impact of amalgamation transaction on the ability of a party to a lending arrangement to

return a share of the same class in the same company as that share originally transferred in terms of that lending arrangement.

II. Reasons for change

The tax relief on collateral arrangements has been welcomed by industry and taxpayers but concerns have been raised about certain of the restrictions and potential shortcomings not addressed in the current legislation. These restrictions include the following:

A. 12th Month limitation

The limitation of a collateral arrangement to a period of 12 months or less without the ability to re-post collateral due to the underlying obligation is unduly restrictive and would have the effect that it can only be applied in a context of a short term debt and would severely restrict the ability of banks to benefit from collateral arrangements in terms of meeting the regulatory requirements in so far as it relates to high quality liquid assets.

B. Corporate Actions

The 2015 changes to the definition of “identical share” in the Act only recognize the impact of specific corporate actions on the ability of parties to collateral arrangements to return an identical share only to the extent of amalgamation transactions as envisaged in section 44 of the Act. These changes do not cater for situations outside of the control of a party to a securities lending/collateral arrangement that could possibly result in an identical share being unable to be returned in terms of securities lending/collateral arrangements. In practice, corporate actions and its impact on the ability to deliver an identical share in relation to collateral arrangement can be separated into two categories where a corporate action can either:

- a. impact the listed status of the share through the following actions (list not exhaustive nor definitive):
 1. suspension/termination or withdrawal of share listing on a recognized exchange;
 2. winding up/insolvency of issuer of shares; or
 3. unbundling transactions; or
- b. result in additional or different shares being returned through the following actions (list not exhaustive nor definitive):
 1. rights offers;
 2. scrip dividends;
 3. capitalization issues; or
 4. unbundling transactions.

These categories or actions could potentially impact the securities lending/collateral arrangement definition post implementation of the securities lending/collateral arrangement, by no fault of the parties to the securities lending/collateral arrangement, which would result in the application of both capital gains tax and securities transfer tax to such securities lending/collateral arrangement.

C. Listed shares

The special tax dispensation for the outright transfer of collateral only applies to the instruments listed in paragraph (a) of “security” as defined in the Securities Transfer Tax Act that is listed on an exchange. This limits the exemption on collateral arrangements to listed shares only to be transferred as collateral. As a result, if bonds and other instruments not listed in paragraph (a) of the definition of security are transferred as collateral, they will not qualify for this special tax dispensation.

III. Proposal

A. Extending the 12th Month limitation to a 24th month limitation

Government is still concerned that the 2015 changes made in the tax legislation to provide relief in respect of an outright transfer in beneficial ownership of collateral moves away from common law principles in regard to a change of beneficial ownership. As a result, the 12 month limitation in respect of collateral arrangement was introduced to assist in limiting tax avoidance scenarios where either the sale of shares are disguised as collateral transactions or transactions where the collateral is used against rolling debt positions that are designed to keep a collateral position open for extended periods of time or even indefinitely.

Due to the fact that collateral arrangements supports financial stability objectives because of the role they play in mitigating credit risk, it is proposed that the legislation be amended to extend the allowable period within which the identical shares are returned to the borrower by the lender from the date on which the collateral arrangement was entered into from 12 to 24 months.

B. Broadening the definition of “identical share” to cater for other specified corporate actions

It is proposed that the legislation, as it relates to an ‘identical share’ for purposes of a collateral arrangement, be broadened to cater for corporate actions in relation to situations outside of the control of a party to a securities lending/collateral arrangement that could possibly result in an identical share being unable to be returned in terms of that securities lending/collateral arrangement. The legislation should only recognize corporate actions announced and released, post finalisation of the securities lending/collateral agreement, by a Stock Exchange News Service (SENS) announcement if it specifically relates to the allowable security/collateral within that securities lending/collateral arrangement.

As an additional measure, no party to the securities lending/collateral arrangement in question that is subject to a corporate action should be able to directly or indirectly control or influence the outcome of such corporate action as published by the Johannesburg Stock Exchange.

C. Including listed government bonds as allowable instrument on collateral arrangements

Government is concerned that the extension of collateral arrangements to other instruments, for example bonds, has little merit due to the fact that bonds are not subject to securities transfer tax and will only be subject to capital gains tax if and when bonds are traded in the secondary market at a capital gain. The value of bonds generally only increases when the market has low inflation or disinflationary expectations, which would see increased demand for fixed instruments such as bonds. The vast majority of bonds in South Africa are held until maturity, meaning that there will be no gains or losses at maturity, regardless of market conditions.

That said, Government recognises that the use of government bonds as collateral is embedded in the financial markets industry and affects all its participants and transactions. Based on the above, it is proposed the provisions of collateral arrangements be extended to include listed government bonds. As a result, listed government bonds that are transferred as collateral, will qualify for the above-mentioned special tax dispensation.

IV. Effective Date

The following effective dates are proposed:

- Extending the 12th month limitation to a 24 month limitation on collateral arrangements
- Including listed Government Bonds as allowable instrument on collateral arrangements
 - The proposed amendments will apply in respect of any collateral arrangement entered into on or after 1 January 2017.
- Broadening the definition of “identical share” to cater for other corporate actions in relation to situations outside of the control of a party to a securities lending or collateral arrangement
 - The proposed amendments will apply in respect of any securities lending or collateral arrangement entered into on or after 1 January 2017.

2.6. REFINEMENT OF THIRD-PARTY BACKED SHARES: PRE-2012 LEGITIMATE TRANSACTIONS

[Applicable provision: Section 8EA of the Act]

I. Background

Third-party backed share anti-avoidance rules were introduced by Government during 2012 to deal with identifiable concerns regarding preference shares with dividend yields backed by third parties. These anti-avoidance rules deem dividend yields of third-party backed shares to be treated as ordinary revenue unless the funds derived from the issue of the third-party backed shares are used for a qualifying purpose.

The policy rationale for these rules (with its subsequent amendments) seeks to introduce anti-avoidance rules applicable to share instruments (typically preference shares) loaded with debt like features. The legislation targets share issues where the dividends in respect of those shares are guaranteed by unrelated third parties. These third party guarantees effectively meant that the holder of the share had no direct or indirect meaningful stake in the risks associated with the issuer.

For purposes of these specific anti-avoidance rules, section 8EA of the Act defines third-party backed shares as preference shares in respect of which an enforcement right or obligation exists for the benefit of the holder of the preference shares. In turn, an enforcement right or obligation, in relation to any share, means any obligation or right, of any person, other than the issuer of the share to acquire the share from the holder of the share or make any payment in respect of a guarantee, indemnity or similar arrangement.

II. Reasons for change

Over the past 2 years, changes have been made in the third-party backed share anti-avoidance rules to address adverse tax consequences affecting legitimate business transactions with no intention of anti-avoidance. Concerns have been raised that certain provisions in these rules still impede certain historic arrangements and transactions that were entered into before the introduction of these anti-avoidance rules in the Act in 2012.

These historic arrangements and transactions were often entered into with excessive guarantees and obligations being bolted on by lenders as standard practice effectively trapping parties to these transactions and arrangements within the ambit of the targeted anti-avoidance, post introduction of the legislation.

Taxpayers who entered into the historic arrangements and transactions could restructure them so as to remove the excessive guarantees and obligations but at issue is the fact that in absence of any commercial reasons for restructuring other than to avoid the provisions of section 8EA of the Act, such restructuring could attract the application of the general anti-avoidance rules.

III. Proposal

In order to provide relief in respect of those transactions entered into before 2012, it is proposed that the:

- a. legislation be amended to allow any parties that entered into any arrangement or transaction finalised (all terms and conditions precedent of the arrangement or transaction being met) before 01 April 2012, (earliest effective date of the third-party backed share anti-avoidance rules) that fall foul of the provisions of section 8EA be allowed to cancel any enforcement obligation or right;
- b. cancellation of any enforcement obligation or right be made within a proposed window period. The period will start from the date of introduction of the TLAB 2016 and will end on 31 December 2017.
- c. relief be prospective and no refund of tax will be given by SARS to taxpayers already affected by the provisions of section 8EA of the Act.

IV. Effective Date

The proposed amendments will apply in respect of any dividend or foreign dividend received or accrued during years of assessment commencing on or after 01 January 2017.

2.7. ADDRESSING CIRCUMVENTION OF ANTI-AVOIDANCE RULES DEALING WITH THIRD PARTY BACKED SHARES

[Applicable provisions: Sections 8E and section 8EA of the Act]

I. Background

During 2012 the tax legislation was amended by seeking to strengthen anti-avoidance measures on instruments with debt-like features. These anti-avoidance rules came in two forms. Firstly, the legislation targeted share issues where the dividends in respect of those shares were guaranteed by unrelated third parties. These third party guarantees effectively meant that the holder of the share had no direct or indirect meaningful stake in the risks associated with the issuer. Secondly, the legislation targeted share issues where the dividends in respect of those shares were fully secured by financial instruments (i.e. the secured financial instrument served as the basis for the dividend yield as opposed to a mix of assets associated with the issuing company as a whole).

II. Reasons for Change

Several schemes have been identified where investors structure transactions to circumvent the hybrid equity anti-avoidance rules. These schemes include, for example, the formation of trust holding mechanisms whereby investors acquire participation rights in trusts and the underlying investments of those trusts are preference shares. The formation of a trust effectively breaks the anti-avoidance link by interposing a trust between the investor and the tainted preference share to avoid activating any one of the anti-avoidance measures. The preference shares merely operate as a conduit for underlying debt instruments with the holder looking solely to the debt as collateral.

III. Proposal

In order to curb the circumvention of these specific anti-avoidance measures, it is proposed that amendments be made in the definitions of 'hybrid equity instrument' in section 8E as well as "preference share" in section 8EA to include any right or interest where the value of that right or interest is directly or indirectly determined by the underlying share that is either an equity share or a share other than an equity share. Provided that the value or any return on that share is accordingly based or determined with reference to a specified rate of interest or time value of money.

IV. Effective Date

The proposed amendments will come into effect on or after 1 January 2017 and applies in respect of years of assessment ending on or after that date.

3. INCOME TAX: BUSINESS (FINANCIAL INSTITUTIONS AND PRODUCTS)

3.1. TAX TREATMENT OF REITs- QUALIFYING DISTRIBUTION RULE

[Applicable provision: Section 25BB(1) of the Act, definition of “rental income”]

I. Background

As from 1 April 2013, a special tax dispensation for a listed company that is a Real Estate Investment Trust (“REIT”) or a company that is a subsidiary of a REIT (“controlled company”) that is a resident was introduced in section 25BB of the Income Tax Act (the Act). Under this special tax regime, a REIT or a controlled company that is a resident is entitled to deduct from its income the amount of any “qualifying distribution” incurred during that year of assessment by that REIT or controlled company that is a resident. “Qualifying distribution” is defined in section 25BB of the Act to include any dividend declared or interest incurred in respect of a debenture forming part of a property linked unit by a REIT or a controlled company, during a year of assessment, if more than 75 per cent of the gross income received by or accrued to such REIT or controlled company consists of rental income.

Based on this specific tax dispensation of a REIT or controlled company, a REIT or controlled company is not entitled to claim specific allowances in respect of immovable property in terms of sections 11(g), 13, 13*bis*, 13*ter*, 13*quat*, 13*quin*, or 13*sex* of the Act.

II. Reasons for change

At issue is the fact that a REIT or controlled company may have claimed the above-mentioned specific allowances in respect of immovable property before it become a REIT or controlled company. On disposal of such immovable property the general recoupment provisions of section 8(4) of the Act will apply to a REIT or controlled company in so far as that entity claimed the above-mentioned allowances in respect of immovable property. In terms of paragraph (n) of the definition of gross income in section 1 of the Act, the REIT or controlled company will therefore have to include the amount of recoupments in respect of allowances previously claimed in its gross income in the year of disposal. The inclusion of the amount of recoupment in the gross income of the REIT or controlled company could affect the 75 per cent rental income analysis for purposes of the qualifying distribution rule.

Example:

Facts: The REIT or controlled company disposes of property A, on which it had previously claimed commercial building allowances of R30 million during the 2016 financial year. The REIT or controlled company earns rental income of R70 million during the 2016 financial year.

Results: Based on current legislation

Gross income = R70 million + R30 million = R100 million

Rental income = R70 million

Qualifying distribution threshold = Rental income/Gross income = R70million/R100million = 70 per cent

The net effect is that a REIT or controlled company that is a resident will not qualify for the qualifying distribution deduction (75 per cent).

III. Proposals

In order to assist those REITs or controlled companies that may have claimed the above-mentioned specific allowances in respect of immovable property before they obtained the status of a REIT or controlled company, it is proposed that the amount of recoupments in respect of allowances previously claimed be included in the “rental income” definition of section 25BB and form part of the 75 per cent rental income analysis for purposes of the qualifying distribution rule.

The proposed changes will only apply to those REITS or controlled companies that may have claimed the above-mentioned specific allowances in respect of immovable property before qualifying as a REIT or controlled company.

IV. Effective date

The proposed amendments are deemed to have come into effect on 1 January 2016 and applies in respect of years of assessment ending on or after that date.

3.2. INTERACTION BETWEEN REITs AND SECTION 9C

[Applicable provisions: Sections 9C and 25BB of the Act]

I. Background

In 2007, section 9C was introduced in the Act which currently makes provision for amounts in respect of equity shares that are held for a period of at least three continuous years to be deemed to be of a capital nature.

Section 9C(5) provides that when the equity share, held for at least 3 years, is disposed of there must be included in the taxpayer’s income any expenditure or losses allowed as a deduction in terms of section 11 in any previous year of assessment: Provided that this subsection does not apply in respect of any expenditure or loss to the extent that the amount was recouped in terms of section 8(4)(a) or section 19.

Dividends received from a resident REIT or controlled company, as defined in section 25BB(1), are not exempt from tax in terms of paragraph (aa) of the proviso to section 10(1)(k)(i) but expenditure incurred to produce these taxable dividends and allowed as a deduction may be recouped on disposal of the equity shares in the REIT or controlled company.

II. Reasons for change

The current provisions of section 9C are inappropriate for equity shares in REITs and controlled companies that are residents. Dividends received from a REIT or a controlled company (as defined in section 25BB(1) that is a resident), form part of taxable income but allowable expenditure incurred to produce these taxable dividends that is recouped under section 9C(5) is then effectively not deductible. It is therefore proposed that a proviso be added to section 9C that subsection (5) does not apply to shares in a REIT or controlled company, as defined in section 25BB, that is a resident.

III. Proposal

In order to remove this anomaly, it is proposed that amendments be made in section 9C(5) to clarify that this section does not apply to shares in REITs or controlled companies.

IV. Effective date

The proposed amendments will come into effect in respect of years of assessment ending on or after 1 January 2017.

3.3. AMENDMENTS TO THE TAX VALUATION METHOD FOR LONG-TERM INSURERS DUE TO THE INTRODUCTION OF SOLVENCY ASSESSMENT AND MANAGEMENT FRAMEWORK

[Applicable provisions: Section 29A(1); new subsections 14 and 15 of section 29A of the Act]

I. Background

The insurance industry is undergoing changes to the manner in which it is regulated and financial reporting due to the introduction of the Solvency Assessment and Management (SAM) framework and the anticipated standard for insurance contained in International Financial Reporting Standards (IFRS), known as IFRS 4 Phase II. The current taxation method for taxable profits of a long-term insurer from insurance business are effectively determined as transfers from the Untaxed Policyholder fund, Individual Policyholder fund, Company Policyholder fund and Risk Policy fund to the Corporate fund. The taxable profits are determined as the difference between the market value of the assets allocated to the policyholder funds and the value of the liabilities of these funds. The value of liabilities is currently calculated on the basis determined by the Chief Actuary of the Financial Services Board (FSB) in consultation with the Commissioner for the South African Revenue Service. This basis of determination is based on the Statutory Valuation Method (SVM) with some adjustments.

In 2015, an announcement was made in the Budget Review to cater for the tax treatment of the long term insurance industry as a result of the introduction of the SAM Framework and the new Insurance Act, which will replace the current regulatory regime for the long term insurance industry. As a result, changes were proposed in the 2015 Draft TLAB that was released for public comment on 22 July 2015 and submitted to Parliament. During the parliamentary legislative process, Parliament recommended that due to the fact that the Insurance Bill enabling SAM still requires to be considered by Parliament, proposals relating to the tax treatment of long term insurers due to the introduction of SAM Framework should be removed from the 2015 TLAB and be considered in the 2016 TLAB.

II. Reasons for change

The introduction of the SAM framework will render the current adopted concepts on the valuation of policyholder liabilities for tax purposes to be obsolete. More-over the SAM framework recognizes all future income on a policy upfront and is therefore not suitable as a basis for calculating tax where the Income Tax Act generally includes income in gross income when the income is received or accrued to a taxpayer.

In addition, the International Accounting Standards Board is currently reviewing the policy liability valuation basis for long term insurers contained in IFRS and it is expected that the new IFRS 4 Phase II will be effective for financial years commencing on or after 1 January 2020. It is expected that that IFRS 4 Phase II will provide relevant and accurate recognition of insurance profit and insurance liabilities and the use of IFRS to value long-term insurer's liabilities is in line with international principles. Effectively, the divergences that currently exist between the valuation of liabilities using statutory basis that is reported to FSB and IFRS basis that is reported by the insurer to shareholders in their audited financial statements will be eliminated. Furthermore, eventually there will be comparability between insurers when all insurers use IFRS 4 Phase II as a basis.

III. Proposals

In order to cater for the tax treatment of the long term insurance industry as a result of the introduction of the SAM Framework and the new Insurance Act, the following is proposed:

A. Definition of "value of liabilities"

Currently, the Act has two separate rules in the definition of "value of liabilities", one applicable to the Untaxed Policyholder fund, Individual Policyholder fund and Company Policyholder fund and the other one applicable only to the Risk Policy fund. There is no policy rationale to have two separate rules of "value of liabilities" one applicable to the risk policy fund and the other one applicable to the three policyholder funds. It is therefore proposed that the definition of the "value of liabilities" sets out a single rule for both risk policy fund and the three policyholder funds and the current rule in the definition of "value of liabilities" applying to the three policyholder funds should be extended to apply to the risk policy fund.

B. Definition of "adjusted IFRS value"

Currently, the definition of "adjusted IFRS value", which would have applied to years of assessment commencing on or after 1 January 2016, reads as follows:

"adjusted IFRS value" means the amount of the insurance liabilities of the insurer determined in accordance with IFRS as annually reported by the insurer to shareholders in the audited financial statements adjusted so that no policy has a liability of less than zero.

It is proposed that the definition of "adjusted IFRS value" should be made applicable to both the risk policy fund and the three policyholder funds and the current definition of "adjusted IFRS value" should be substituted with the new one which will take into account the following:

- a. The IFRS policy liabilities amount will be net of reinsurance (gross amount less reinsurance amount) determined according to IFRS as annually reported in the audited financial statements.
- b. The deferred tax liability amount for a fund is an amount determined according to IFRS as annually reported in the audited financial statements and will be added and an adjustment is made for the phasing-in amount. The "phasing-in amount" either increases or reduces the liabilities for tax purposes (see below). The result of the calculation is the "adjusted IFRS value".

- c. It is proposed that a phasing in amount and the phasing in period of 6 years be introduced as a transitional measure aimed at stabilising the tax collections by SARS and minimising the financial impact on certain long term insurers due to these proposed changes. These rules are intended to cater for the differences in treatment of negative liabilities under the new regime (coming into effect when the Insurance Act of 2016 and SAM come into effect) and the previous rules, which apply during 2016 before the coming into effect of a new definition of “*value of liabilities*”, in so far as it relates to negative liabilities. Negative liabilities means the amount by which expected receipts from a policy exceed expected payment of claims and expenses under the policy – effectively expected profit from a policy. This fixed amount that will represent the difference relating to policies allocated to a fund between the liabilities for tax purposes and the liabilities disclosed in the insurer’s published annual financial statements for 2016 will be phased in over six years.

Examples of calculating the phasing in amount:

Example 1

Facts:

Assuming the year of assessment ends after the Insurance Act, 2016 came into effect.

In respect of 2016 before the Insurance Act, 2016 came into effect the accounting net liabilities in respect of policies were R80 (taking into account negative liabilities of R20). However, for reporting to shareholders, liabilities in respect of policyholders were disclosed as R94, which mean negative liabilities of R6 have been recognised. In 2016 for statutory reporting and also for tax purposes the value of liabilities was R82 – therefore R18 negative liabilities have been recognised. The phasing-in amount is R12 (R18 – R6).

Results:

In respect of the first year of assessment after the Insurance Act, 2016 came into effect the new value of liabilities definition (without the phasing in) results in an amount of R110. After the phasing in the value of liabilities is $R100 = (R110 - (0.833 \times 12))$.

In respect of the second year of assessment after the Insurance Act, 2016 came into effect the new value of liabilities definition (without the phasing in) results in an amount of R125. After the phasing in the value of liabilities is $R117 = (R125 - (0.667 \times 12))$.

In respect of the third year of assessment after the Insurance Act, 2016 came into effect the new value of liabilities definition (without the phasing in) results in an amount of R150. After the phasing in the value of liabilities is $R144 = (R150 - (0.5 \times 12))$.

In respect of the fourth year of assessment after the Insurance Act, 2016 came into effect the new value of liabilities (without the phasing in) results in an amount of R165. After the phasing in the value of liabilities is $R161 = (R165 - (0.333 \times 12))$.

In respect of the fifth year of assessment after the Insurance Act, 2016 came into effect the new value of liabilities (without the phasing in) results in an amount of R180. After the phasing in the value of liabilities is $R178 = (R180 - (0.167 \times 12))$.

In respect of the sixth year of assessment after the Insurance Act, 2016 came into effect the new value of liabilities results in an amount of R200. The negative liabilities have been fully phased in and no further adjustment applies.

Example 2

Facts:

Assuming the year of assessment ends after the Insurance Act, 2016 came into effect.

In respect of 2016 before the Insurance Act, 2016 came into effect the accounting net liabilities in respect of policies were R100 (taking into account negative liabilities of R20). However, for reporting to shareholders, liabilities in respect of policyholders were disclosed as R104, which mean negative liabilities of R16 have been recognised. In 2016 for statutory reporting and also for tax purposes the value of liabilities was R120 – therefore no negative liabilities have been taken into account. The phasing-in amount is R16 ($R16 - R0$).

Results:

In respect of the first year of assessment after the Insurance Act, 2016 came into effect the new value of liabilities definition (without the phasing in) results in an amount of R110. After the phasing in the value of liabilities is $R123.3 = (R110 + (0.833 \times 16))$.

In respect of the second year of assessment after the Insurance Act, 2016 came into effect the new value of liabilities definition (without the phasing in) results in an amount of R125. After the phasing in the value of liabilities is $R135.7 = (R125 + (0.667 \times 16))$.

In respect of the third year of assessment after the Insurance Act, 2016 came into effect the new value of liabilities definition (without the phasing in) results in an amount of R150. After the phasing in the value of liabilities is $R158 = (R150 + (0.5 \times 16))$.

In respect of the fourth year of assessment after the Insurance Act, 2016 came into effect the new value of liabilities definition (without the phasing in) results in an amount of R165. After the phasing in the value of liabilities is $R170.3 = (R165 + (0.333 \times 16))$.

In respect of the fifth year of assessment after the Insurance Act, 2016 came into effect the new value of liabilities definition (without the phasing in) results in an amount of R180. After the phasing in the value of liabilities is $R182.7 = (R180 + (0.167 \times 16))$.

In respect of the sixth year of assessment after the Insurance Act, 2016 came into effect the new value of liabilities results in an amount of R200. The negative liabilities have been fully phased in and no further adjustment applies.

IV. Effective date

The proposed amendments in relation to adjustment to the definition of “value of liabilities” will be deemed to have come into effect on 1 January 2016. The other amendments will come into effect on the date on which the Insurance Act, 2016, comes into effect and applies in respect of years of assessment ending on or after that date.

4. INCOME TAX: BUSINESS (INCENTIVES)

4.1. REFINING THE ENABLING VENTURE CAPITAL REGIME FOR START-UP VENTURE CAPITAL COMPANIES

[Applicable provision: Section 12J of the Act]

I. Background

To encourage equity funders to invest in small businesses, the venture capital company (VCC) regime was introduced in 2008. Taxpayers investing in a VCC generate an upfront deduction for the investment (whereas most equity investments are non-deductible) with a recoupment upon withdrawal if the investment is not held for a minimum of five years.

The VCC has several sets of requirements including investor-level requirements for the allowable deduction in the hands of the investor. Included in the investor-level requirements is a connected person test provision (connected persons do not qualify for the VCC tax deduction) that ensures that a taxpayer cannot obtain a deduction merely by recycling funds among closely connected parties (as opposed to obtaining a new independent investment).

Concerns have been raised that at the initial stages of finding investors for a VCC, it may transpire that only a limited number of investors are able to provide seed funding. This could mean that these initial investors hold more than 20 per cent shares in the VCC, which could potentially put them in breach of the investor level requirements of the VCC. Due to the timing

issues typical of start-ups like new VCC's, initial anchor investors risk not meeting the investor level requirements. As a result, VCC's have indicated that several potential large investors have opted out of the VCC initiative, making it less likely that smaller investors will come on board as well.

II. Reasons for change

The current VCC regime makes provision for investors to obtain a tax deduction in respect of any expenditure incurred in acquiring shares in a VCC, subject to various limitations. At issue is the limitation imposed by the connected person test. The connected person test defines any person holding 20 per cent or more of shares in a company at the end of any year of assessment as connected. This connected person test provides that no deduction will be granted to taxpayers who acquire shares in a VCC, where immediately after the acquisition the taxpayer is a connected person in relation to the VCC. Currently, the Act makes provision for the connected person test to be performed at the end of every year of assessment of the VCC.

In an already challenging economic environment, it is believed that the additional risks associated with the application of the connected person test will prevent many VCC's from raising capital.

III. Proposal

A. *Timing of the connected person test:*

In order to create a more enabling environment for VCC, it is proposed that the timing of the connected person test be reviewed. It is proposed that the connected person test first be performed 36 months after the first shares are issued by the VCC and where after it is performed at the end of every year of assessment.

By only performing the first connected person test after 36 months from first shares being issued, it should enable the VCC's to find additional start-up/angel investors, and give them more flexibility in terms of when they issue the shares in the start-up phase of the VCC.

B. *Anti-avoidance:*

To address the concerns raised with regard to potential abuse regarding the proposed timing of the connected person test, the following measures are proposed:

- a. Initial connected person test
 1. Should any taxpayer who is an investor in a VCC be a connected person in relation to that VCC, with effect from the day after the 36 months from the date of the first issue of shares expired and after due notice to the VCC by the Commissioner:
 - i. the Commissioner must withdraw the approval of that company as a VCC, if corrective steps acceptable to the Commissioner are not taken by the company within a period stated in the notice; and
 - ii. the VCC must include an amount equal to the expenditure incurred (which qualified for a deduction) for the issue of those shares held in that venture capital company in the income of that VCC during the year of assessment in which approval is withdrawn.

- b. Subsequent connected person test
 - 1. Should any taxpayer who is an investor in a VCC or any person that incurs expenditure to acquire any share in a VCC be a connected person in relation to that VCC, during any year of assessment after the 36 months from the date of the first issue of shares expired and after due notice to the VCC by the Commissioner:
 - i. the Commissioner must withdraw the approval of that company as a VCC, if corrective steps acceptable to the Commissioner are not taken by the company within a period stated in the notice; and
 - ii. the VCC must include an amount equal to the expenditure incurred (which qualified for a deduction) for the issue of those shares held in that venture capital company in the income of that VCC during the year of assessment in which the approval is withdrawn.

IV. Effective date

The proposed amendments will come into effect from 1 January 2017.

4.2. URBAN DEVELOPMENT ZONES (UDZ) – ALLOWING ADDITIONAL MUNICIPALITIES TO APPLY FOR THE UDZ TAX INCENTIVE

[Applicable provision: Section 13*quat* of the Act]

I. Background

The urban development zone tax incentive was designed to encourage property investment in central business districts i.e. areas with high population carrying capacity and developed infrastructure for transport. The principal objective of the incentive is to address dereliction and dilapidation, and promote urban renewal by stimulating investment in the construction and renovation of commercial and low cost residential buildings. The incentive is in the form of an accelerated depreciation allowance under section 13*quat* of the Act. The incentive is aimed at promoting investment in 16 designated inner cities, 15 of which now have demarcated UDZs within its boundaries. The incentive was initially available from 2013 until March 2014, where after a review of its effectiveness it was extended to March 2020.

In 2015, changes were made in the Act to allow municipalities with a population of 1 million demarcate an additional UDZ area. Furthermore, where the municipality's population is below 1 million, the Minister of Finance (MoF) may approve the demarcation of an additional UDZ having regard to the provisions set out under section 13*quat* (6) and (7) of the Act.

II. Reason for change

Municipalities outside of the 16 designated UDZs areas have approached the Minister to broaden the scope of the UDZ incentive to cover additional municipalities, as they seek to integrate the incentive into existing urban renewal plans. Section 13*quat* of the Act only caters for the 16 municipalities (Annexure A) and makes no provision for municipalities not listed under subsection 13*quat*(6)(a) to be eligible for the incentive.

Given the continued state of underdevelopment and dilapidation in their inner cities, there is demand from municipalities to expand the scope of the incentive and allow municipalities to apply to the Minister to be considered for the UDZ tax incentive. Where this inner city dilapidation continues, it discourages new investment and increases disinvestment in property. There may thus be a case to expand the scope of the incentive as it is seen to stimulate investment in the construction and renovation of commercial and low-cost residential buildings in the inner city.

III. Proposal

A. Additional Municipalities

It is proposed that section 13quat of the Act be amended to provide a framework for the Minister to consider applications from municipalities currently not allowed to designate a UDZ area. The Minister's assessment criteria will be based on the current legislative requirements as contained in section 13quat(6) and (7), as well as the additional criteria contained in Annexure B below.

The application process will apply to all municipalities that are not listed under subsection 13quat (6)(a) – i.e. all municipalities not currently part of the original 16 that were eligible since the inception of the UDZ incentive. Such municipalities may apply directly to the Minister for a UDZ area to be demarcated

If the municipality's application is successful and the Minister issues the notice in the government *gazette*, the municipality will be added to the list of qualifying municipalities through a legislative amendment under subsection 13quat (6)(a).

B. Additional Criteria

The inclusion of the additional criteria contemplated in Annexure B is aimed at providing an assessment framework to consider when broadening access to the incentive, through prioritising urban renewal and development in a manner that counters spatial fragmentation. Essentially Annexure B prescribes several criteria items of differing significance, dependent on each application's facts and circumstances, which have to be applied in context of each application.

A broader target market for the incentive could potentially increase the associated fiscal cost, however, the additional criteria essentially focuses on high-performing municipalities that have significant growth potential. The demarcation of the UDZ should not put an additional strain on municipal finances, but contribute positively towards an increase in the generation of own revenues from the municipality.

The municipality must support its application with evidence that it meets all the requirements of subsections 13quat (6) and (7).

The additional criteria proposed in Annexure B should be issued as a separate document through the means of a regulation to guide both the Minister and municipalities when considering approving/applying (for) a UDZ area. These represent some of the factors that the Minister will use in assessing whether to allow the demarcation of a UDZ in that municipality.

The additional criteria contained in Annexure B will also be used to assist the Minister in assessing applications for additional UDZs from municipalities that have a population of less than 1 million [s13quat(7)(bA)].

IV. Effective date

The proposed amendments will come into effect on the date of promulgation of the Taxation Laws Amendment Act, 2016.

Annexure A

Municipalities Eligible for UDZ incentive

1	Buffalo City
2	Cape Town
3	Ekurhuleni
4	Emalahleni
5	Emfuleni
6	eThekweni Metro
7	Mahikeng
8	Johannesburg Metro
9	Mangaung
10	Matjhabeng
11	Mbombela
12	Msunduzi
13	Nelson Mandela Metro
14	Polokwane
15	Sol Plaatje
16	Tshwane Metro

Annexure B

SUGGESTED CRITERIA FOR NEW APPLICATIONS AND ADDITIONAL URBAN DEVELOPMENT ZONES

Category	Item	Motivation	Measurement
Urban renewal	Proposed area should contain derelict and dilapidated buildings that require rejuvenation.	Relates to the original purpose of the UDZ, i.e. to rejuvenate the inner cities.	Number of derelict buildings in need of upgrading.
Spatial Targeting	Proposed area should be located within/close to a spatially targeted node identified within the municipal spatial development	This criteria acts as a counter against urban sprawl and ensures that densification and focused, integrated interventions are addressed. It also	The following key elements need to be considered in evaluating the proposed UDZ: <ul style="list-style-type: none"> • A transport interchange in close proximity to the area;

	framework (SDF) and have proven locational potential.	ensures that the basic requirements for economic development are in place.	<ul style="list-style-type: none"> • Convergence of people; • The area should be linked to primary and/or at least secondary transport routes. • A conglomeration of mixed use activities and facilities should be present within the area.
Economic growth	Economic growth prospects and performance of the municipality as a whole	The overall economic output of the municipality needs to demonstrate positive growth over the last 2 years. Proven market performance should be evident.	Gross value added (GVA) to be more than the national average, but a minimum of 1.5% over the previous 2 years.
Municipal commitment	<ul style="list-style-type: none"> • Proven fiscal measures and plans towards improvements in the area. • Municipality should demonstrate current ability to generate own revenue. 	-- Own revenue should be $\geq 50\%$ of total municipality income	Own revenue : total municipal income = 0.5: 1
Annual submission of progress reports on historically approved UDZ's	<ul style="list-style-type: none"> • Municipality must have submitted reports annually as required in section 13<i>quat</i> (9). 	The reports will provide information regarding the current progress of the UDZ and whether an extension of the area is justified.	

4.3. ACCELERATED CAPITAL ALLOWANCE IN RESPECT OF SUPPORTING INFRASTRUCTURE USED IN PRODUCING RENEWABLE ENERGY

[Applicable provision: Section 12U of the Act]

I. Background

South Africa as a party to the United Nations Framework Convention on Climate Change (UNFCCC) aims to reduce greenhouse gas (GHG) emissions and to incentivise investments in low carbon, clean energy. Renewable energy is prioritized by government as a viable alternative to the current carbon-intensive economy. Since 2005 targeted incentives for renewable energy have been introduced through the provisions of the Act, 58 of 1962.

II. Reasons for change

Currently, large scale renewable energy projects are not adequately catered for under the existing accelerated depreciation regime due to the capital intensive nature of supporting infrastructure whose tax treatment would need to be specifically targeted. Capital expenditures that indirectly support renewable electricity production, such as the construction of fences and roads, do not qualify for deductions under the Act. According to industry, this is one of the limitations that influence the viability of most large-scale renewable energy projects.

III. Proposal

It is therefore proposed that the provisions of the Act be broadened to include the supporting capital infrastructure in the form of capital expenditure actually incurred on roads and security fences for large scale renewable energy projects as follows:

A. Renewable energy projects qualifying for deductions:

It is proposed that only large scale renewable energy projects that generate electricity exceeding 5MW will qualify. Current evidence suggests that renewable energy projects within the band of 5 – 50MW are barely economically viable and as such this proposed incentive will assist in increasing the financial viability. The proposed amendment further took into account that all renewable energy projects approved under the auspices of the Renewable Energy Independent Power Producers Procurement Programme of the Department of Energy currently exceed 5MW.

B. Timing of proposed deduction:

Should the renewable energy production supporting capital infrastructure expense be incurred pre-commencement of trade, then similar to section 11A of the Act which provides for certain pre-trade expenditure to be allowed as a deduction, the capital expense will have to be:

- a. Actually incurred prior to the commencement of and in preparation of carrying on that trade; and
- b. Not have been allowed as a deduction in that year or any previous year of assessment.

C. Ring fencing and roll over:

As an anti-avoidance measure and with specific reference to the fact that the supporting infrastructure expense is of a capital nature, it is proposed that any supporting infrastructure capital expenditure that exceeds the income in any year of assessment be ring fenced to the specific trade of the production of renewable energy.

It is further proposed that the envisaged allowable supporting infrastructure capital expenditure that exceeds the taxable income to the specific trade of the production of renewable energy in any year of assessment be rolled-over as an allowable capital expenditure during the next succeeding year of assessment against income specific to the trade of the production of renewable energy.

IV. Effective date

The proposed amendments will only apply to large-scale renewable energy projects embarked during any year of assessment commencing on or after 1 April 2016.

4.4. CLARIFYING THE TAX RATE APPLICABLE TO SMALL BUSINESS CORPORATIONS LOCATED IN SPECIAL ECONOMIC ZONES

[Applicable provision: Section 12R of the Act]

I. Background

In 2013, the Department of Trade and Industry (DTI) together with the National Treasury proposed the introduction of special economic zones (SEZs) regime. The SEZ regime was intended to replace the Industrial Development Zones (IDZs) regime with the aim to further promote investment, growth and job creation in the South African manufacturing sector and the development of selected key zones. The SEZ regime (which will apply to the current IDZs and any newly designated zones approved by the Minister) differs from the IDZ regime in that it expands on the value-added tax and customs duty relief that are applicable within customs controlled areas in the IDZs. This expansion under the SEZ regime includes normal income tax incentives that will encourage higher levels of investments into the designated zones.

II. Reasons for change

For normal tax purposes, companies that qualify for the incentives under the SEZ regime will be taxed at a more favourable rate of 15 per cent and are also eligible for an accelerated capital allowance on buildings built within a designated SEZ. However, the current provisions of the Income Tax Act that provide for these incentives do not provide clarity on the tax rates applicable in the instance that the qualifying company is a small business corporation as defined in section 12E of the Income Tax Act.

At issue is that the current provisions of the SEZ incentives provide only for a flat tax rate of 15 per cent while section 5(2) and the annual Rates and Monetary Amounts and Amendment of Revenue Laws Acts provide for concessionary tax rates which follow a graduated marginal structure (0 per cent, 7 per cent, 21 per cent and 28 per cent). In instances that the small business corporation would have been taxed at an effective rate that is lower than 15 per cent, the flat rate of 15 per cent would not be advantageous. In addition, it is currently not clear in the

legislation which rate should apply in the instance that the small business corporation would have been taxable at an effective rate that is higher than 15 per cent (for example 21 per cent or 28 per cent).

III. Proposal

It is proposed that the legislation should be amended in order to clarify that small business corporations located within an SEZ should be able to benefit from the lower effective tax rate that they would otherwise qualify for under the graduated marginal structure and should, furthermore, also be able to benefit from the flat rate of 15 per cent in the instance that their effective tax rate would have exceeded the flat rate of 15 per cent. As such, a small business corporation will be subject to tax at the flat rate of 15 per cent or the effective rate determined in terms of the graduated marginal structure, whichever is the lower.

It should be noted that there is no policy change regarding qualifying companies that are currently excluded from benefiting from the preferential tax rates as a result of their activities.

IV. Effective date

These amendments are deemed to have come into effect from the date on which the Special Economic Zones Act, 2014 came into operation. The rates applicable are reflected in the 2016 Rates and Monetary Amounts and Revenue Laws Amendment Bill.

4.5. TAX EXEMPTION OF NATIONAL HOUSING FINANCE CORPORATION

[Applicable provisions: Sections 10(1)(t) and section 30(3)(b) of the Act]

I. Background

The Department of Human Settlements is currently consolidating all its Human Settlement Development Finance Institutions, namely, the National Housing Finance Corporation (NHFC), National Urban Reconstruction and Housing Agency (NURCHA) and the Rural Housing Loan Fund (RHLF) under one entity, namely, the NHFC, which is wholly owned by Government. Currently, NURCHA and RLHF qualify as Public Benefit Organisations (PBOs) in terms of the Income Tax Act and are exempt from normal income tax. On the other hand, NHFC is a taxable entity.

II. Reason for Change

The existing different tax treatment of Human Settlement Development Finance Institutions creates difficulties, more especially during consolidation. Before consolidation, the activities were performed by two entities (NURCHA and RHLF), which are tax exempt. After consolidation, the same activities will be performed by one entity (NHFC), which is not exempt from tax.

In turn, the consolidation of functions into one entity requires the transfer of assets and liabilities from the aforementioned two tax exempt entities to this single taxable entity, which triggers a tax charge. Given that these activities qualify as public benefit activities and were tax exempt before consolidation, consolidation should not deter public benefit activities that qualify for tax exemption.

III. Proposal

The Human Settlement Development Finance plays a key role in improving the delivery of adequate housing to the needy. It is proposed that the receipts and accruals of NHFC should be exempt from tax in terms of section 10(1)(t) of the Act.

In order to allow for tax neutral transfer of assets and liabilities from NURCHA and RHLF to NHFC, it is proposed that a further amendment be made to section 30(3)(b) of the Income Tax Act.

IV. Effective Date

The proposed amendments will be deemed to have come into effect on 1 April 2016 and will be applicable in respect of years of assessment commencing on or after that date.

4.6. TAX TREATMENT OF LAND DONATED UNDER LAND-REFORM INITIATIVES

[Applicable provisions: Section 56 of the Act, addition of a new provision in paragraph 64A of the Eighth Schedule to the Act]

I. Background

The Act makes provision for tax relief in respect of land donated under certain land reform programmes. For example, land granted in terms of the Land Reform Programme as contemplated in the White Paper on South African Land Policy, 1997 is exempt from donations tax. In addition, awards or compensations in terms of Restitution of Land Rights Act, 1994 are exempt from capital gains tax.

II. Reasons for change

The above-mentioned tax relief was introduced in the Income Tax Act in 1994 and 2002 respectively. Subsequent to this, Government has since introduced other land reform initiatives as stipulated in Chapter 6 of the National Development Plan (NDP). As the existing tax relief in the Income Tax Act was introduced prior to the publishing of the NDP, the relief does not extend to land reform initiatives aligned to Chapter 6 of the NDP.

III. Proposal

In order to provide relief to other land reform initiatives as stipulated in Chapter 6 of the NDP, it is proposed that:

1. Exemption from donations tax in section 56 of the Act be extended to include land reform initiatives under Chapter 6 of the NDP.
2. Exemption from capital gains tax in paragraph 64A of the Eighth Schedule to the Income Tax Act be extended to include awards in terms of land reform initiatives under Chapter 6 of the NDP.
 - a. Introduction of new paragraph 64D of the Eighth Schedule to the Act to cater for exemption from capital gains tax in respect of land donated in terms of the land reform initiatives under Chapter 6 of the NDP.

IV. Effective date

The following effective dates are proposed:

- Extending the exemption from donations tax in section 56 of the Income Tax Act to include the land reform initiatives under Chapter 6 of the NDP.
 - The proposed amendment is deemed to have come into operation on 1 March 2016 and applies in respect of donations received or accrued on or after that date.
- Extending the exemption from capital gains tax in paragraph 64A of the Eighth Schedule to include awards in terms of land reform initiatives under Chapter 6 of the NDP
- Introducing a new exemption in terms of paragraph 64D of the Eighth Schedule to cater for exemption in respect of land donated in terms of land reform initiatives under Chapter 6 of the NDP.
 - The proposed amendment is deemed to have come into operation on 1 March 2016 and applies in respect of years of assessment ending on or after that date.

The proposed amendments are deemed to have come into effect from 1 March 2016 and will be applicable in respect of years of assessment commencing on or after that date.

4.7. CLARIFYING THE TAX TREATMENT OF GOVERNMENT GRANTS

[Applicable provision: Paragraph (l) of the “gross income” definition in section 1 of the Act]

I. Background

A uniform regime for the taxation of government grants was introduced under section 12P of the Act in 2012. Under this uniform regime, government grants can only be exempt if (1) they form part of the comprehensive legislative list set out in the Eleventh Schedule or (2) they are specifically identified by the Minister of Finance by notice in the *Gazette* as a mechanism to cater for grants originating in the middle of a legislative cycle for which there will be a delay in listing them in the Eleventh Schedule. These two mechanisms were introduced to ensure that the key determinations to be observed when seeking to exempt any government grant are properly considered. The intention is that these mechanisms would ensure that only genuine grants and not some forms of disguised consideration or transfer paid for or in exchange for goods and services required by Government would be exempt and that the financial and tax implications were borne in mind when deciding to grant an exemption.

II. Reasons for change

Under the current dispensation, a government grant that is neither listed in the Eleventh Schedule nor identified by the Minister in the *Gazette* may still avoid being taxed. This arises as a result of the grant falling outside the definition of gross income because that grant is meant to subsidise the procurement or acquisition of capital assets and is thus capital in nature.

III. Proposal

It is proposed that the legislation should be clarified and aligned in accordance with normal tax practices applicable to taxable receipts. Firstly, the amount must be included in the gross income

of the recipient. Any exclusion from tax should be made on the basis of a special exemption granted in terms of section 12P read together with the Eleventh Schedule. The proposed inclusion in gross income for all government grants will be included under paragraph (l) of the definition of “gross income”.

IV. Effective date

These amendments will apply to all grants received or accrued on or after 1 January 2017.

4.8. PROVISION FOR EXCEPTION TO THE RESEARCH AND DEVELOPMENT (R&D) INCENTIVE PRESCRIPTION RULES

[Applicable provisions: Section 11D of the Income Tax Act 58 of 1962 and section 93 of the Tax Administration Act 28 of 2011]

I. Background

The income tax system contains an incentive for research and development to promote R&D related job opportunities and economic growth in South Africa. The tax incentive is in the form of a 150 per cent deduction for non-capital R&D expenditure. Taxpayers seeking to benefit from this allowance are required to obtain pre-approval from the Minister of Science and Technology, who in turn decides whether to provide such approval based on the findings of a committee set up for this purpose. Management and administration of the pre-approval committee is essentially done by the Department of Science and Technology (DST), although the committee comprises people sourced from the DST, National Treasury and SARS.

Since inception of the R&D pre-approval system in 2012, the pre-approval adjudication committee has experienced teething, administration and capacity problems. These setbacks have led to delays and substantial backlogs in the processing of applications. The backlogs have resulted in calls by taxpayers and tax practitioners for a task team to be appointed to make recommendations on how the R&D tax incentive could be improved. The Minister of Science and Technology responded to these calls and appointed such a task team, consisting of expert representatives from academia, government and the private sector. The task team has completed its mandate and has provided the Minister of Science & Technology with its findings.

II. Reason for change

Amongst the issues raised by the task team was that delays in processing approvals could cause assessments to prescribe before an application is adjudicated upon. This situation is exacerbated because SARS has made it clear that submission of income tax and provisional tax returns should not be delayed pending pre-approval by the R&D committee. Further, taxpayers have been advised that when submitting such returns they should not assume a successful pre-approval as wrongfully doing so could result in them being subject to the imposition of interest and penalties.

Example:

Facts:

Company X has a 30 June year end. On 1 November 2012, Company X submitted a proposed research and development project to DST for pre-approval. On 1 August 2013 Company X

submitted its return to SARS for assessment and was duly assessed on that day (company has until 30 June 2014 to submit its return). In submitting its return the taxpayer claimed certain R&D expenditure to the value of R1, 000,000 (incurred between November 2012 and 30 June 2013). On 10 August 2016 the DST approved the pre-approval application of 1 November 2012.

Results:

At the time of submitting the tax return, the taxpayer did not claim an additional R500,000, which it anticipated it would be entitled to once its R&D project was approved by the Minister of Science and Technology. Given the approval date by DST on 10 August 2016, which is more than three years after the date of assessment, the taxpayer wanted to reopen its 2013 tax return to include a claim for an additional allowance of R500, 000. Since the authority to revise an assessment prescribes three years after a tax return has been assessed, the taxpayer has lost the benefit of the R&D allowance. In this case the taxpayer's return would have already been prescribed by 1 August 2016 before receiving the decision from DST.

III. Proposal

An amendment should be made to section 11D to allow for a reopening of assessments in the circumstances outlined above.

IV. Effective date

The proposed amendments should be made effective in respect of assessments raised after the date of promulgation of section 11D of the Taxation Laws Amendment Act, 2016.

4.9. ADDRESSING POSSIBLE ADMINISTRATIVE AND TECHNICAL CHANGES IN RESPECT OF INDUSTRY POLICY FOR SECTION 12I

[Applicable provision: Section 12I of the Act]

I. Background

Section 12I of the Act allows taxpayers an additional investment and training allowance in respect of industrial policy projects provided that the projects meet certain criteria prescribed by way of regulation. The additional investment allowance ranges from 35 per cent to 100 per cent of the cost of any new and unused manufacturing assets used for the project, depending on whether the project has qualifying status or preferred status, and whether the project is located in an industrial development zone (or designated special economic zone).

The additional investment allowance also has specific legislative requirements that requires the asset:

- a. to be owned by the company claiming the additional allowance;
- b. to be used for the furtherance of the industrial policy project carried on by that company;
- c. to have been acquired and contracted for on or after the date of approval of the relevant project as an industrial policy project; and
- d. was brought into use within four years from the date of approval of the relevant project as an industrial policy project.

II. Reasons for change

A. Status change of project

The current provisions of section 12I(12) only envisages the withdrawal of project approval when the company fails to comply with any requirements as set on approval.

It, however, does not account for the situation where the project was initially approved on preferred status, but the project status subsequently changes and becomes a qualifying status project by the end of the compliance period.

For example, the project may have scored 7 out of 8 points upon project approval and qualified as a preferred status project, but by the end of the compliance period, the project only scores 6 out of 8 points and is regarded as a qualifying status project. In this example, the approved project may not be disqualified as it still meets the minimum requirements for an approved industrial policy project, i.e. qualifying status project. Nonetheless, if it does not meet the scoring criteria for a preferred status project by the end of the compliance period, it should not be allowed to claim the preferred status allowance of either 55 per cent or 100 per cent of the cost of any new and used manufacturing assets, depending on whether the project is located within a special economic zone or not.

The risk to the fiscus is that the project which was approved as a preferred status but changes to a qualifying status before the end of a compliance period could be claiming a larger allowance value than it is allowed to claim, thereby reducing revenue collection over that period. This is a gap in the current legislation which needs to be addressed, because there is a risk that this may happen more frequently as many more projects near the end of the compliance period.

B. Extending period to bring assets into use

Given the estimates used at the approval stage and the nature of these large-scale manufacturing projects, start-up delays are a distinct possibility. In this regard the legislation does allow the Minister of Trade and Industry the discretion to extend the period within which assets are required to be brought into use, after taking into account the recommendations of the adjudication committee.

Current legislation contains a technical oversight in that the relevant discretionary enabling legislation does not extend to certain other provisions in the section. There is no policy rational for the Minister's discretion in this regard to not extend to all the relevant provisions.

III. Proposal

A. *Status change of project*

It is proposed that section 12I be amended to enable SARS to recoup the difference in allowance claimed in respect of a project which was approved as a preferred status but changes to a qualifying status by the end of the compliance period. If a project was initially approved on preferred status and claimed allowances on that basis, but by the end of the compliance period the project only reaches qualifying status, the excess value claimed should be recouped from the taxpayer.

B. *Extending period to bring asset into use*

The discretion contemplated in section 12I(19)(a) should be extended to also include a reference to subparagraph (7)(c) of the same section.

IV. Effective date

The proposed amendments will come into effect on the date of promulgation of the Taxation Laws Amendment Act, 2016.

4.10. PROVIDING TAX RELIEF FOR MINING COMPANIES SPENDING ON INFRASTRUCTURE FOR THE BENEFIT OF MINING COMMUNITIES

[Applicable provision: Section 36 of the Act]

I. Background

The Mineral and Petroleum Resources Development Act, 2002, (Act No 28 of 2002) (MPRDA) has multiple purposes – one of which is to transform mining and production industries in South Africa. To ensure effective transformation, the MPRDA makes it compulsory for mining companies to submit a Social and Labour Plan (SLP). SLPs are entered into between the community, the mining company and the Department of Mineral Resources (DMR). One of the requirements is to assist with the development of mining communities, which typically involves a company agreeing to build infrastructure – ranging from roads and drainage systems to crèches, schools, clinics, housing, and recreational buildings – to benefit workers and communities surrounding the mine.

II. Reasons for change

Currently, section 36(11) of the Act enables mining companies to deduct certain capital expenditure in lieu of other sections in the Act. Mining companies can only deduct such capital expenditure if it relates directly to its employees, not the wider community. If, for example, a mining company builds a clinic purely to serve its employees, the mining company will be entitled to deduct the related capital expenses in equal amounts over a ten year period. If the clinic was built to serve the wider community instead, the mining company is unable in terms of the current provisions of the Act to deduct any of the capital expenditure incurred.

In particular, section 36(11)(e) of the Act makes provision for mining companies to deduct capital expenditure incurred pursuant to the MPRDA, but excluding capital expenditure incurred by mining companies in respect of infrastructure or environmental rehabilitation.

III. Proposal

To recognise the SLP requirements (of the MPRDA) for mining companies to meaningfully contribute toward community development, and because it has become practically and administratively difficult for mining companies or SARS to differentiate between whether employees or people from the wider mining community are using developmental infrastructure (for example a clinic), the following is proposed:

- a. To extend the current relief provided to mining companies (for capital expenditure incurred in respect of infrastructure for the benefit of employees) to capital expenditure incurred by mining companies on infrastructure in terms of the SLP requirements of the MPRDA, for the benefit of the people living in mining communities (other than employees).
- b. To be eligible for the capital expenditure deduction, the infrastructure erected or developed by the mining company should reflect what was agreed to between the mining company and the DMR in terms of SLP requirements of the MPRDA.
- c. The DMR will improve effective monitoring and oversight of such plans and the Tax Administration Act allows SARS to request the SLP and associated annual reports.
- d. That current ten year period for deductions applicable to mining companies in respect of capital expenditure incurred on infrastructure for the benefit of employees be applicable in respect of capital infrastructure expenditure incurred by mining companies in terms of the SLP requirements of the MPRDA. The primary rationale for using the same time period for deductions is simplicity as it is often the case that a clinic or road will be used by both employees and the wider community. Having different write-off periods will create unnecessary complexity in determining the use ratio of employees and community members.

IV. Effective date

The proposed amendments will be effective for years of assessments commencing on or after 1 April 2017.

4.11. TAX EXEMPTION OF PUBLIC BENEFIT ORGANISATIONS PROVIDING INDUSTRY BASED EDUCATION AND TRAINING ACTIVITIES

[Applicable provision: Part I of the Ninth Schedule to the Act]

I. Background

The Act contains provisions in sections 10(1)(cN) and 30, and the Ninth Schedule that provide exemption for public benefit organisations if they meet certain requirements as set out in the Act, including the carrying on of public benefit activities. Paragraph (a) of the definition of public benefit activities refers to activities listed in Part 1 of the Ninth Schedule. In turn, paragraph 4 of

Part I of the Ninth Schedule lists qualifying education and development public benefit activities. Tax exemption is not automatic and public benefit organisation must still apply to SARS in order to obtain the tax exemption status.

II. Reasons for change

It has come to Government's attention that certain industries establish special associations to promote the common interest of members in that particular industry or profession. These associations also provide training to employees of that particular industry as well as implementing industry based standards. The associations also develop certification schemes for employees working in that specific industry in line with best international practice. The main source of funding is derived from training courses and other related income which is analogous to tuition fees received by a University. Industry based associations such as these are directed by the requirements of the industry and are linked for accreditation to the Quality Council for Trades and Occupations (QCTO).

Although the principal object of these associations is to carry on educational and training activities for the benefits and needs of the public, these associations do not qualify for tax exemption as they do not meet the requirements set out in sections 10(1)(cN) and 30, and paragraph 4 (dealing with exemption of education and development) in Part 1 of the Ninth Schedule.

III. Proposal

In order to encourage the industry to provide education and development, which play a key role in increasing not only more skilled individuals in the workplace but also to the poor and needy persons who seek cost effective/affordable quality industry based education and training, it is proposed that amendments be made in the Act to extend the list of public benefit activities qualifying public benefit organisations for tax exemption to education and training activities to benefit industry based training organisations.

It is therefore proposed that:

- a. receipts and accruals of industry based public benefit associations providing education and training programmes and courses for the development of persons or employees in that particular industry be exempt from normal taxation by including the activities performed by them under "Education and Development" in paragraph 4 of Part I of the Ninth Schedule to the Act provided that those qualifications are compatible with the type of qualifications in the Quality Council for Trades and Occupations.
- b. Receipts and accruals of industry based public benefit associations administering examination and providing certification programmes for the benefit of that particular industry be exempt from normal taxation by including the activities performed by them under "Education and Development" in paragraph 4 of Part I of the Ninth Schedule to the Act, provided that that association is accredited to conduct those activities by the South African National Accreditation System (SANAS), South Africa's member of the International Accreditation Forum.

IV. Effective date

The proposed amendments will come into operation on the date of promulgation of the Taxation Laws Amendment Act of 2016.

5. INCOME TAX: INTERNATIONAL

5.1. REPEAL OF THE WITHHOLDING TAX ON SERVICES FEES REGIME

[Applicable provisions: Part IVC of Chapter II and Sections 51A to 51H of the Act]

I. Background

In the 2013 Budget Speech, the Minister announced and introduced a withholding tax on cross-border services. This withholding tax is a final tax in respect of fees payable by a resident to a non-resident for technical, management and consulting services rendered by that non-resident to a resident. The main aim of the introduction of this withholding tax was to identify and collect revenue from non-resident taxpayers who provide technical, management or consulting services and earned fee income from a South African source. It was also aimed at preventing the potential for the erosion of the South African tax base.

The tax rate for the withholding tax on services is 15 per cent of the gross amount of fees paid to a non-resident (subject to tax treaty relief). The liability to withhold the tax is with the payor of the service fees to or for the benefit of the non-resident taxpayer.

II. Reasons for change

In June 2015, SARS issued a draft public notice listing a reportable arrangement in terms of section 35(2) of the Tax Administration Act, 2011 for public comment. This dealt with arrangements in terms of which certain service fees are paid by a resident to a non-resident. On 3 February 2016, SARS issued in Notice 140 of the Government Gazette no 39650 a revised list of reportable arrangements. According to this Notice an arrangement for the rendering of consultancy, construction, engineering, installation, logistical, managerial, supervisory, technical or training services to a South African resident or a non-resident having a permanent establishment in South Africa, in terms of which arrangement a non-resident was, is, or is anticipated to be physically present in South Africa in connection with or for purposes of rendering the services and the expenditure incurred or to be incurred in respect of the services exceeds or is anticipated to exceed R10 million, is a reportable arrangement in terms of the Tax Administration Act provided that it does not qualify as 'remuneration' for employees' tax purposes.

If the reportable arrangement regime were to be applied concurrently with the withholding tax on services regime, it would have resulted in additional administrative functions for SARS and a compliance burden for taxpayers. The two regimes are virtually aimed at achieving the same goal (i.e. identifying and collecting revenue from non-resident taxpayers who provide technical, management or consulting services).

Further, concerns have been raised that the application of withholding tax on services regime will give rise to uncertainty on the application of domestic tax law and limited revenue due to limited taxing rights under tax treaties.

III. Proposal

In view of the above, it is proposed that the withholding tax on services be repealed from the Act. Therefore, payment of certain service fees by South African residents to non-residents will now be dealt with under the provisions of Reportable Arrangements in the Tax Administration Act.

IV. Effective date

The proposed amendments will be effective to all service fees that are paid or that become due and payable on or after 1 January 2017.

5.2. EXEMPTION OF COLLECTIVE INVESTMENT SCHEMES IN SECURITIES FROM CONTROLLED FOREIGN COMPANIES RULES

[Applicable provision: Section 9D of the Act]

I. Background

A. Controlled Foreign Companies

The South African tax system has controlled foreign company (CFC) rules that are anti-avoidance rules generally aimed at preventing South African residents from shifting tainted forms of taxable income offshore by investing through CFCs. The CFC rules make provision for the net income of a CFC to be attributed and included in the income of South African shareholders.

Section 9D of the Act defines a CFC as any foreign company where more than 50 per cent of the total participation rights in that foreign company are directly or indirectly held, or more than 50 per cent of the voting rights in that foreign company are directly or indirectly exercisable, by one or more persons that are residents other than persons that are headquarter companies. Section 1 of the Act defines a foreign company as any company which is not a resident. In turn, the definition of a company in section 1 of the Act includes portfolios of foreign collective investment schemes in securities.

The amount of income which is included in the net income of a CFC is subject to various exemptions such as the foreign business establishment, high-tax and related party exemptions. These exemptions seek to strike a balance between protecting the tax base and the need for South African multinational entities to be competitive.

B. Collective Investment Schemes and Securities

Paragraph (e)(ii) of the definition of a company in section 1(1) of the Act includes any portfolio of a foreign collective investment scheme that is comparable to a portfolio of a collective investment scheme in participation bonds or a portfolio of a collective investment scheme in

pursuance of any arrangement in terms of which members of the public are invited or permitted to contribute or hold participatory interest in that portfolio through shares, units or any other form of participatory interest.

A collective investment scheme is an investment vehicle used by investment managers to pool investors' funds to enable them to access investments which they might not otherwise be able to access in their individual capacities. In South Africa, collective investment schemes are generally established as vesting trusts, with investors in such schemes being the beneficiaries of the trust. The assets of a collective investment scheme portfolio are held by the trustees on behalf of the holders of participatory interests. The taxation of these vesting trusts holders of and participatory interests is regulated by section 25BA. These collective investment schemes are regulated by the Collective Investment Schemes Control Act. No 45 of 2002.

II. Reasons for change

When funds are invested in a collective investment scheme in securities portfolio, an investor acquires a portion of the participatory interests in the total collective investment scheme in securities portfolio. In turn, investors get to share the risks and benefits of their investment in a collective investment scheme in securities in proportion to the participatory interests in that scheme.

At issue is the application of the CFC rules in cases where the South African collective investment scheme in securities invests in a global fund, which is a foreign fund. Concerns have been raised that as South African collective investment schemes in securities invest in a global fund, South African collective investment schemes in securities should be considered to be the direct holders of the participation rights in that global fund. On the other hand, there is an argument that as South African collective investment schemes in securities are established as vesting trusts, the units in the global fund are beneficially owned by the investors in the South African collective investment schemes in securities in proportion to their effective interests in such global fund.

In addition, there is uncertainty as to whether the global fund is comparable to a portfolio of collective investment scheme in securities as envisaged in the above-mentioned paragraph (e) (ii) of the definition of a company of section 1(1) of the Act.

More specifically, the uncertainty arises in the determination of whether:

- a. the global fund can be regarded as a CFC;
- b. a South African collective investment scheme or investors in a South African collective investment scheme in securities should be treated as holders of the participation rights in that global fund;
- c. as South African collective investment scheme in securities or investors in a South African collective investment scheme in securities should be considered to directly or indirectly exercise voting rights in that global fund.

III. Proposal

In order to eliminate the uncertainty and potential double taxation described above, it is proposed that:

- a. South African collective investment schemes in securities investing in a global fund should be excluded from applying the CFC rules (section 9D) to investments made in that global fund;
- b. a South African collective investment schemes in securities are established as vesting trusts, the conduit principle should apply when South African collective investment schemes in securities invest in a global fund and that tax should ultimately arise in the hands of investors in the South African collective investment schemes in securities in proportion to their effective interests in such global fund.

IV. Effective date

The proposed amendments will apply in respect of years of assessment commencing on or after 1 January 2017.

5.3. EXTENDING THE BAD DEBT DEDUCTION RULE TO EXCHANGE DIFFERENCES ARISING ON FOREIGN CURRENCY DENOMINATED LOAN

[Applicable provision: Section 11(i) of the Act]

I. Background

Section 11(i) of the Act permits a deduction of the amount of any debt due to the taxpayer to the extent that such debt has become bad during the year of assessment. However, In order to get the deduction under section 11(i) of the Act, the amount of the debt in question must have been included in that taxpayer's income either in the current year or previous year of assessment. The determination as to whether a debt is bad must be made at the time that the debt is claimed as bad.

II. Reasons for change

Currently, exchange differences arising on a foreign currency denominated loan by a South African taxpayer, who is not a money-lender to another person are taken into account in the determination of a taxable income as either an inclusion or deduction.

However, where that loan becomes bad, a taxpayer is not allowed to claim a deduction in terms of section 11(a) of the Act in relation to the exchange gains that were included in the income. The loss reflects a loss of fixed capital rather than floating capital. Further, a taxpayer is not allowed to claim a deduction under section 11(i) of the Act because the amount of the debt, being the foreign currency denominated amount, was not included in income. Consequently, the current tax provisions do not give a taxpayer any relief in relation to irrecoverable amounts on which it has been subjected to tax.

III. Proposal

In order to provide relief in relation to exchange differences that are included in taxable income, it is proposed that the provisions of section 11(i) of the Act be extended to apply to any exchange difference in respect of a debt that has been included in income during the year of assessment.

IV. Effective date

The proposed amendments will apply in respect of the years of assessment ending on 1 January 2017

5.4. INTEREST WITHHOLDING TAX WHERE INTEREST IS WRITTEN- OFF

[Applicable provisions: Part IVB of Chapter II of the Act: Sections 50G of the Act]

I. Background

On 1 March 2015 a new withholding tax on interest was introduced. The withholding tax on interest applies in respect of interest paid by a South African resident to or for the benefit of any foreign person to the extent that the interest is from a South African source. The withholding tax is levied at a final withholding tax rate of 15 per cent of the amount of the interest paid to a foreign person. However, the withholding tax is subject to some exemptions.

The withholding tax on interest rules have deeming provisions and deems interest to be paid on the earlier of the date on which the interest is paid or becomes due and payable.

II. Reasons for change

In circumstances where interest withholding tax is paid on interest that becomes due and payable, but the interest is subsequently written-off as irrecoverable, there is no mechanism for SARS to refund the interest withholding tax already paid. For example, if a foreign person provides unsecured interest-bearing loan to a South African resident, withholding tax on interest is paid on interest that accrues to that foreign person monthly on the basis that the interest becomes due and payable monthly. The interest is for the purposes of determining the withholding tax on interest liability therefore deemed to have been paid.

It has come to our attention that based on the nature of the debt and the profile of the lenders, a high level of default on interest payments is experienced, with the result that a large portion of the accrued interest is written-off monthly as irrecoverable. Due to the application of the deeming provisions that deem interest to be paid on the earlier of the date on which the interest is paid or becomes due and payable, interest withholding tax is suffered on interest that has not been paid and will never be paid without there being any mechanism available to the foreign person to obtain relief for the withholding tax suffered. This is in contrast to the more equitable approach in respect of income tax where, if the foreign person had been a taxpayer in South Africa, that foreign person would have paid income tax on accrued interest. However, the foreign person would have been able to claim a deduction in terms of section 11(i) of the Act in respect of any irrecoverable interest.

III. Proposal

In order to provide relief in cases where interest withholding tax is paid on interest that becomes due and payable, but interest is subsequently written-off as irrecoverable, it is proposed that interest that is subject to withholding tax on interest monthly will be interest that accrues to the foreign person in a particular month excluding any interest which becomes irrecoverable in the same month, to the extent that the interest withholding tax was paid in respect of such irrecoverable interest.

IV. Effective date

The proposed amendment will be effective for years of assessment commencing on or after 1 March 2015.

5.5. ADJUSTING THE CALCULATION FOR HIGH TAX EXEMPTION IN RESPECT OF CONTROLLED FOREIGN COMPANIES

[Applicable provisions: Section 9D(2A) of the Act]

I. Background

The 2009 tax legislative amendments introduced the CFC high-tax exemption. The purpose of the exemption is to disregard tainted CFC income, if little or no South African tax was at stake after taking into account the South African tax rebates.

The CFC will qualify for the high-tax exemption if its net income as an aggregate is subject to foreign tax of at least 75 per cent of the amount of normal tax that would have been imposed had that CFC been fully taxed in South Africa.

The high-tax exemption is based on a calculation of a hypothetical amount of the global level foreign taxes imposed by all foreign spheres of government. The global foreign tax is calculated after disregarding foreign tax carryover and carry-back losses as well as group losses.

II. Reasons for change

Generally, the income tax does not allow foreign tax rebate on notional taxable income. However, in the calculation of the hypothetical amount of foreign taxes some CFCs within a group of companies that are in a loss making position benefit from the high tax exemption. This creates an anomaly because in these circumstances, no foreign tax is actually paid or payable by the CFC.

Example:

Facts

SA Company, Co A owns all the shares in CFC 1, CFC 2 and CFC3 and CFC 4. All these four CFC's are resident in country Y. CFC 1 generates a loss of \$ 100, CFC 2 generates a loss of \$ 200, CFC 3 generates income of \$ 1500 and CFC 4 generates a loss of \$ 5000.

Result in Country Y

Country Y has group taxation provisions and the group of companies gets treated as a single entity for tax purposes, which is referred to as a fiscal unity. The result is that the profit of CFC3 will be offset with the losses of the three CFC's resulting in an overall loss of \$ 3800. As a result, the fiscal unity does not get to pay any tax in country Y.

Result in South Africa

In terms of SA tax law, the net income of CFC 3 will be translated to a rand amount in order to be imputed into South African resident, Co A's income. The high tax exemption calculation will then be performed in order to establish as to whether the income is exempt from imputation or not. The actual foreign tax imposed in country Y is at a rate of 25%.

The comparison will be as follows:

Net Income of CFC 3 - \$1500 x 15 exchange rate = R22 500
 Tax deemed to be payable in county Y - R22 500 x 25% = R5 625
 SA Tax payable as if the CFC was a SA resident – R22 500 x 28%= 6300
 High tax exemption calculation =R5 625/R6 300 = 89%

Because the 89% is more than the 75% the R22 500 will be exempt from imputation.

The anomaly then arises because CFC 3 did not pay any tax in country Y as a result of the overall group loss. However in performing the high tax exemption, a notional tax of R5 625 is calculated as though the CFC paid tax in its country of resident.

In the absence of the high tax exemption no section 6quat tax rebate would have been granted to the controlled foreign company.

III. Proposal

In view of the above, it is proposed that the adjustment for foreign group losses be withdrawn in the determination of foreign tax for high tax exemption purposes.

IV. Effective date

The proposed amendments will come into effect on 1 January 2017

5.6. TAX EXEMPTION OF MULTILATERAL DEVELOPMENT FINANCIAL INSTITUTIONS

[Applicable provisions: New section 10(1)(bC) and sections 50A and 50D of the Act]

I. Background

After 1994, South Africa became a signatory to a number of agreements with multilateral development financial institutions. In this context, a multilateral development financial institution refers to a financial institution created by a group of countries that provides financing and professional advice for the purpose of development.

These institutions have large memberships including both developed donor countries and developing borrower countries. They finance projects in the form of long-term loans at market rates, very-long-term loans (also known as credits) below market rates, and through grants.

Multilateral development institutions provide financial assistance to developing countries in order to promote economic and social development. They primarily fund large infrastructure and other development projects and provide loans tied to policy reforms by the government.

In particular, the multilateral development financial institutions which South Africa has signed agreements with include the following; the World Bank, the International Monetary Fund, the African Development Bank, the European Investment Bank, the African Export-Import Bank and the New Development Bank (formerly known as the BRICS Development Bank). The agreements with these institutions provide for blanket exemptions from all taxes, including income tax, withholding taxes on interest and dividends, value added tax and capital gains tax.

Further, these institutions are also granted diplomatic immunity status in terms of the Diplomatic Immunities and Privileges Act 37, 2001 which gives the Minister of International Relations and Cooperation the power to, *inter alia*, grant immunities and privileges to any organisation recognised by the Minister of the International Relations and Cooperation

II. Reasons for change

Currently, section 10(1)(bA) of the Act makes provision for exemption from income tax in respect of all receipts or accruals of any institution or body established by a foreign government to the extent that that body or institution is appointed by that government to perform its functions in terms of an official development assistance agreement that is binding in terms of section 231(3) of the Constitution of the Republic of South Africa, 1996 (the Constitution). In addition, such official development assistance agreement must provide that the receipts and accruals of that institution or body are exempt from normal tax. This exemption is also extended to apply to multinational organisations providing foreign donor funding in terms of the official development assistance agreement that is binding in terms of the Constitution.

There is a disconnect between the current tax exemption provisions of the Act and the articles dealing with the tax treatment of these multilateral development financial institutions in the agreements signed by South Africa with these institutions. While these agreements provide for exemption of these multilateral development financial institutions from all taxes, the Act does not have a specific provision enabling the tax exemption of these multilateral developmental financial institutions.

Section 10(1)(bA) of the Act does not cover these multilateral development financial institutions because the application of the provisions of section 10(1)(bA) of the Act is limited only to institutions or bodies appointed by foreign governments to perform functions of such foreign government in South Africa in terms of an official development assistance agreement or to multinational organisation providing foreign donor funding in South Africa in terms of an official assistance development assistance agreement. On the other hand, the agreements signed by South Africa with these multilateral development financial institutions are not regarded as official development assistance agreements, hence they don't qualify for tax exemption in terms of the current provisions of section 10(1)(bA) of the Act.

The disconnect between the current tax exemption provisions of the Act and the articles dealing with the tax treatment of these multilateral development financial institutions in the agreements signed by South Africa with these institutions also extends to withholding tax on interest, that was introduced on 1 March 2015. According to these agreements, interest paid by South African residents to these multilateral development financial institutions is exempt from withholding tax

on interest; however, the Act does not make specific provision for similar exemption in respect of withholding tax on interest.

III. Proposal

In order to take into account the spirit of these multilateral development financial institution agreements and in order to eliminate any potential confusion regarding the tax exemption status of these multilateral development financial institutions, the following is proposed:

- a. the current income tax exemption applicable to institutions or bodies appointed by foreign government to perform functions in South Africa in terms of an official development assistance agreement or to multinational organisations providing foreign donor funding in South Africa in terms of an official assistance development assistance agreement, be extended to apply only to the following multilateral development financial institutions that South Africa has signed agreements with, namely, the World Bank, the International Monetary Fund, the African Development Bank, the European Investment Bank, the African Export-Import Bank and the New Development Bank.
- b. In view of the fact that the main aim of these multilateral development financial institutions is to provide finance to specified projects in terms of the agreement signed with South Africa, it is proposed that interest paid by South African residents to the multilateral development financial institutions in terms of the agreement should be exempt from withholding tax on interest. The withholding tax on interest exemption will only apply to the following multilateral developmental financial institutions that South Africa has signed agreements with, namely, the World Bank, the International Monetary Fund, the African Development Bank, the European Investment Bank, the African Export-Import Bank and the New Development Bank.

IV. Effective date

With regard to the proposed amendment in respect of income tax exemption on receipts or accruals of the listed multilateral development financial institutions that South Africa has signed agreements with, it is proposed that the amendment will come into effect on the date of promulgation of the Taxation Laws Amendment Act, 2016.

On the other hand, with regard the proposed amendment in respect of withholding tax on interest exemption in respect of interest paid by South African residents to the listed multilateral development financial institutions that South Africa has signed agreements with, it is proposed that the amendment is deemed to have come into operation on 1 March 2015 and applies in respect of income and/or interest that is paid or becomes due and payable on or after that date.

5.7. CLARIFYING THE NON-APPLICATION OF THE RE-ORGANISATION RULES TO DEFERRED EXCHANGE GAINS AND LOSSES

[Applicable provisions: Sections 24I(10A) and 41(2) of the Act]

I. Background

For income tax purposes, gains and losses in respect of exchange items in foreign currency (i.e. a unit of currency, debt, forward exchange contracts and foreign currency option contracts) are

governed by special rules. These rules annually account for the unrealised gains and losses in respect of exchange items in the income of the taxpayer. However, specific rules exist for the tax treatment of exchange differences arising from exchange items entered into between related parties. Exchange differences in respect of related-company exchange items are not taken into account in the income of the taxpayer on an annual basis. These exchange differences are deferred until the exchange item is realised (i.e. settled).

Since 2001, the Act has catered for the tax-free transfer of assets through the corporate reorganisation rules. The objective of these rules is to facilitate transactions between companies in the same economic unit by ensuring that the transactions inherent in any restructuring occur on a tax neutral basis. This is achieved mainly by allowing for rollover of the gains and losses that typically arise upon the disposal of assets (i.e. normal tax and capital gains tax). Invariably, the potential gains and losses from the disposal of assets are not triggered because the provisions seek to put the transferee in the same shoes as the transferor by deeming them to be one and the same person.

II. Reasons for change

The specific rules dealing with exchange differences between related parties envisage that any deferred exchange gains or losses will be recognised in the income of a taxpayer when the exchange item to which they relate is realised. However, it has come to Government's attention that when an exchange item is realised through its transfer using the reorganisation rules, the intended trigger for the recognition of the deferred exchange differences may not be achieved when applying the provisions of the reorganisation rules, which deem the transferor and the transferee to be one and the same person.

It was never intended that the exchange differences between related parties should be deferred through the use of the reorganisation rules. This treatment would be in line with that of accrued or incurred interest in respect of debt instruments that are transferred to a transferee under the reorganisation rules. The accrued and incurred amounts of interest are never rolled-over to the transferee. Similar consequences were intended for exchange differences, irrespective of whether they arise in respect of exchange items between related parties or not.

III. Proposal

It is proposed that the current rules governing deferred exchange gains and losses in respect of exchange items between related parties should not be transferred to transferee companies as a result of the application of the roll-over provisions. This will result in the deferred exchange gains and losses being included in or deducted from the income of the transferor of any exchange item to which they relate on the date that the reorganisation transaction is entered into and the exchange items are realised from the perspective of the transferor.

IV. Effective date

The proposed amendments will come into effect on 1 January 2017 and applies in respect of transactions under Part III of Chapter II of the Act concluded on or after that date

6. VALUE ADDED TAX

6.1. REVISION OF THE 2014 AMENDMENT RELATING TO NOTIONAL INPUT TAX ON GOODS CONTAINING GOLD

[Applicable provisions: Section 1(1) of the Value-Added Tax Act of 1991 (VAT Act) – proviso (ii) of the definition of “second-hand goods”]

I. Background

In 2014, changes were made in the VAT Act to amend the definition of “*second-hand goods*” to specifically exclude “gold” and “goods containing gold” from the definition and thereby denying the notional input tax credit on these goods. The policy rationale for the 2014 amendments was to curb fraudulent notional input tax deductions on the acquisition of gold and gold jewellery. The amendment was not intended to have a negative impact on legitimate transactions within the second-hand goods industry.

II. Reasons for change

Concerns have been raised that the 2014 amendments have led to unintended consequences whereby the notional input tax credit on all goods containing gold is denied to vendors that are dealers in second-hand goods. The denial applies where those goods which were acquired are sold either exactly as they were acquired or with minor modifications to make them suitable for resale in essentially the same state, irrespective of whether the gold content is substantial or negligible.

At issue is, for example, when a second-hand dealer purchases a computer from a non-vendor, based on the 2014 amendments, the notional input tax credit is denied because some of the components in the computer contain an element of gold. Another example is when a second-hand dealer purchases an expensive watch from a non-vendor, the notional input tax credit is denied because the watch contains a certain amount of gold. There is an argument that the value of the gold content on the above-mentioned items, i.e. computer and watch, are insignificant compared to the intrinsic value of the items itself. The values of the computer and watch are to a large extent based on the mechanism, the design and the make which are the main intentions for trading with these items, and not the presence of a small fraction of gold in these items.

III. Proposal

In order to address the above-mentioned unintended consequences, it is proposed that the 2014 amendments be revised. In this regard it is proposed that, paragraph (ii) of the definition of “second-hand goods” in section 1(1) of the VAT Act be amended to allow the deduction of the notional input tax credit on goods containing gold, provided that the goods are sold in the same or substantially the same state as when those goods were acquired.

IV. Effective date

The proposed amendments will come into effect from 1 April 2017.

6.2. ALLOWING MUNICIPAL ENTITIES TO ACCOUNT FOR VAT ON THE PAYMENT BASIS WHERE THE SUPPLY IS R100 000

[Applicable provision: Section 15(2A) of the VAT Act]

I. Background

The VAT Act makes provision for certain persons, including public authorities and municipalities to register and pay VAT on a payments basis. The provisions of the VAT Act require those vendors who are registered on the payments basis to account for VAT on the invoice basis in respect of any supply where the consideration is R100 000 or more. However, only public authorities and municipalities are allowed to deviate from this rule and account for VAT on the payments basis on supplies where the consideration is R100 000 or more.

II. Reasons for change

Municipal entities (envisaged in section 15(2)(a)(iv) of the VAT Act) render services similar to municipalities and are regulated under the Municipal Systems Act and the Municipal Finance Management Act. Therefore, there is no policy rationale not to extend the same dispensation, currently available to public authorities and municipalities, to municipal entities.

III. Proposal

It is therefore proposed that section 15(2A) of the VAT Act be amended to allow municipal entities, referred to in section 15(2)(a)(iv) of the VAT Act, to account for VAT on the payment basis in respect of any supply where the consideration is R100 000 or more.

IV. Effective date

The proposed amendments will come into effect from 1 April 2017.

6.3. VAT EXEMPTION IN RESPECT OF IMPORTED GOODS THAT ARE LOST, DESTROYED OR DAMAGED THROUGH NATURAL DISASTERS

[Applicable provision: Schedule 1 of the VAT Act]

I. Background

In terms of Schedule 4 of the Customs and Excise Act, a taxpayer is exempt from paying customs duty and fuel levy (if applicable) on the importation of goods if those goods are subsequently lost, destroyed or damaged through natural disasters or under such circumstances as the Commissioner deems exceptional.

This relief is applicable to circumstances where the customs duty amount and the fuel levy (if applicable) is not less than R2500 on any single occasion while such goods are in any customs and excise warehouse, in any appointed transit shed, under the control of the Commissioner, being removed with deferment of payment of duty, under rebate of duty from a place in the Republic to any other place in terms of the provisions of the Customs and Excise Act or being stored in any rebate storeroom (subject to certain provisos, including that the goods did not enter into home consumption).

II. Reasons for change

At issue is the fact that the VAT Act does not have an exemption similar to Schedule 4 of the Customs and Excise Act, in respect of goods that are imported, if those goods, after importation and before being entered for home consumption, are lost, destroyed or damaged through natural disasters or under such circumstances as the Commissioner deems exceptional. This creates uncertainty in the interpretation and application of both the provisions of the Customs and Excise and the VAT Acts.

III. Proposal

In order to remove the ambiguity and provide certainty, it is proposed that Schedule 1 of the VAT Act be aligned to Schedule 4 of the Customs and Excise Act by introducing an exemption from the tax imposed in terms of section 7(1)(b) of the VAT Act, where those goods are lost, destroyed or damaged through natural disasters or under such circumstances as the Commissioner deems exceptional, as contemplated in the Customs And Excise Act, provided that such goods have not yet been entered for home consumption.

IV. Effective date

The proposed amendments will come into effect from 1 April 2017.

7. CLAUSE BY CLAUSE

CLAUSE 1

Transfer Duty: Amendment to section 2

Sub-clause (a): The proposed amendment aligns the tax charging provisions of all the tax Acts.

Sub-clause (b): The proposed amendment aligns the tax charging provisions of all the tax Acts.

CLAUSE 2

Estate Duty: Amendment to section 4A

The proposed amendment gives SARS the ability to request additional documentation in support of the unutilised abatement allowance between spouses for purposes of calculating the dutiable amount of an estate.

CLAUSE 3

Estate Duty: Amendment to section 11

The proposed amendment is consequential and deletes subparagraph (iA) of paragraph (b). This subparagraph (iA) still makes reference to section 3(3)(a)*bis* which was deleted with effect from 2009.

CLAUSE 4

Estate Duty: Amendment to the First Schedule

Sub-clause (a): The proposed amendment aligns the tax charging provisions of all the tax Acts.

Sub-clause (b): The proposed amendment aligns the tax charging provisions of all the tax Acts.

CLAUSE 5

Income Tax: Amendment to section 1

Sub-clause (a): Definition of paragraph (bA) of “connected person” – The proposed amendment deletes the word “includes” in paragraph (bA) of the definition of “connected person” as a matter of style and consistency.

Sub-clause (b): Definition paragraph (c) of “gross income” – The proposed amendment clarifies that amounts referred to in sections 8B and 8C are specifically excluded in paragraph (c) of the definition of “gross income” so as to avoid possible scenario of double taxation.

Sub-clause (c): Definition of paragraph (eA) of “gross income” – The proposed amendment is consequential and related to the retirement reforms to include amounts referred to in paragraph

(d) of the definition of “pension fund” as well as paragraph (b) or (c) of the definition of “provident fund” in paragraph (eA) the definition of “gross income”.

Sub-clause (d): Insertion of new paragraph (IC) of the definition of “gross income” – See notes on **CLARIFYING THE TAX TREATMENT OF GOVERNMENT GRANTS**

Sub-clause (e): Definition of “identical share” – See notes on **REVIEW OF TAX IMPLICATIONS ON OUTRIGHT TRANSFER OF COLLATERAL PROVISIONS**

Sub-clause (f): Definition of “pension preservation fund” – The proposed amendment in subparagraph (i) of paragraph (b) of the proviso to the definition of “pension preservation fund” proposes to standardise reference to the Pension Funds Act in the Income Tax Act.

Sub-clause (g): Definition of “remuneration proxy” – The proposed amendment clarifies that for purposes of definition of remuneration proxy, the cash equivalent value contemplated in paragraph 9(3) of the Seventh Schedule of the Income Tax Act is only excluded in the application of paragraph 9 of the Seventh Schedule.

Sub-clause (h): Definition of “retirement annuity fund” – See notes on **INCLUSION OF EMIGRATION FOR EXCHANGE CONTROL PURPOSES REQUIREMENT FOR OF WITHDRAWAL FROM RETIREMENT FUNDS BY RESIDENTS**

CLAUSE 6

Income Tax: Amendment to section 5

Sub-clause (a): The proposed amendment aligns the tax charging provisions of all the tax Acts.

Sub-clause (b): The proposed amendment is consequential and deletes now obsolete provisions of subsection (7) due to the amendment to align the tax charging provisions of the all tax Acts.

CLAUSE 7

Income Tax: Amendment to section 6

The proposed amendment corrects a grammatical error and changes the word “shall” to “must”.

CLAUSE 8

Income Tax: Amendment to section 6A

The proposed amendment seeks to correct the anomaly by aligning the opening wording in subsection (1) dealing with medical tax credit provision with the opening wording in section 6 (1) dealing with normal tax rebates.

CLAUSE 9

Income Tax: Amendment to section 6B

The proposed amendment seeks to correct the anomaly by aligning the wording in subsection (2) dealing with additional medical expenses tax credit provision with the opening wording in section 6 (1) dealing with normal tax rebates.

CLAUSE 10

Income Tax: Amendment to section 6*quat*

Sub-clause (a): The proposed amendment seeks to correct the anomaly by aligning the wording in subsection (1)(f) dealing with rebate or deduction in respect of foreign taxes on income with the opening wording in section 6 (1) dealing with normal tax rebates.

Sub-clause (b): The proposed amendments clarify that amounts deducted in terms of subsection (1C)(b) are deducted from income, and any refunds received or amounts discharged for deductions allowed under subsection (1C)(b) should not be deemed to be an amount of normal tax payable but must be deemed to be an amount of income recovered or recouped under section 8(4)(a).

CLAUSE 11

Income Tax: Amendment to section 7A

The proposed amendment to the definition of “salary” deletes reference to subsection (4) as this subsection was deleted in 1991.

CLAUSE 12

Income Tax: Insertion of new section 7C

See notes on **INTRODUCING MEASURES TO PREVENT ESTATE DUTY AND DONATIONS TAX AVOIDANCE THROUGH TRANSFER OF ASSETS TO A TRUST USING INTEREST FREE LOANS**

CLAUSE 13

Income Tax: Amendment of section 8C

See notes on **ADDRESSING THE CIRCUMVENTION OF RULES DEALING WITH EMPLOYEE BASED SHARE INCENTIVE SCHEMES**

CLAUSE 14

Income Tax: Insertion of new section 8CA

See notes on **ADDRESSING THE CIRCUMVENTION OF RULES DEALING WITH EMPLOYEE BASED SHARE INCENTIVE SCHEMES**

CLAUSE 15

Income Tax: Amendment of section 8E

Sub-clause (a): Proposed amendment of the definition of “hybrid equity instrument” in subsection (1) - See notes on **ADDRESSING CIRCUMVENTION OF ANTI AVOIDANCE RULES DEALING WITH THIRD PARTY BACKED SHARES**

Sub-clause (b): Proposed insertion of new subsection (2A) - See notes on **REFINEMENT OF THIRD-PARTY BACKED SHARES: PRE-2012 LEGITIMATE TRANSACTIONS**

CLAUSE 16

Income Tax: Amendment of section 8EA

Sub-clause (a): Proposed amendment of the definition of “preference share” in subsection (1) - See notes on **ADDRESSING CIRCUMVENTION OF ANTI AVOIDANCE RULES DEALING WITH THIRD PARTY BACKED SHARES**

Sub-clause (b): Proposed insertion of new subsection (2A) - See notes on **REFINEMENT OF THIRD-PARTY BACKED SHARES: PRE-2012 LEGITIMATE TRANSACTIONS**

CLAUSE 17

Income Tax: Amendment of section 8F

Sub-clause (a): Proposed amendment of the definition of “hybrid debt instrument” in subsection (1) - See notes on **HYBRID DEBT INSTRUMENTS SUBJECT TO SUBORDINATION AGREEMENTS**

Sub-clause (b): Proposed amendment of the definition of “instrument” in subsection (1) - See notes on **CROSS-BORDER HYBRID DEBT INSTRUMENTS**

Sub-clause (c): Proposed insertion of the definition of “third-party backed instrument” in subsection (1) - The definition of third party backed instrument is inserted to align the proposed exclusion of third party backed shares from the re-characterisation rule in sections 8F and 8FA.

Sub-clause (d): Proposed amendment to subsection (2) - See notes on **HYBRID DEBT INSTRUMENTS SUBJECT TO SUBORDINATION AGREEMENTS**

Sub-clause (e): Proposed amendments to subsections (3)(c)(i) & (ii) correct referencing to the Short-term Insurance Act and Long-term Insurance Act..

Sub-clause (f) Proposed insertion of new subsection (3)(e) – The proposed amendment excludes third party backed instrument from the application of this section to ensure that the re-characterisation rule available in section 8EA that re-characterises dividends to income applies to instruments that meet the definition of third party backed instruments, despite any attempt by a taxpayer to avoid such characterisation by using the provisions of section 8F to retain dividends treatment for the yield of third party backed instruments as a result of the re-characterisation rule of section 8F that re-characterises interest into dividend in specie.

CLAUSE 18

Income Tax: Amendment of section 8FA

Sub-clause (a): Proposed amendment of the definition of “instrument” in subsection (1) - See notes on **CROSS-BORDER HYBRID DEBT INSTRUMENTS**

Sub-clause (b): Proposed amendments to subsections (3)(c)(i) & (ii) correct referencing to the Short-term Insurance Act and Long-term Insurance Act.

Sub-clause (c): Proposed insertion of new subsection (3)(e) – The proposed amendment excludes interest owed in respect of third party backed instrument from the application of this section to ensure that the re-characterisation rule available in section 8EA that re-characterises dividends to income applies to instruments that meet the definition of third party backed instruments, despite any attempt by a taxpayer to avoid such characterisation by using the provisions of section 8FA to retain dividends treatment for the yield of third party backed instruments as a result of the re-characterisation rule of section 8FA that re-characterises interest into dividend in specie.

CLAUSE 19

Income Tax: Amendment of section 9

Proposed amendment to subsection (2)(i) and (3) - See notes on **CLARIFYING SOURCE RULES FOR RETIREMENT ANNUITY FUNDS**

CLAUSE 20

Income Tax: Amendment of section 9C

Proposed amendment to the proviso in subsection (5) - See notes on **INTERACTION BETWEEN REITS AND SECTION 9C**

CLAUSE 21

Income Tax: Amendment of section 9D

Sub-clause (a): Proposed amendment to the proviso in subsection (2) - See notes on **EXEMPTION OF COLLECTIVE INVESTMENT SCHEMES IN SECURITIES FROM CONTROLLED FOREIGN COMPANIES RULES**

Sub-clause (b): Proposed amendment to the further proviso of paragraph (ii)(bb) of subsection (2A): See notes on **ADJUSTING THE CALCULATION FOR HIGH TAX EXEMPTION IN RESPECT OF CONTROLLED FOREIGN COMPANIES**

Sub-clause (c) Proposed deletion of subparagraph (iii) of subsection (9)(d) - See notes on **REPEAL OF THE WITHHOLDING TAX ON SERVICE FEES REGIME**

CLAUSE 22

Income Tax: Amendment of section 9H

Proposed amendments in section subsection(3)(c) and (d) remove the incorrect cross references to paragraphs (a)(i) and (a)(ii) and change them to paragraphs (a) and (b).

CLAUSE 23

Income Tax: Amendment of section 9HA

The proposed amendments in subsection (2)(a) and (2)(b)(i)&(ii) are consequential as a result of the introduction of new section 9HA in the Income Tax Act in 2015 and clarify the tax consequences for the surviving spouse regarding allowable deductions and allowances in respect of those assets (e.g. deductions and allowances in respect of mining, farming and forestry assets) as well as the subsequent capturing of any recoupments in the hands of the surviving spouse.

CLAUSE 24

Income Tax: Amendment of section 10

Sub-clause (a): Proposed insertion of new subsection (1)(bB) - See notes on **TAX EXEMPTION OF MULTILATERAL DEVELOPMENT FINANCIAL INSTITUTIONS**

Sub-clause (b): Proposed amendment to subsection (1)(gC) - See notes on **DISALLOWING THE EXEMPTION FOR A LUMP SUM, PENSION OR ANNUITY FROM A RETIREMENT FUND THAT IS LOCATED WITHIN THE REPUBLIC**

Sub-clause (c): Proposed deletion of subsection (1)(hB) - See notes on **REPEAL OF THE WITHHOLDING TAX ON SERVICE FEES REGIME**

Sub-clause (d): Proposed deletion of subsection (1)(k)(i) proviso of paragraph (dd) - See notes on **ADDRESSING THE CIRCUMVENTION OF THE RULES DEALING WITH EMPLOYEE BASED SHARE INCENTIVE SCHEMES**

Sub-clause (e): Proposed amendment of subsection (1)(k)(i) proviso of paragraph (ii) - See notes on **ADDRESSING THE CIRCUMVENTION OF THE RULES DEALING WITH EMPLOYEE BASED SHARE INCENTIVE SCHEMES**

Sub-clause (f): Proposed amendment to subsection (1)(q) in paragraph (ii) of the proviso for subparagraph (aa) - See notes on **INCREASE ON THRESHOLDS FOR EXEMPTION OF EMPLOYER PROVIDED BURSARIES**

Sub-clause (g): Proposed amendment to subsection (1)(q) in paragraph (ii)(bb)(A) of the proviso - See notes on **INCREASE ON THRESHOLDS FOR EXEMPTION OF EMPLOYER PROVIDED BURSARIES**

Sub-clause (h): Proposed amendment to subsection (1)(q) in paragraph (ii)(bb)(B) of the proviso - See notes on **INCREASE ON THRESHOLDS FOR EXEMPTION OF EMPLOYER PROVIDED BURSARIES**

Sub-clause (i): Proposed insertion on new subsection (1)(t)(xvii) - See notes on **TAX EXEMPTION OF NATIONAL HOUSING FINANCE CORPORATION**

CLAUSE 25

Income Tax: Amendment of section 10A

The proposed amendment in paragraph (c) of subsection (7) is a consequential amendment as a result of the removal of the Commissioner's discretion in order to support self-assessment for Income Tax.

CLAUSE 26

Income Tax: Amendment of section 10B

The proposed amendment to section 10B(5) clarifies that all amounts paid out of all types of previously exempt foreign dividends and amounts paid out in the form of annuity do not qualify for a foreign dividend exemption.

CLAUSE 27

Income Tax: Amendment of section 11

Sub-clause (a): Proposed insertion of new paragraph (iA) - See notes on **EXTENDING THE BAD DEBT DEDUCTION RULE TO EXCHANGE DIFFERENCES ARISING ON FOREIGN CURRENCY DENOMINATED LOAN**

Sub-clause (b): Proposed amendment in the proviso to paragraph (k) in subparagraph (aa) in paragraph (i)(bb) (B) seeks to correct the ordering rule for calculating allowable deductions in the determination of taxable income and provides that the allowable deduction in terms of section 11(k) be determined before the allowable deduction in terms of section 18A.

Sub-clause (c): Proposed insertion of new paragraph (v) to the proviso to paragraph (k) - See notes on **RETIREMENT FUND CONTRIBUTION DEDUCTION AGAINST PASSIVE INCOME**

CLAUSE 28

Income Tax: Amendment of section 11D

Proposed insertion of new subsection 20 - See notes on **PROVISION FOR EXCEPTION TO THE RESEARCH AND DEVELOPMENT (R&D) INCENTIVE PRESCRIPTION RULES**

CLAUSE 29

Income Tax: Amendment of section 12B

The proposed amendment to paragraph (c) in subsection 2 deletes an obsolete provision.

CLAUSE 30

Income Tax: Amendment of section 12E

Proposed amendment of the definition of “small business corporation” in subsection 4 - See notes on **EXTENDING THE SMALL BUSINESS CORPORATION REGIME TO PERSONAL LIABILITY COMPANIES**

CLAUSE 31

Income Tax: Amendment of section 12I

See notes on **ADDRESSING POSSIBLE ADMINISTRATIVE AND TECHNICAL ISSUES IN RESPECT OF INDUSTRIAL POLICY PROJECTS IN SECTION 12I**

CLAUSE 32

Income Tax: Amendment of section 12J

Proposed amendment to subsection (3A) - See notes on **REFINING THE ENABLING VENTURE CAPITAL REGIME FOR START-UP VENTURE CAPITAL COMPANIES**

CLAUSE 33

Income Tax: Amendment of section 12P

Sub-clause (a): The proposed amendment to the definition of “government grant” in subsection (1) inserts the word “local” to ensure that grants from all spheres of government in the Republic are considered for the section.

Sub-clause (b): Proposed amendment to subsection (2A)(b) deletes superfluous wording.

CLAUSE 34

Income Tax: Amendment of section 12R

See notes on **CLARIFYING THE TAX RATE APPLICABLE TO SMALL BUSINESS CORPORATIONS LOCATED IN SPECIAL ECONOMIC ZONES**

CLAUSE 35

Income Tax: Amendment of section 12S

Sub-clause (a): Proposed amendment to subsection (1) - See notes on **CLARIFYING THE TAX RATE APPLICABLE TO SMALL BUSINESS CORPORATIONS LOCATED IN SPECIAL ECONOMIC ZONES**

Sub-clause (b): Proposed amendment to section (8) – The proposed amendment corrects referencing to ensure that subsection (8) refers to the provisions related to Assessments in Chapter 8 and not Confidentiality of Information provisions in Chapter 6 of the Tax Administration Act.

CLAUSE 36

Income Tax: Insertion of new section 12U

See notes on **ACCELERATED CAPITAL ALLOWANCE IN RESPECT OF SUPPORTING INFRASTRUCTURE USED IN PRODUCING RENEWABLE ENERGY**

CLAUSE 37

Income Tax: Amendment of section 13

The proposed amendment in subsection (1)(f) removes reference to the Commissioner’s discretion in order to support self-assessment for Income Tax.

CLAUSE 38

Income Tax: Amendment of section 13*quat*

See notes on **URBAN DEVELOPMENT ZONES (UDZ) – ALLOWING ADDITIONAL MUNICIPALITIES TO APPLY FOR THE UDZ TAX INCENTIVE**

CLAUSE 39

Income Tax: Amendment Insertion of section 20

The proposed amendments in subsections (1)(a), (1)(b) and (2A) replaces the word “taxpayer” with the word “person” as a matter of style consistency.

CLAUSE 40

Income Tax: Amendment of section 22

Sub-clause (a): The proposed amendment in subsection (8)(b)(ii) is consequential as a result of the introduction of new section 9HA in the Income Tax Act in 2015 and clarify the tax consequences for the surviving spouse regarding allowable deductions and allowances in respect of those assets (e.g. deductions and allowances in respect of mining, farming and forestry assets) as well as the subsequent capturing of any recoupments in the hands of the surviving spouse.

Sub-clause (b): Amendment of subsection 9(c) and (d) - See notes on **REFINING THE TAX IMPLICATIONS ON OUTRIGHT TRANSFER OF COLLATERAL PROVISIONS**

CLAUSE 41

Income Tax: Amendment of section 23M

The proposed amendment to the heading of section 23M addresses the concern that many taxpayers may not be subject to tax by virtue of treaty protection and treaty relief falling outside Chapter II.

CLAUSE 42

Income Tax: Amendment of section 23N

The proposed insertion of new subsection (5) seeks to clarify that the provision of section 23N do not apply to interests accrued to REITS, long term insurer, pension fund, provident fund or short term insurer if they meet the stipulated requirements in this subsection.

CLAUSE 43

Income Tax: Amendment section 23O

Sub-clause (a): The proposed insertion of the definition of “base cost” in subsection (1) for purposes of section 23O to mean a base cost as defined for capital gains tax purposes in the Act. .

Sub-clause (b): The proposed insertion of new subsection (5) to prevent a double reduction of tax attributes in respect of expenditure funded using exempt funding from small business funding entities.

CLAUSE 44

Income Tax: Amendment of section 24J

The proposed amendment in paragraph (a) of the definition of “interest” in subsection (1) replaces the word “related” with the word “similar” to clarify the policy position that this applies to finance charges of the same kind or nature.

CLAUSE 45

Income Tax: Amendment of section 24JB

The proposed amendment in paragraph (a) of the definition of “covered person” in subsection (1) clarify the policy position that the provisions of section 24JB apply only at financial service providers as defined and does not apply to entities conducting treasury operations.

CLAUSE 46

Income Tax: Amendment of section 25

The proposed amendment in subsections (2)(a) and (4) are consequential as a result of the introduction of new section 9HA in the Income Tax Act in 2015 and clarify the tax consequences for the surviving spouse regarding allowable deductions and allowances in respect of those assets (e.g. deductions and allowances in respect of mining, farming and forestry assets) as well as the subsequent capturing of any recoupments in the hands of the surviving spouse.

CLAUSE 47

Income Tax: Amendment of section 25BB

Sub-clause (a): Proposed amendment to the definition of “qualifying distribution” in subsection (10) corrects punctuation.

Sub-clause (b): Proposed insertion of new paragraph (e) in the definition of “rental income” in subsection (1) - See notes on **TAX TREATMENT OF REITS - QUALIFYING DISTRIBUTION RULE**

Sub-clause (c): The proposed amendment in subsection (2A) for the words following paragraph (a)(ii) inserts the word “on income” to remove ambiguity and clarify the provision of this paragraph.

Sub-clause (d): The proposed amendment in subsection (2A)(b) clarify that the deduction of foreign tax under paragraph (a) should be limited to the amount of normal tax that is attributable to the interest of the REIT or controlled company. In essence no deduction of foreign withholding tax paid should be allowed if the amounts from which it is withheld are exempt from normal tax.

Sub-clause (e): The proposed amendment to subsection (6)(a) deletes the word “company” as a matter of style and consistency

Sub-clause (f): The proposed amendment to subsection (6)(c)(i) inserts the words “that is a resident” to remove ambiguity and clarify that the controlled company should be a resident in this regard.

CLAUSE 48

Income Tax: Amendment of section 29A

Sub-clause (a): Proposed amendment to the definition of “adjusted IFRS value” in subsection (1)

- See notes on **AMENDMENTS TO THE TAX VALUATION METHOD FOR LONG-TERM INSURERES DUE TO THE INTRODUCTION OF SOLVENCY ASSESSMENT AND MANAGEMENT FRAMEWORK**

Sub-clause (b): Proposed amendment to the definition of “value of liabilities” in subsection (1) - See notes on **AMENDMENTS TO THE TAX VALUATION METHOD FOR LONG-TERM INSURERES DUE TO THE INTRODUCTION OF SOLVENCY ASSESSMENT AND MANAGEMENT FRAMEWORK**

Sub-clause (c): Proposed amendment to the proviso to subsection (11)(a)(iii) - In cases where the income is not sufficient in the policyholder fund, the transfer deduction relief will not be allowed. However, the policyholder fund is still in a taxable income position and has to pay additional tax. This adverse result, stems from the current wording of section 29A (11)(a)(iii) referring to income as opposed to taxable income. It is proposed that the wording of section 29A(11)(a)(iii) limit the deduction to taxable income in the policyholder funds as opposed to income.

Sub-clause (d): Proposed amendment to subsection (11)(h) - The application of mark-to-market taxation (section 29B) in respect of long-term insurers to real estate assets and other assets was intended not to trigger recoupment of prior depreciation allowances when long-term insurers immediately recognise all unrealised gains and losses arising before the 1 March 2012 effective

date in respect of policyholder funds (i.e. untaxed policyholder fund, individual policyholder fund and company policyholder fund). More-over, going forward, depreciation allowances for real estate assets and other assets were not allowed in respect of years of assessment commencing on or after 1 January 2013.

As stated above that the mark-to-market taxation provisions only apply to assets held by the insurer with respect to policyholder funds and not corporate fund. However, the specific rules for determination of the taxable income derived by an insurer in respect of the individual policyholder fund, the company policyholder fund, the corporate fund and the risk policy fund are confined in section 29A(11). Therefore, section 29A(11)(h) which disallow any deduction by way of an allowance in respect of an asset as defined in the Eighth Schedule inversely affect the corporate fund and the risk policy fund. It is proposed that the provision of section 29A(11)(h) of the Act exclude assets allocated and held in the corporate fund or risk policy fund of an insurer.

Sub-clause (e): The proposed amendment to subsection (12) clarifies that in the “build-up” of the assets allocated to the policyholder funds and risk policy fund payments must also be allocated to the funds. This means a Balance Sheet Approach must be followed in order to comply with the requirements of section 29A(4), (6), (7) and (12) and the definition of “value of liabilities”, signifying a shift from the practice of calculating the market value of assets using the Statutory Income Statement as a starting point.

Sub-clause (f): The proposed amendment to subsection (13B)(d)(ii) for the words preceding item (aa) deletes the word “that” as a matter of style and consistency.

Sub-clause (g): Proposed insertion of new subsection (14) - See notes on **AMENDMENTS TO THE TAX VALUATION METHOD FOR LONG-TERM INSURERES DUE TO THE INTRODUCTION OF SOLVENCY ASSESSMENT AND MANAGEMENT FRAMEWORK**

CLAUSE 49

Income Tax: Amendment of section 30

Sub-clause (a): The proposed amendment to subsection (3)(f) corrects a grammatical error and changes the words “it has” to “those funds have”.

Sub-clause (b): Proposed insertion of new item (dd) in subsection (3)(b)(iii) - See notes on **TAX EXEMPTION OF NATIONAL HOUSING FINANCE CORPORATION**

CLAUSE 50

Income Tax: Amendment of section 36

Sub-clause (a): Proposed insertion of new paragraph (eA) to the definition of “capital expenditure” in subsection (11) - See notes on **PROVIDING TAX RELIEF FOR MINING COMPANIES SPENDING ON INFRASTRUCTURE FOR THE BENEFIT OF MINING COMMUNITIES**

Sub-clause (b): Proposed insertion of definition of “social and labour plan” in subsection (11) - See notes on **PROVIDING TAX RELIEF FOR MINING COMPANIES SPENDING ON INFRASTRUCTURE FOR THE BENEFIT OF MINING COMMUNITIES**

CLAUSE 51

Income Tax: Amendment of section 37D

Sub-clause (a): The proposed amendment to subsection (2) corrects the alignment of this provision so that it applies to all the subparagraphs of paragraph (b).

Sub-clause (b): The proposed amendment to subsection (2)(b)(iv) of the formula updates the percentages to reflect changes made to the capital gains inclusion rate effective 01 March 2016.

CLAUSE 52

Income Tax: Amendment of section 41

Sub-clause (a): The proposed amendment in subsection (1) deletes the definition of “hold” which was linked the concept of shareholder which was removed from the Income Tax Act in 2014 following the introduction of the new Companies Act.

Sub-clause (b): Proposed amendments to subsection (2) - See notes on **CLARIFYING THE NON-APPLICATION OF THE RE-ORGANISATION RULES TO DEFERRED EXCHANGE GAINS AND LOSSES**

CLAUSE 53

Income Tax: Amendment of section 42

Proposed amendment to paragraph (a)(i)(bb)(B) of the definition of “asset-for-share transaction” in subsection (1) - See notes on **ASSET-FOR-SHARE TRANSACTIONS FOR NATURAL PERSONS EMPLOYED BY A COMPANY**

CLAUSE 54

Income Tax: Amendment of section 44

The proposed amendment to paragraph (c)(i) of the definition of “amalgamation transaction” in subsection (1) corrects an oversight in the 2014 changes to the Act that expended on the assets an amalgamated company is allowed to retain when disposing of its assets as part of an amalgamation transaction. Amalgamated companies are required to dispose of all their assets in anticipation for their termination following the amalgamation transaction but are allowed to retain assets to settle any debts incurred by it in the ordinary course of its trade and, as part of the 2014 changes, assets required.

CLAUSE 55

Income Tax: Amendment of section 50D

Proposed insertion of new paragraph (d) in subsection (1) - See notes on **TAX EXEMPTION OF MULTILATERAL DEVELOPMENT FINANCIAL INSTITUTIONS**

CLAUSE 56

Income Tax: Amendment of section 50E

The proposed amendment to subsection (2)(b) inserts the words ‘an agreement for the prevention of double taxation’ in order to allow exemption granted in terms of the tax treaty from the payment of withholding tax on interest.

CLAUSE 57

Income Tax: Amendment of section 50F

Sub-clause (a): The proposed amendments to subsection (1) insert a requirement that a foreign person liable for any amount of withholding tax on interest must pay that amount of withholding tax and also submit a return in respect of such payment.

Sub-clause (b): The proposed insertion of new subsection (3) makes a requirement for a withholding agent or any person who pays withholding tax on interest in respect of interest that is due and payable, but not yet paid to submit a return.

CLAUSE 58

Income Tax: Amendment of section 50G

See note on **INTEREST WITHHOLDING TAX WHERE INTEREST IS WRITTEN-OFF**

CLAUSE 59

Income Tax: Repeal of Part IVC of Chapter II of Act 58 of 1962

See notes on **REPEAL OF THE WITHHOLDING TAX ON SERVICE FEES REGIME**

CLAUSE 60

Income Tax: Amendment of section 56

Proposed amendment to subparagraphs (i) and (ii) of subsection (1)(o) - See notes on **TAX**

TREATMENT OF LAND DONATED UNDER LAND-REFORM INITIATIVES**CLAUSE 61**

Income Tax: Amendment of paragraph 1 of the Second Schedule

The proposed amendment to the definition of “public sector fund” in paragraph 1 is a consequential amendment related to the retirement reforms to include in the definition of “public sector fund” funds referred to in paragraph (d) of the definition of “pension fund” as well as paragraph (b) or (c) of the definition of “provident fund”.

CLAUSE 62

Income Tax: Amendment of paragraph 4 of the Second Schedule

The proposed amendment to paragraph 4(3) replaces the word “person” with the word “fund” to clarify that the application must be made by a fund not an individual, as it is a fund that applies for a directive.

CLAUSE 63

Income Tax: Amendment of paragraph 1 of the Sixth Schedule

The proposed amendment to paragraph (b) in the definition of “qualifying turnover” is consequential to the introduction of the small business funding entity regime in 2014. This amendment ensures that amounts received by a micro business from a small business funding entity do not inflate the turnover of the micro business beyond the R1 million threshold and disqualify it from benefitting from the micro business regime.

CLAUSE 64

Income Tax: Amendment of paragraph 7 of the Sixth Schedule

The proposed amendment to subparagraph (b) is consequential to the introduction of the small business funding entity regime in 2014. This amendment ensures that amounts received by a micro business from a small business funding entity do not inflate the turnover of the micro business beyond the R1 million threshold and disqualify it from benefitting from the micro business regime.

CLAUSE 65

Income Tax: Insertion of paragraph 2A of the Seventh Schedule

The proposed insertion of new paragraph 2A of the Seventh Schedule provides clarity that for purposes of the application of fringe benefit tax, a partner is deemed to be an employee of a partnership.

CLAUSE 66

Income Tax: Amendment of paragraph 7(4) for the words preceding paragraph (a) of the Seventh Schedule

The proposed amendment to paragraph 7(4) of the Seventh Schedule clarifies the meaning of definition of the term “private travel” so as to remove ambiguity.

CLAUSE 67

Income Tax: Amendment of paragraph 9 of the Seventh Schedule

Sub-clause (a): The proposed amendment to subparagraph (2) includes reference to subparagraph 3C for purpose of determination of the cash equivalent of the value of taxable benefit derived from the occupation of the residential accommodation.

Sub-clause (b): The proposed amendment to subparagraph (5) corrects the reference to subparagraph (3) instead of subparagraph (3)(a) and ensures gender neutrality in the wording of the provision.

CLAUSE 68

Income Tax: Amendment of paragraph 12D of the Seventh Schedule

Sub-clause (a): Proposed amendment to paragraph (a) of the definition “retirement funding income” in subparagraph (1): - See notes on **USING THE CORRECT DEFINITION OF INCOME FOR THE FORMULA TO DETERMINE THE FRINGE BENEFIT FOR DEFINED BENEFIT CONTRIBUTIONS AND ELIMINATING A POTENTIAL LOOPHOLE**

Sub-clause (b): Proposed amendment to paragraph (a) of the definition “retirement funding income” in subparagraph (1) - See notes on **USING THE CORRECT DEFINITION OF INCOME FOR THE FORMULA TO DETERMINE THE FRINGE BENEFIT FOR DEFINED BENEFIT CONTRIBUTIONS AND ELIMINATING A POTENTIAL LOOPHOLE**

CLAUSE 69

Income Tax: Amendment of paragraph 11 of the Eighth Schedule

Proposed amendment to subparagraph (2)(n) - See notes on **REVIEW OF TAX IMPLICATIONS ON OUTRIGHT TRANSFER OF COLLATE**

CLAUSE 70

Income Tax: Amendment of paragraph 38 of the Eighth Schedule

The proposed insertion of new subparagraph (2)(f) aims to prevent a double taxation problem that exists between section 37D and the Eighth Schedule. Section 37D grants a person an allowance of 4% a year over 25 years for land declared as a nature reserve but this deduction is reduced by the taxable capital gain that would have arisen at the time of donation. Thus in effect SARS is recovering the taxable capital gain over 25 years. The problem that arises is that the granting of the rights to the government for 99 years is an actual disposal under paragraph 11 and the proceeds would be determined under paragraph 38 by virtue of the donation.

CLAUSE 71

Income Tax: Amendment of paragraph 43 of the Eighth Schedule

The proposed amendment in subparagraph (5)(b) is consequential as a result of the introduction of new section 9HA in the Income Tax Act in 2015 and clarify the tax consequences for the surviving spouse regarding allowable deductions and allowances in respect of those assets (e.g. deductions and allowances in respect of mining, farming and forestry assets) as well as the subsequent capturing of any recoupments in the hands of the surviving spouse.

CLAUSE 72

Income Tax: Amendment of paragraph 47 of the Eighth Schedule

The proposed amendment to words following subparagraph (b) clarifies that the amount of R2 million (primary residence exclusion) is not apportioned and it is the capital gain or loss that should be apportioned.

CLAUSE 73

Income Tax: Amendment of paragraph 49 of the Eighth Schedule

The proposed amendment to words following subparagraph (b) clarifies that the amount of R2 million (primary residence exclusion) is not apportioned and it is the capital gain or loss that should be apportioned.

CLAUSE 74

Income Tax: Amendment of paragraph 50 of the Eighth Schedule

The proposed amendment to subparagraph (b) replaces the word “beneficiary” with the word “special trust” to clarify that the special trust owns the property not the beneficiary.

CLAUSE 75

Income Tax: Amendment of paragraph 64A of the Eighth Schedule

See notes on **TAX TREATMENT OF LAND DONATED UNDER LAND-REFORM INITIATIVES**

CLAUSE 76

Income Tax: Insertion of new paragraph 64D of the Eighth Schedule

See notes on **TAX TREATMENT OF LAND DONATED UNDER LAND-REFORM INITIATIVES**

CLAUSE 77

Income Tax: Amendment of paragraph 66 of the Eighth Schedule

The proposed amendment to subparagraph (1)(d) corrects a cross-reference to the source rules in section 9 by inserting a reference to section 9(2)(j). It ensures that immovable property situated in South Africa or any interest or right of whatever nature to or in such property contemplated in paragraph 2 of the Eighth Schedule will qualify as a replacement asset.

CLAUSE 78

Income Tax: Amendment of paragraph 76B of the Eighth Schedule

The proposed addition of the proviso to subparagraph (1) ensures that the market value rule works properly as current legislation did not take into account that shares trade *ex div* during the five business days preceding the record date. The amendment now ensures that the ruling price of that share at the close of business on the record date increases by the value of the distribution.

CLAUSE 79

Income Tax: Amendments of paragraph 4 of Part I of the Ninth Schedule

Sub-clause (a):

The proposed amendment to subparagraph (c) replaces the words “adult basic education and training” with “adult education and training”, which is a correct referencing used in Higher Education and Training Laws Amendment Act, 2010.

The proposed amendment to subparagraph (d) replaces the word “further” with “continuing”, which is a correct referencing used in Further Education and Training Colleges Amendment Act, 2013.

Sub-clause (b): Proposed insertion of new subparagraphs (p) and (q) - See notes on **TAX EXEMPTION OF PUBLIC BENEFIT ORGANISATIONS PROVIDING INDUSTRY BASED EDUCATION AND TRAINING ACTIVITIES**

CLAUSE 80

Customs and Excise Act: Insertion of new section 119B

The proposed insertion of new section 119B introduces a general anti-avoidance provision to the customs and excise legislative framework in order to enhance, facilitate and coordinate enforcement and compliance efforts for customs duties and excise taxation. This anti avoidance provision is in line with similar provisions in other indirect taxes, for example section 73 of the VAT Act.

CLAUSE 81

Customs and Excise Act: Amendment to certain Schedules

The proposed amendments make provision for the continuation of certain amendments of Schedules to the Customs and Excise Act.

CLAUSE 82

Value-Added Tax Act: Amendment to Section 1

Sub-clause (a): The proposed amendment to subparagraph (ix) of the definition of “enterprise” in subsection (1) corrects punctuation.

Sub-clause (b): Proposed amendment to subparagraph (ii) of the definition of “second-hand goods” in subsection (1) _ See notes on **REVISION OF THE 2014 AMENDMENT RELATING TO NOTIONAL INPUT TAX ON GOODS CONTAINING GOLD**

CLAUSE 83

Value-Added Tax Act: Amendment to 7

The proposed amendment align the tax charging provisions of all the tax Acts.

CLAUSE 84

Value-Added Tax Act: Amendment to Section 15

Proposed amendment to subsection (2A) - See notes on **ALLOWING MUNICIPAL ENTITIES TO ACCOUNT FOR VAT ON THE PAYMENT BASIS WHERE THE SUPPLY IS R100 000 OR MORE**

CLAUSE 85

Value-Added Tax Act: Repeal of Section 77

The proposed amendment is consequential and deletes now obsolete provisions of section 77 due to the amendments made in section 7 aligning tax charging provisions of the all tax Acts.

CLAUSE 86

Value Added Tax Act: Amendment of Schedule 1

Proposed insertion of new item 412.09 Goods Lost, Destroyed or Damaged - See notes on **VAT EXEMPTION IN RESPECT OF IMPORTED GOODS THAT ARE LOST, DESTROYED OR DAMAGED THROUGH NATURAL DISASTERS**

CLAUSE 87

Skills Development Levies Act: Amendment to Section 3

The proposed amendment aligns the tax charging provisions of all the tax Acts.

CLAUSE 88

Unemployment Insurance Contributions Act: Amendment to Section 6

The proposed amendment aligns the tax charging provisions of all the tax Acts.

CLAUSE 89

Securities Transfer Tax Act: Proposed amendment to definition of “collateral arrangement” in subsection (1)

See notes on **REFINING THE TAX IMPLICATIONS ON OUTRIGHT TRANSFER OF COLLATERAL PROVISIONS**

CLAUSE 90

Securities Transfer Tax Act: Amendments to sections 2 and 3

The proposed amendments align the tax charging provisions of all the tax Acts.

CLAUSE 91

Mineral and Petroleum Resources Royalty Act: Amendments to section 2 and 3

The proposed amendments align the tax charging provisions of all the tax Acts.

CLAUSE 92

Taxation Laws Amendment Act, 2013: Amendment to section 13

The proposed amendment postpones the effective date for sections 8F(3)(b)(ii) and 8F(3)(c)(ii) from 1 January 2017 to 1 January 2018.

CLAUSE 93

Taxation Laws Amendment Act, 2013: Amendment to section 15

The proposed amendment postpones the effective date for section 8FA(3)(b)(ii) and 8FA(3)(c)(ii) from 1 January 2017 to 1 January 2018.

CLAUSE 94

Taxation Laws Amendment Act, 2013: Amendment to section 62

The proposed amendment postpones the effective date of the amendments made to section 23M from 1 January 2017 to 1 January 2018.

CLAUSE 95

Taxation Laws Amendment Act, 2014: Amendment to section 47

Proposed amendment deletes paragraph (a) of the definition of “Adjusted IFRS value in subsection (1) and reference to paragraph (a) in subsection (2) – see notes on **AMENDMENTS TO THE TAX VALUATION METHOD FOR LONG TERM INSURERS DUE TO THE INTRODUCTION OF SOLVENCY ASSESSMENT AND MANAGEMENT FRAMEWORK**

CLAUSE 96

Taxation Laws Amendment Act, 2015: Amendment to section 63

The proposed amendment clarifies that the effective date dealing with changes in respect of the transitional tax issues resulting from the regulation of hedge funds is 1 January 2016 and applies in respect of years of assessment ending on or after that date.

The proposed amendment clarifies that the effective date dealing with changes in respect of debtor’s allowance relating to trade debts is 1 April 2015.

CLAUSE 97

Taxation Laws Amendment Act, 2015: Amendment to section 103

The proposed amendment clarifies that the effective date for this provision applies in respect of any asset reacquired as a result of the cancellation or termination of an agreement during any year of assessment commencing on or after that date.

CLAUSE 98

Taxation Laws Amendment Act, 2015: Amendment to section 104

The proposed amendment clarifies that the effective date for this provision applies in respect of any asset reacquired as a result of the cancellation or termination of an agreement during any year of assessment commencing on or after that date.

CLAUSE 99

Taxation Laws Amendment Act, 2015: Amendment to section 108

The proposed amendment clarifies that the effective date for this provision applies in respect of any asset reacquired as a result of the cancellation or termination of an agreement during any year of assessment commencing on or after that date.

CLAUSE 100

Taxation Laws Amendment Act, 2015: Amendment to section 128

The proposed amendment corrects the effective date in respect of consequential amendments to the definitions of “connected persons” in paragraph (b) and “shareholder” in paragraph (h) of subsection (1) of the VAT Act from 1 April 2016 to 1 April 2012 (which is the date in which the definition of shareholder was removed from the Income Tax Act).

CLAUSE 101

Short title and commencement

13.3	APPROVAL OF LEASE AGREEMENT FOR OFFICE SPACE: EIKESTAD MALL
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Collaborator No: 656130
IDP KPA Ref No: Good Governance
Meeting Date: 14 August 2019

1. SUBJECT: APPROVAL OF LEASE AGREEMENT FOR OFFICE SPACE: EIKESTAD MALL

2. PURPOSE

To obtain the necessary authorisation to conclude a new lease agreement with Eikestad Mall Joint Venture for office space in the CBD for a period ending 30 June 2022.

3. DELEGATED AUTHORITY

For decision by Municipal Council.

4. EXECUTIVE SUMMARY

The existing lease agreement with Eikestad Mall Joint Venture will terminate at the end of September 2019 (656.91m²). The space is currently used by the Planning Department and building control. Should Council not approve the lease the departments currently accommodated there will have no suitable space to work from.

When the municipality requested bidders to indicate the availability of office space in the CBD, the Eikestad Mall also indicated the availability of additional office space (±332m²). The Planning and Local Economic Development Department has indicated that additional space is needed by them, and that the available municipality-owned space is not suitable.

Eikestad Mall has indicated that 28.3m² of the current space is no longer available to us for renting. The rest of the current rented space is however available.

5. RECOMMENDATIONS

- (a) that Council approves the conclusion of a 2-year Lease Agreement with an option of a further renewal with Eikestad Mall Joint Venture, based on a tariff of R210/m², for 961.01m², escalating at 8% per annum for the current and additional office space available;
- (b) that the Municipal Manager be authorised to conclude the lease agreement with Eikestad Mall Joint Venture; and
- (c) that it be noted that the Municipal Manager will allocate the office space in view of the needs identified.

6. DISCUSSION / CONTENT

6.1 Background

6.1.1 Existing Lease Agreement

Stellenbosch Municipality is currently leasing the following office space from Eikestad Mall:

• Office 302, measuring	484.61m ² in extent
• Office 133A, measuring	144.40m ² in extent
• Office 207 C2, measuring	28.3m ² in extent
Total	657.31m²

This agreement will terminate on 30 September 2019.

6.2. Discussion

Section 14 of the MFMA, as well as Regulation 34 of the Asset Transfer regulations deal with the disposal of property or rights in property, whilst Chapter 11 of the MFMA deals with the procurement of goods and services.

6.2.1 Seeing that the acquisition of rights in property (renting of office space) does not fall into any of the categories listed above, the normal SCM Regulations do not apply. Hence, referred to council for a resolution. Public competitive process.

During March 2019 a tender notice was published to elicit the available office space in the Stellenbosch CBD as the Municipality does not have enough office space for employees working in the CBD.

We received the following offers:

• Absa Bank Ltd:	Existing area:	369.25m ²
	New area:	±350m ²
• Octofin Commercial (Pty) Ltd:	Existing area:	2254.49m ²
• Eikestad Mall:	New area:	±332m ²

Eikestad Mall did not include the existing lease area of 657.31m² in their offer, seeing that the agreement only lapses on 30 September 2019. Council approved the lease of office space in Absa Building and in Ecclesia Building on 12 June 2019. It was decided to let the leasing of office space in the Mall stand over to a date closer to the current agreement's lapsing so as to avoid two different agreements.

6.2.2 Offer received from Eikestad Mall Joint Venture

On 12 July 2019 a new, updated offer was received from Eikestad Mall Joint Venture, a copy of which is attached as **APPENDIX 1**.

In terms thereof:

- a) They informed us that they do not want to renew the lease in relation to shop 207 C2, measuring 28.3m² ;
- b) They offered the following office space at R210.00/m² (excluding VAT) for a period of 5 years, with an annual escalation of 8%:
 - Office 302, measuring 484.61m² (existing);
 - Office 133 A, measuring 144.40m² (existing); and
 - Office 132B, measuring 332.m² (new)

Total	961.01m²
--------------	----------------------------

6.3 Financial Implications

Should the offer from Eikestad Mall be accepted, it will have the following financial implications over the next 3 financial years:

2019/20	:	R1 816 308.90 (9 months)
2020/21	:	R2 615 484.82
2021/22	:	R2 824 723.60

6.4 Legal Implications

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

6.5 Staff Implications

If the office space in the Eikestad Mall is not taken up the employees occupying the current space rented there, will have no office space to work from. There is also a bigger need for office space, and whilst the process to build own office space in a PPP arrangement is considered, alternative arrangements must be made to accommodate staff.

6.6 Previous / Relevant Council Resolutions

On 2019-06-12 Council approved the conclusion of lease agreements with Absa (Oude Bloemhof Building) and Octofin (Ecclesia Building).

6.7 Risk Implications

The recommendations in this report address the risk implications for the Municipality.

6.8 Comments from Senior Management

The Directors discussed the need for office space, and for now, there are no other alternatives available in the CDB.

ANNEXURES:

Appendix 1: Offer received from Eikestad Mall Joint Venture

Appendix 2: Memorandum from Director: Planning and Economic Development

FOR FURTHER DETAILS CONTACT:

NAME	Piet Smit
POSITION	Manager: Property Management
DIRECTORATE	Corporate Services
CONTACT NUMBERS	021-8088189
E-MAIL ADDRESS	Piet.smit@ Stellenbosch.gov.za
REPORT DATE	2019-08-06

APPENDIX 1



Tel: 021 886 6267 • Fax: 021 886 6239



11 July 2019

MUNICIPALITY OF STELLENBOSCH: TENANCY AT EIKSTAD MALL**OFFICE 207C2****OFFICE 302****OFFICE 133A**

To whom it may concern:

We would like to bring the following matter pertaining your tenancy at Eikestad Mall, Stellenbosch under your attention and kindly request your urgent feedback in order to find a solution that is mutually beneficial.

We value our long-standing relationship and in light of future endeavors and partnerships planned with the council, we hope that we can ask your understanding for the below proposed changes as it directly affects our core business of letting office and retail space and on some occasions we are necessitated to effect such changes in order to efficiently manage our property.

In January 2019, the management team has started negotiations around the renewal of your lease agreements with expiry dates on 30 September 2019 - a renewal offer was sent to your offices in this regard. Please note that to date, despite numerous follow up requests, we have not received an indication on whether you would like to remain in or vacate the premises.

In May 2019, we have also submitted a tender for new accommodation for which we've tendered Shop 132B measuring 332sqm in total. We were advised on 22 June 2019 that the tender has been withdrawn for the second time (a tender was also submitted on a previous occasion). The consequence of the unsuccessful tender is placing us in a difficult position as the 332sqm located adjacent to Office 133A now becomes unlettable due to the fact that it is only accessible via your existing premises. Unfortunately it is not economically viable to sacrifice 332sqm in order to retain 144sqm. We have included an offer on the combined space herewith. This offer will expire on 31 August 2019, whereafter we will proceed to find a replacement tenant for the combined space if we do not receive the signed offer timeously - we reiterate that we will therefore not renew the current Office 133A in isolation.



Tel: 021 886 6267 • Fax: 021 886 6239



Office 207C is located between two smaller retail tenants who both wish to expand - the location of this meeting room restricts us from future movements around this space - we also wish to advise that unfortunately we are not able to proceed on the renewal for this accommodation either. Please be advised that this space will have to be vacated and reinstated by the expiry date of your lease (30 September 2019).

We can however proceed with the renewal on the 3rd floor (Office 302) and have included a revised offer to renew herewith. This offer will expire on 31 August 2019, where after we will proceed to find a replacement tenant if a signed offer is not in hand by this date. We kindly request your urgent attention in order to conclude this.

Please advise if any additional information is required prior to your board meeting in order to avoid any further delays in finalizing the renewals.

Kind regards,

Anita Petersen

Acting GM: Eikestad Mall

OFFER TO LEASE

**Attacq Retail Fund (Pty) Ltd,
Registration Number 2008/021582/07
and
Key Capital Property Holdings (Pty) Ltd,
Registration Number 2010/013490/07**

T/A Eikestad Joint Venture

**VAT Number: 4380258782
(the Landlord)**

AND

**STELLENBOSCH MUNICIPALITY
Trading As**

STELLENBOSCH MUNICIPALITY

**Registration Number:
VAT Number: 4700102181**

**EIKESTAD MALL
OFFICE 302
OFFICE 133A
OFFICE 132B**

DATE OFFER SENT TO TENANT VIA EMAIL : 11 July 2019

OFFER TO LEASE EXPIRES : 31 August 2019

SCHEDULE

The Tenant hereby offers to lease from the Landlord, and the Landlord is prepared to let to the Tenant, the Leased Premises in accordance with the particulars contained in the Schedule and on the terms and conditions set out in the annexures attached hereto. The Schedule and annexures form part of this Lease, as if specifically mentioned and incorporated herein

1. Landlord		2. Tenant	
Legal Entity	Attacq Retail Fund (Pty) Ltd and Key Capital Property Holdings (Pty) Ltd	Legal Entity	STELLENBOSCH MUNICIPALITY
Trading as	Eikestad Joint Venture	Trading as	STELLENBOSCH MUNICIPALITY
Registration Number	2008/021582/07 and 2010/013490/07	Registration Number	N. A
VAT Registration Number	438025782	VAT Registration Number	4700102181
Herein represented by (who warrants his/her authority hereto)	Karin Retief and Morne Steenkamp	Herein represented by (who warrants his/her authority hereto)	Piet Smit
Landlord's Physical Address (hereinafter referred to as the Landlords - <i>domicilium citandi et executandi</i>)	Eikestad Mall Centre Management Offices Office AW202B Andringa Walk 43 Andringa Street, Stellenbosch, 7600	Tenant's Physical Address	Plein street, Stellenbosch, 7600
		Tenant's Postal Address	PO Box 17, Stellenbosch, 7599
		Tenant's e-mail address	Piet.smit@stellenbosch.gov.za
		Tenant's contact number	021 808 8750
Property	The Building upon the Property in which the premises are situated known as Eikestad Mall and or Mill Square and or Andringa Walk. Erf 6083, 7365, 4282, 15733, 2000,2043, 15802	Tenant's Signatory/ies	Piet Smit
		Full Name & ID Number of each signatory	Piet Smit 601209 5093 083
		Tenant's Financial Year-End	30 June
3. Leased Premises			
3.1 Leased Premises Description: Office 302, 133A,132B			
3.2 Area of Leased Premises	961.01m² (To be confirmed by QS)		
3.3 Mezzanine Area	0m²		
3.4 Parking Bays			
— Basement Bays			
— Open Bays			
3.5 Storage	0m²		
3.6 Foyer	0m²		
3.7 Balcony	0m²		

4. Total Monthly Rentals		
4.1 Basic Monthly Rental Office 302	R 210.00 per m ² (Excluding VAT)	Escalating at 8 % per annum compounded
4.1 Basic Monthly Rental Office 133A	R 210.00 per m ² (Excluding VAT)	
4.1 Basic Monthly Rental Office 132B	R 210.00 per m ² (Excluding VAT)	
4.2 Monthly Mezzanine Area	R per m ² (Excluding VAT)	Escalating at % per annum compounded
4.3 Monthly Parking Rental		
— Basement Bay	R per bay (Excluding VAT)	Escalating at % per annum compounded
— Open Bay	R per bay (Excluding VAT)	Escalating at % per annum compounded
4.4 Monthly Storage Rental	R per m ² (Excluding VAT)	Escalating at % per annum compounded
4.5 Monthly Operating costs	R per m ² (Excluding VAT)	Escalating at % per annum compounded
4.6 Foyer Rental	R per m ² (Excluding VAT)	Escalating at 0 % per annum compounded
4.7 Balcony Rental	R per m ² (Excluding VAT)	Escalating at 0% per annum compounded
5.1 Lease Period	5 Years	
5.2 Beneficial Occupation Date	01 August 2019 (Office 133B only)	
5.3 Beneficial Occupation Period	30 Days	
5.4 Commencement Date	01 October 2019	
5.5 Termination Date	30 September 2024	
6. Option to Renew the Lease		
N. A		
7. Property Association Levy		
N. A		
8. Use of Leased Premises		
Office unit only		
9. Deposit		
9.1 Deposit	Not less than (two) Final Months' rental (All rentals inclusive of VAT) Required Deposit: R 822 315.17 Deposit on Hand: R 284 599.20 Top up Deposit: R 537 715.97	
9.2 Electrical/Water Deposit	If applicable	
9.3 Interest on Deposit	32-day call account on cash deposit	

10. Suretyship		
Should tenant not sign surety, not less than (two) Final Months rental (All rentals inclusive of VAT) will be applicable as a Cash Deposit		
10.1 Full name and identity number	Surety's physical address	
	Surety's postal address	
	Surety's contact numbers	(w) (h) (cell)
10.2 Full name and identity number of spouse if married in Community of Property	Surety's physical address	
	Surety's contact numbers	(w) (h) (cell)
11. Interest Rate on outstanding amounts		
2% above the Prime Rate		
12. Lease Administration Costs		
R3 000.00 (Excl VAT)		
13. Additional Costs including, but not limited to:		
Electricity	Metered and/or Pro Rata and/or Pre-Paid	
Gas	Metered and/or Pro Rata	
Water	Metered and/or Pro Rata	
Effluent	Metered and/or Pro Rata	
Refuse	Metered and/or Pro Rata	
Rates and Taxes	Pro Rata	
14. Tenant Installation Allowance		
As recorded in Annexure C		
Annexures to this Agreement		
A - General Terms and Conditions; B - Plan of Leased Premises; C - Tenant Installation; C1 - Tenant Criteria Document / Specification; D - Additional Terms; E - Suretyship; F - Personal Balance Sheet of Surety; G - Resolution; H - Reinstatement requirements; I - Generator; J - Debit Order Form; K - Option to Renew (if applicable); and L - House Rules and/or Property Association Rules.		

IMPORTANT NOTE:

Please read and consider this agreement including its annexures carefully as it constitutes a binding agreement. You declare that you understand the content of this entire agreement (including its annexures) and more specifically the fact, nature and effect of clauses (terms) next to which you were requested to specifically initial. Please note that initialling next to any clause, term or provision would not derogate the enforceability of any of the other terms of this agreement. Please do not disregard any terms not so emphasised as such terms will be binding and enforceable.

APPENDIX 2



STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNICIPALITY • UMASIPALA • MUNISIPALITEIT
Memorandum

To : Tabiso Mfeya
Acting Director: Planning & Economic Development

From : Andrew Crouzer
Manager: Building Development Management

Date : 06 August 2019

Re: : Office Accommodation – Eikestad Mall

1. PURPOSE

To determine the possibility for the use of plus/minus 300m square office space adjoining the current offices of Building Development on the first floor of Eikestad Mall or the alternative to move Building Development to another office space for Eikestad to consider an alternative tenant.

2. BACKGROUND

Building Development:

Building Development Section office space was planned to be incorporated in the floor space of the third floor in Eikestad Mall but then due to operational and office space requirements had to look for alternative accommodation. Office space of 145m square was available on the first floor and it was decided that the Building Development Section will move to the first floor.

During the restructuring of council, the organogram was finally approved and the Customer Interface Section was incorporated in the Building Development Section. No additional office space was available to accommodate the additional staff on the first floor, Eikestad Mall. This has led to the Technical and Administrative Sections that are split between the Main Building and Eikestad Mall.

Record Management

The decentralized Registry Section who is responsible for all the Planning records was transferred to Corporate Services. Their function for support and record keeping did not change and will therefore still perform the original function. The Town Planning and Building Plan records are kept in four different spaces spread over the council buildings which urgently require a centralized records room to maintain the records and to comply with the relevant legislative archive requirements.

3. DISCUSSION: CURRENT CHALLENGES/RISKS

Eikestad Mall has created a land lock office space during negotiations with Woolworths which are adjacent to the current office space of Building Development on the first floor and also the only access point to this area.

Building Development: Option 1

Building Development requires a minimum of 300m square to accommodate all the Technical and Administration Staff requirements. The existing Office space on the first floor is 6 steps higher than the Mall's passage way and the new proposed office space is a further 5 steps higher than the existing offices. The total area is however more than we require but sufficient for the Building Development office needs.

Risk:

Should the Building Development Section use the entire space it will not be in compliance with SANS 10400 – Part S (Facilities for person's with Disability).

Registry: Option 2

Planning and Economic Development record needs a centralized office space for the maximum security and control. This includes all Property Files and Building Plan application files. The ideal office area should be in close proximity of the Town Planning Section and Building Development Section offices as we daily require records to perform our functions. The existing Building Development Section office space on the first floor and the additional proposed land lock office space will be enough to accommodate all the Planning Department files and records.

Risk:

The weight of the shelving and files on the floor of the additional office space may have an impact on the floor slab weight capacity in relation to weight carried per square meter floor area.

4. **WAY FORWARD**

Eikestad Mall must determine and confirm if the floor slab of the additional office area will be able to carry the load of the records management shelving and files. Refer to the specifications of Graham Flynn from Specialised Filing Systems.

RECOMMENDATION

Building Development: Option 1:

Building Development Section includes the additional land lock office space with the current office space on condition that council is aware of the non-compliance of the National Building Regulations and that an alternative accessible area be made available in the Town Planning Offices on the 3rd floor Eikestad Mall for any person with a disability that would not permit such person to enter the Building Development Section as a result of the staircases.

Registry: Option 2

Eikestad Mall confirms the use of the additional land lock office area for filling purposes and Registry move to the existing Building Development offices on the first floor, Eikestad Mall. Alternative 300m square new office accommodation be allocated to the Building Development Section in close proximity of the Town Planning and Registry Sections.

Yours faithfully

.....
MANAGER BUILDING DEVELOPMENT

Andrew Crouzer

From: Ilze Couvaras
Sent: Tuesday, 06 August 2019 09:36
To: Andrew Crouzer
Cc: Daniel Meyer; Marina Lubbe
Subject: FW: [EX] RE: MOBILE UNITS : CAPACITY AND WEIGHT

Hi Andrew

See the attached email from Graham of SFS Filing Solutions, confirming the weight of the fully loaded mobile filing solutions as proposed.

The empty unit is 560kg (70kg/bay x 8 bays) over an area of $4.51\text{m}^2 = 124.17\text{kg}/\text{m}^2$ empty. Each bay would be able to house 150 kg (30kg per level x 5 levels) and 2 bays back to back will cover approximately 1m^2 . Therefore $150\text{kg} \times 2 = 300\text{kg} + 124.17\text{kg} = 424.17\text{kg}/\text{m}^2$ (at full capacity).

I trust this will assist in compiling your report.



Kind regards/Vriendelike groete,

Ilze Couvaras

Administrative Officer

Housing Administration

Planning & Economic Development

T: +27 21 808 8604 | Fax: +27 21 886 6899

Postal : P O Box 17, Stellenbosch, 7600

Physical : Plein Street, Stellenbosch, 7600

www.stellenbosch.gov.za



Disclaimer and confidentiality note: The legal status of this communication is governed by the terms and conditions published at the following link:
http://www.stellenbosch.gov.za/main_pages/disclaimerpage.htm

From: Graham [mailto:graham@sfsfiles.co.za]
Sent: Friday, 02 August 2019 12:39
To: Ilze Couvaras
Subject: [EX] RE: MOBILE UNITS : CAPACITY AND WEIGHT

Dear Ilze,

Good to hear from you.

See example below for approx. weights.

1 x 8 Bay Mobile

Dimensions: 2320 H x 4100 L x 1100 W x 400 D. = 4.51 square metres. Approx. weight 560kg empty.

Approx. weight per Bay = 70kg empty.

Approx. weight of files per level = 30 kg.

e.g. 1 Bay with 5 levels = 70kg + 5 x 30kg = 220kg etc., etc.

Trust that the above answers your questions.

Have a good weekend.

Best regards,

GRAHAM FLYNN

M: +27 (0) 82 774 1500

E: graham@sfsfiles.co.za



SPECIALISED
FILING SYSTEMS

Get Sorted!

From: Ilze Couvaras <Ilze.Couvaras@stellenbosch.gov.za>

Sent: 02 August 2019 10:14

To: 'Graham' <graham@sfsfiles.co.za>

Subject: MOBILE UNITS : CAPACITY AND WEIGHT

Hi Graham

I refer to your email of 2016, attached hereto for your ease of reference, and wish to investigate the weight difference should we acquire units that consist only of 5 or 6 levels. The bottom level closest to the base is often just left vacant due to the difficulty in going so low to retrieve files.

We are looking at rather spreading the weight and coverage, than making use of height and volume. We have discovered that the height of 8 levels and even 7 levels cause serious constraints. Staff can't reach that high without a ladder and secondly the added weight caused fatigue on the system and maintenance issues as a result.

Kindly furnish me with an estimate of what weight per m² the bays of a height of 5 or 6 levels will have.

Your assistance herein is much appreciated.

Kind regards/Vriendelike groete,

Ilze Couvaras

Administrative Officer

14.	CONSIDERATION OF NOTICES OF QUESTIONS AND NOTICES OF MOTIONS RECEIVED BY THE SPEAKER
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14.1	MOTION BY COUNCILLOR F ADAMS: NAME CHANGES WITHIN WCO24
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A Notice of a Motion, dated 2019-08-13, was received from Councillor F Adams regarding name changes within WCO24.

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

FOR CONSIDERATION

FOR FURTHER DETAILS CONTACT:

NAME	Geraldine Mettler (Ms)
POSITION	<i>Municipal Manager</i>
DIRECTORATE	<i>Office of the Municipal Manager</i>
CONTACT NUMBERS	021 808-8025
E-MAIL ADDRESS	Municipal.Manager@ Stellenbosch.gov.za
REPORT DATE	2019-08-28

APPENDIX 1



CONTACT: oackcity2010@yahoo.com
P.O BOX 12445
DIE BOORD
7613

30 July 2019

Without Prejudice:

RE: Motion

I hereby submit the following Motion in terms of the Rules of Order to serve at the August 2019 Council Meeting.

Motion: That Council agrees to various name changes within WCO 24.

Background/ Motivation:

During the month of Heritage Celebrations I think that all genuine Councillors would agree that this motion is appropriate.

It is important that we remembering the true heritage of the many cultures that make up the population in SA. South Africans are encouraged to celebrate their culture and diversity of their beliefs and traditions in the wider context of a nation that belongs to its entire people.

If one look at the current street names in the CBD, it doesn't reflect any diversity and unity but rather the historical significance of the minority in this country. The idea of changes is not to disrespect one or the other but rather reflects a balance and equality through diversity.

It will have various positive spinoffs for the town and at least the majority of its resident's e.g. educational, tourism and transformation.

Recommendations:

That Council resolves on the following changes:

1. Berg rivier to Autshumato : Khoisan Chief.
2. Idasvalley Sportsfield to Reggie Jantjies : Local soccer Legend
3. Pleinstreet to Nelson Mandela
4. Andringa to Frank Anthony : Local Ex-Political Prisoner on Robben Island and resident of Die Vlakte.
5. Victoria street to Krotoa
6. Bird street to Chris Hani



CONTACT: oackcity2010@yahoo.com
P.O BOX 12445
DIE BOORD
7613

7. Ryneveld street to Russel Botman
8. Mandate the MM to start a public participation process and also to formalize a process for the election of a panel to facilitate such process by at least end of ~~August~~ ^{October} 2019.

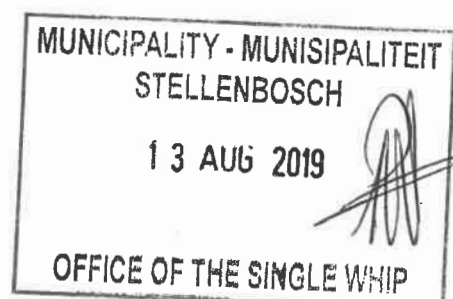
The purpose of these name changes is not to disrespect one or the other but rather to reflect some balance and equity through diversity.

Clr. Franklin Adams

Seconded.

Clr. D. A. Hendriks

ALUTA CONTINUA



14.2	QUESTION 1 BY CLLR F ADAMS: 10 YEAR CONTRACT
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A Notice of Question, dated 2019-08-14, was received from Councillor F Adams.

The said Question is attached as **APPENDIX 1** and the appropriate response as **APPENDIX 2**.

FOR CONSIDERATION

APPENDICES:

Appendix 1: Question by Councillor F Adams

Appendix 2: Response by the Executive Mayor

FOR FURTHER DETAILS CONTACT:

<i>NAME</i>	Geraldine Mettler (Ms)
<i>POSITION</i>	<i>Municipal Manager</i>
<i>DIRECTORATE</i>	<i>Office of the Municipal Manager</i>
<i>CONTACT NUMBERS</i>	021 808-8025
<i>E-MAIL ADDRESS</i>	Municipal.Manager@ Stellenbosch.gov.za
<i>REPORT DATE</i>	2019-08-28

APPENDIX 1



CONTACT: oackcity2010@yahoo.com
P.O BOX 12445
DIE BOORD
7613

Democratic New Civic Association

“Without Prejudice”

13 August 2019

For attention : The Speaker

Stellenbosch Municipality



Re: Question.

I hereby submit the following question to serve at the August Council meeting.

Motivation/background

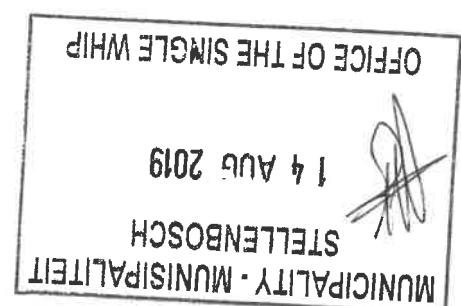
1. I refer Council to letter from the Director Corporate Services, dated 2 November 2016.
2. Subsequently Adv. De Beer asked basically two things.
 - a) Requesting the MEC to waive the upper limit for cost to company and
 - b) To request Council to consider a 10 year contract.

Question:

Although the mayor brought the request for the waiver on the upper limit. I want to know why she failed to also bring the request for the 10 years to Council.

I request the Mayor to answer this in writing.

Clr. Franklin Adams



APPENDIX 2



STELLENBOSCH
STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

**Kantoor van die Uitvoerende Burgemeester
Office of the Executive Mayor
iOfisi kaSodolophu olawulayo**

Cllr F Adams
DNCA
Stellenbosch Municipality
STELLENBOSCH
7600

QUESTION BY CLLR F ADAMS:

Although the Mayor brought the request for the waiver on the upper limit, I want to know why she failed to also bring the request for the 10 years to Council.

REPLY:

The response to the above question was provided on numerous occasions.

Adv GMM van Deventer
EXECUTIVE MAYOR

Date: 2019-08-23

15.	CONSIDERATION OF URGENT MOTIONS
-----	---------------------------------

16.	URGENT MATTERS SUBMITTED BY THE MUNICIPAL MANAGER
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17.	REPORTS SUBMITTED BY THE SPEAKER
-----	----------------------------------

NONE

18.	REPORTS SUBMITTED BY THE EXECUTIVE MAYOR
-----	--

NONE

19.	MATTERS TO BE CONSIDERED IN-COMMITTEE
-----	---------------------------------------

(TO BE DISTRIBUTED UNDER SEPARATE COVER IN DUE COURSE)

THE AGENDA HAS BEEN DISCUSSED WITH THE SPEAKER, CLLR WC PETERSEN (MS), AND SHE AGREES WITH THE CONTENT.
